

CHESS FEDERATION OF CANADA

GOVERNORS' LETTER SEVEN

2007-2008



Responses may be mailed, faxed or E-mailed to the Chess Federation of Canada, E-1 2212 Gladwin Crescent, Ottawa, ON, K1B 5N1, fax: 613-733-5209, E-Mail: info@chess.ca

ATTENTION ALL GOVERNORS: Anyone with an E-Mail address can have their Governors' Letter sent to them via E-Mail and save the CFC paper and postage costs. Please E-Mail info@chess.ca if interested.

Deadline for submissions to GL#8 is Friday April 25th, 2008

President's Message

In light of our delays with this GL there is more to report. Please have a seat.

CFC Operations:

Over the past several months a dedicated committee comprised of myself, Gordon Ritchie and Stijn de Kerpel have been engaged in an operational review. Despite many improvements at the National Office, it is clear to each of us that our current operating model is not sustainable and that significant changes are necessary for our survival. The first four moves are forced:

1. Outsource our daily operations.
2. Broker our merchandise business
3. Sell the CFC Office
4. Replace the printed magazine with an online version.

The next three moves are indicated, but we need your help with the analysis and effort:

5. Strategic alliances with CMA (and the FQE, see move 6.)
6. Comprehensive review of our membership structure and revenue split with the provinces, including Quebec.
7. Better support for organizers and arbiters in pursuit of better tournaments.

1. Outsourcing: After reviewing a number of alternatives, our committee negotiated an agreement with Three Knights Services - the entity which currently produces our magazine, *Chess Canada*. The key individuals at Three Knights Services are Robert Hamilton and John MacPhail - both capable and well known members of the Canadian chess community. In addition to ratings and other daily functions, they have set out an ambitious schedule of web technology development. Their work schedule for year one is included in Appendix 2.

The CFC Executive has discussed and approved this agreement by a vote of 5-1. Lyle Craver voted against and Past President Doubleday did not respond. As committee members, Stijn and I originally abstained but were since counselled that we should vote. Abstention would be quite insincere in my case since I was the chief proponent of the agreement. The Office staff has been notified and the agreement was signed April 9. A one month transition period is underway.

2. Brokering the merchandise business: We are well advanced in discussions with the Chess and Math Association regarding handling CFC retail operations and expect to conclude an agreement with them this month (April). In essence, CMA will purchase our inventory, fulfill our sales orders and pay a commission to the CFC.

3. Sale of the CFC Building: We have discussed this matter with an Ottawa real estate agent, and have been advised that only minor cosmetic improvements are required prior to listing. The building will be on the market before the end of the month.

4. Online Magazine: This one was a tough call. Although we can no longer afford the printed magazine, there will be an electronic version of *Chess Canada* and many online initiatives aimed at benefiting the Federation and its membership. With the planned changes we are confident that the Chess Federation of Canada can become a leader among Chess Federations in terms of its online presence and the usage of intelligent technologies for delivery of services. The printed magazine may return when sufficient profitability returns.

With your help, I hope we can make moves 5,6 and 7 together:

5. Strategic Alliances: The retail deal with CMA is the first step in what I hope will become a sound partnership wherein the CFC rates all CMA tournaments and CMA becomes intimately involved in our youth program. This kind of arrangement was envisioned during Chris Mallon's tenure and was stalled at

the legal stage. Informal talks have also occurred, with the help of Denis Nadeau, regarding FQE re-affiliation. We must find a way to make this happen. The status quo is not fair but has its rationale.

6. Membership Structure: I hope we can prepare this component for the AGM. A previous motion this year for a member increase was defeated but we need a solution. Subscriptions and Participating Junior memberships are 2 types of membership which are now obsolete. As part of this process, a dialogue is necessary with the Provincial Affiliates, and I hereby open this discussion. A tiered price structure may be sensible for young initiates but we cannot afford free delivery. This leads to move 7.

7. Support for Organisers and Arbiters at Better Tournaments: Before I hear anything more about discounts, please consider this: If chess prices are so sensitive, why are the most popular tournaments in Canada and the US the most expensive ones? Contrary to popular opinion, chess players are not all cheap – they are choosey. In this sense I believe our community is quite typical. Like most consumers, we will pay a premium for quality. So let's strive to deliver quality!

To conclude, I believe that these changes will return our Federation to a path of sustainability, and I am prepared to stand for a second term as President to see this plan through. The transition is sure to have its challenges, and I urge all of you to be patient and stay positive. Equally important is your input on moves 5, 6, and 7.

CFC Treasurer

Many of you have expressed concern about our ongoing state of Treasurerlessness. Please know that I have undertaken an active search to fill this position with an individual of Bob Gillanders' professional standing. Although this search did not bear fruit, I am pleased to confirm that Bob Gillanders will return to his post as Treasurer following a one-month transition period with Three Knights Services (ie mid May).

Pan-Am Women's Championship:

I hope you will all join me in wishing Yuanling Yuan the best of luck in her upcoming test at the Pan-American Women's Championship. Yuan has agreed to represent Canada at her own expense and I for one will be tracking her performance with great interest.

Sincerely

Hal Bond, IO, IA
President, Chess Federation of Canada

Message from the Secretary:

This Governors' letter is late and this time the fault is all mine. I did not start work on this GL till two weeks after the last voting deadline and I will endeavor to ensure this does not happen again. Mea culpa, mea maxima culpa.

Shortly before the GL was ready to go to press, the above proposal came forward and most of the last three weeks has seen the Executive discussing pretty much every angle of the TKS proposal. As indicated by the President, I voted against though I feel many of the points I raised have been incorporated in the agreement.

My view is essentially that the proposed measures to save the sinking ship go beyond what is absolutely necessary but more importantly should not have been advanced without reference to the Governors. For anyone in doubt I do NOT advocate the standard "two discussions plus a final vote" but rather a general enabling resolution.

What in the end convinced me not to resign as national secretary was in fact what I consider the poor

level of Governor involvement in the affairs of the CFC. Many Governors have been active in promoting chess in Canada but far too many have been part of the problem by their lethargy. This is specifically a huge contributing factor in how CFC affairs have come to this pass. No one should be a Governor who is not prepared to be an advocate for chess in their geographic area.

I cannot pretend I like the President's proposal – it feels like we are being asked to gargle not with cod liver oil but gasoline. I do believe it compromises the ability to serve our members though there is no question that continuing the present path without change means insolvency within the next 3 to 5 years. I wish I was certain the present proposal does not "eat our seed corn" to enable us to grow again once this present crisis is passed. It is my hope that the current level of tournament activity increases as I am skeptical the TKS fee schedule is financially sustainable at the present level of tournament activity. However at this point it is a case of kneeling or being beaten down – we simply cannot afford two more years like the last two.

It would not be productive to go into detail itemizing the grievous errors made in the last 5 years – there have been LOTS of recriminations at the CFC Executive level on this point. The most egregious in my view has been the failure to produce a Christmas catalog in 2006 and 2007 – this has cost the CFC tens of thousands of dollars in lost sales and in my opinion is the biggest single contributor to the proposal to sell off what I consider one of the CFC's "crown jewels". I specifically do not think this part of our operation should be sold and this and the non-reference to the Governors were the main elements in my dissent.

Make no mistake about it – this is the single most important CFC decision of the century so far and I hope I speak for the entire Executive in hoping to hear extensive feedback from the Governors on this matter.

Administrative matters:

Alexander Nikouline of Manitoba has resigned as a governor and been replaced by Ken Einarsson.

David Steer has been appointed to fill Saskatchewan's vacant Governor position.

Maurice Smith's vote was not recorded last GL on the Olympic team motion. I am satisfied from inspecting the e-mail headers etc. it was cast before the voting deadline. Since his vote was the same way as the president's the voting result remains unchanged. My apologies to Mr. Smith.

Please note the advertisement for the 2008 Canadian Junior Championship in Appendix 1. Governors are encouraged to reprint this notice for players in their area.

Best regards,

Lyle Craver, Regional Tournament Director, International Arbiter
Secretary, Chess Federation of Canada

Executive Directors' Report

GL#7 (2007–2008)
Executive Directors' Report

First, again let me thank all of those who have extended words of encouragement, they are truly appreciated.

We continue to make progress at the CFC office, but it is painfully slow. I realize that this sounds like a broken record and I share your frustrations. I will expand further in a moment, but first an update on the finances.

Financial statements for the 3rd quarter (ended Jan 31, 2008) will be ready for GL8. I had hoped to include them in GL7, but that has turned out to have been overly optimistic.

On March 10, 2008 we received a loan of \$ 30,000 from the Chess Foundation. The funds are being used to pay provincial association dues, the FIDE semi annual invoice, 2008 property tax instalment, and a backlog of accounts payable. A restructuring of the organization is required to adequately respond to our reduced revenue base and membership numbers. Maintaining the status quo and financing deficits by continually raiding the foundation is not a viable solution. Options are being explored by the executive and I eagerly await their report promised for GL8.

The weekly rating updates have been well received. I am firmly committed to maintaining this level of service. I understand the USCF do their ratings updates every 6 weeks, and FIDE every 3 months. So we are ahead of the curve in ratings. I am further hoping it serves as a motivating factor and brings back members. I fully support the motion to bring back participation points. I would hate to see the effects of rating deflation negate the positive motivation generated by weekly updates.

We hit a few bumps in the road to meet our magazine delivery schedule for 2008. The first issue was delivered to most members in the 1st week of March. We delayed the schedule to include better coverage on Bobby Fischer. We also met with some unexpected technical difficulties.

The annual charity return for 2007 has finally been submitted. I have confirmed with CRA (Canada Revenue Agency) that they received it on February 8, 2008. They also advise me that it can sometimes take a few months to update the CRA website. The report to CRA is the same as we reported in the GL's. We missed the filing deadline of 6 months after yearend, but we did meet the extended deadline of February 25, 2008. This year we must certainly do better.

Improving the integrity of the membership database continues to be our most distressing issue. This is also a very labour intensive exercise which defies a quick fix. Progress has been made but we continue to face the following challenges:

1. Membership renewals from last year not updated properly for expiry dates.
2. Missing or old addresses. This is critical for magazine delivery and renewal notices.
3. Missing birth dates. This is critical for inclusion in top junior lists.
4. Email addresses. I would like to get a critical mass of email addresses so that we can begin corresponding electronically and save postage costs.
5. Members being issued 2 separate CFC numbers. This can happen for a variety of reasons, sometimes due to incomplete or wrong information submitted. It then takes considerable effort to combine the tournament records of these individuals.

Maintaining a good membership database is critical to efficient operations. Once we have achieved that, good data mining techniques should supply us with valuable information.

Our annual census due May 1 will soon be upon us. My best estimate is that membership levels will be very close to that of a year ago. Similarly the volume of rated tournament activity for the first 3 months of 2008 is almost identical that of last year. A draw.

Respectfully yours,

Robert Gillanders
Executive Director
(March 30, 2008)

RESULTS OF VOTING:

Motions for Final Vote:

None

Motions for Second Discussion:

Motion 2008-10: (Moved/Seconded Peter Stockhausen/Lyle Craver)

Bonus Points in the Rating System

Comments

About ten years ago we removed just about all bonus point provisions from the CFC rating system. This had the effect that any trace of inflation was removed. While theoretically appropriate, as in the general economy, it is a **VERY** bad idea. A little inflation is absolutely necessary to keep the system and our customers going.

Therefore we propose the following:

A, Participation Bonus	(No Restrictions)
Rated 0000 - 1000	2.00 Points per game played
Rated 1001 - 1800	1.50 Points per game played
Rated 1801 - 2000	1.00 Points per game played
Rated 2001 - 2200	0.75 Points per game played
Rated 2201 +	0.50 Points per game played

B, Result Bonus	(Performance Rating must exceed highest CFC Rating ever)
0% - 59%	No points
60% - 70%	5 Points
71% - 89%	10 Points
90% +	15 Points

Hal Bond: I agree with Peter Stockhausen's sentiment, but I have 2 comments.

First, we have a motion on the books regarding the award of bonus points, which eliminated the condition of being applicable only to peak ratings. This motion was never enacted because no one at the Office could modify the rating program.

Second, a rating committee was struck during the Mallon administration and to my knowledge was not disbanded. The committee agreed to monitor the rating system and make further adjustments when the CFC collected birth years of its members.

Bob Gillanders: I support Peter's motion to add participation and bonus points back into the rating system. A system without such a provision will succumb to rating deflation over time simply due to demographics. New players (beginners) are added to the pool, improve and increase their rating, get older and eventually stop playing. We are continually adding low rated players and eliminating higher rated players. Over time, the average rating in the pool is lowered. End of discussion. There are those of you who will disagree, recite all kinds of statistics and anecdotal evidence, but they are simply missing the forest for the trees.

The Mississauga chess club started a Junior club back in September 2007. They were all beginners with no ratings and no tournament experience. There have been a few adds and subtracts over the months, but mostly the same group. With a few exceptions, they don't play any rated games outside our junior club. In the first 6 months, most players have demonstrated a definite improvement.

We began running rated tournaments for them in September 2007. We have run 7 tournaments for them to date. The kids are very keen to see their ratings updated after every tournament. It is a real motivator.

For the first tournament, we assigned a starting rating of 500 for everyone. We employ the normal formula but add 5 participation points for each game played. Tournaments are 6 rounds, 2 games per week. After 7 tournaments, most kids have a rating of 600 - 800, with a few just over 1000. The kids are enthusiastic to see their improvement reflected in their rating. The improvement is real, these are not

inflated ratings. If we had submitted these tournaments to the CFC for rating, the average rating would still be 500. Their real improvement would not have been recognized, and they would be understandably discouraged.

Michael von Keitz: My only issue with Motion 2008-10 is that I feel a results bonus should not be contingent upon a performance rating that exceeds your peak rating. When considering this proposed stipulation, the name of Warren Dutton comes immediately to mind as an argument against it. Instead, perhaps having a performance rating higher than the average rating of your opponents - with the requirement that the average be higher than your current rating (+n?) - would be more appropriate?

Stephen Wright: is there any mathematical/scientific basis for the motion? For that matter, there was a ratings boon some 18 months ago - have there been any studies to determine if this had the desired effect, or whether further modification (possibly including this motion) is required? Is the rating system being overseen on an ongoing basis?

Motions for First Discussion: None

General Comments from Governors:

Michael Barron: Thanks to our Executive Director Bob Gillanders for his good work!

It's much easier to communicate with the CFC Office and solve day-to-day issues now!

Among other achievements I especially appreciate weekly rating updates and prompt responses to inquiries.

I believe that Governors' decisions should be promptly reflected in the CFC Handbook and used in the CFC's operations, therefore I would volunteer to help our Secretary in preparing the list of the recently passed Motions that require CFC Handbook changes.

Ken Craft: The motion is clearly in order. It is not the same as 2005-14. I am really beginning to wonder where the President is getting his parliamentary advice (sic). I am formally challenging the President's ruling. I hope he knows the steps to deal with a formal challenge?

P.S. The merits of the motion are a completely separate issue.

Gary Gladstone: Thanks. I have no problem with my motion being ruled out of order if it is already in place, then let's just ENFORCE and publicize the existing rule

Chris Mallon: I would like to challenge the ruling of the Chair that Motion 2008-09 is the same as 2005-14 and thus out of order.

In fact, 2005-14 applies to the Tournament Membership Fee, while 2008-09 as written would also require memberships of youth players in youth-only championships (Junior, CYCC) rather than the current situation, which does not require them to be members nor does it require them to pay the tournament participation fee since the events are youth-only.

Certainly there is a lot of overlap however it is not a complete re-hash of the previous motion. Which I note is not even strictly followed anyway.

Hal Bond: Gentlemen;

In view of the recent challenge to the chair regarding the above motion, I ask that the movers review the motion in current force (2005-14) and resubmit a new motion which deals with any specific issues not already covered.

Please advise if this is satisfactory.

Stephen Wright: Motion 2008-09: Agreed. If a similar motion is already in effect, all the better - now the emphasis shifts to implementation...

Appendix 1:
**The Greater Toronto Chess League
and the Chess'n Math Association present:**

THE CANADIAN JUNIOR CHAMPIONSHIP 2008
for players born in 1988 or later

May 9, 10, 11, 12 & 13

******* A NINE ROUND SWISS TOURNAMENT *******

Time of Rounds: May 9: 6:30 pm;
May 10, 11 and 12: 1 pm and 6 pm;
 May 13: 9:30 am and 2 pm.

TIME CONTROL:
90 minutes for the game with 30 seconds increment per move.

ENTRY FEE: \$150 (cash or cheques received by May 1, 2008)
Late Fee: on day of tournament \$10 extra.

PRIZES:

Winner will be Canada's representative at the World Junior (paid for). Top Girl will be invited to compete for Canada at the World Girls (partially paid for – according to the number of participating girls). \$100 from each entry will be transferred to CFC for World Junior expenses.

Location: CMA Chess School, 1650 Bayview Av., Toronto, ON

All equipment provided by CMA.

FIDE and CFC Rated: CFC membership required.

Entries & Info: Michael Barron, e-mail: barron045@yahoo.com

Keep informed: www.torontochess.org

Appendix 2:

TKS Work Schedule

April 1 – May 1, 2008

Initiate 30 day transition phase. This involves copying the CFC technology and setting it up at its new Linux based host. This time frame will be used for both improving back-end performance of the CFC website and becoming familiar with all aspects of CFC technology. During this time frame it is recommended that the CFC continue to perform all normal office functions and be available to provide support as required.

April 1 – May 1, 2008

Establish new office location. There will be a re-do of the CFC's image, establishment of a new P.O. Box, printing of stationary, opening of bank accounts, finalization of all initial operating procedures and training of support staff. An ongoing activity will be co-operation with the CFC Executive on policy formation issues that relate to operations. Communicate new location/contact information to all key CFC contacts.

April 15 – May 15, 2008

Initiate full operations at new location. Prepare communications mailing piece for all CFC members indicating that the impending magazine is to be electronic and encouraging members to complete a new online membership form to capture e-mail address' and other important information. It is recommended that this not be the sole mail-out to membership in this regard and that subsequent mail-outs be done to those who do not go online and register occur at future pre-agreed dates. Review all new procedures and finalize all details associated with hosting Chess Canada online. Complete the electronic Issue 2, edition of Chess Canada.

May 15 – July 15, 2008

We anticipate that May 1 – July 1 will be a very busy time frame for operations in terms of responding to a vast amount of feedback from members about moving CFC operations and the elimination of the printed copy of the magazine. We will be prepared for this and all operations will continue as normal. Continued improvements to the CFC website will be made, including the finalization of the over-all development plan for the website. The magazine hosting location will be improved and a review of all required policy decisions effecting operations from July 1 to year's end will occur. A new commerce system will be put in place and the CFC's new web based shopping location will be established. We will review available chess technologies from Chess and Math and Chris Malon for possible integration in CFC technical plans. Chess Canada will be worked on as normal.

July 15 – August 15, 2008

We anticipate that the volume of enquiries at the CFC will be high as a result of summer traffic to events such as the Canadian Open and Canadian Youth. Operations will continue as normal and the magazine will be completed for posting on August 1. All members who went online as a result of the first mail out and provided e-mail addresses will receive e-mails linking them to Chess Canada. Operations of the new CFC store/commerce system will be reviewed/improved and we will develop a new and efficient e-mail program to minimize the effort required on behalf of operations to deal with incoming e-mail enquiries.

August 15 – October 15, 2008

This time frame will feature the most significant and visible changes to the CFC. Within these dates we will establish the entirely revised CFC website with all new navigation and artwork. In addition we will work on Search Engine Optimization for the new website and implement/analyze tracking mechanisms to better understand visitors' behaviour patterns. The work to be done in this time frame will not include the development of event specific websites for national championships or the implementation/integration of tournament management software. Issue 3 of Chess Canada Online will be posted August 1.

October 15, 2008 – January 15, 2009

In this time frame we will monitor and improve all website work to date. Ongoing work will occur with Search Engine Optimization and we will complete/integrate the new tournament system software. Issue 4 of Chess Canada Online will be posted on November 1. We will prepare such tools as how to use the software slide show for prospective tournament organizers in Canada. New artwork will be prepared for all national championships along with template ads/posters. Initial design of the new national championship site websites will be initiated.

January 15 – April 1, 2009

New websites will be launched for each of the Canadian Open and Canadian Youth Chess Championships. Each of these sites will be content rich containing a menu in which visitors can access sites by year enabling navigation to previous year's event stories, photos and cross-tables. The websites will feature a state-of-the-art game viewer showcasing games from previous events. A "How to" user guide will be developed for all future Canadian Open/Canadian Youth Chess Championship organizers. Issue 1 of Chess Canada Online 2009 will be posted on February 1.

Motions for Final Vote: None

Motions for Second Discussion:

Motion 2008-10: (Stockhausen/Craver) Bonus Rating Points

Motions for First Discussion: None

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