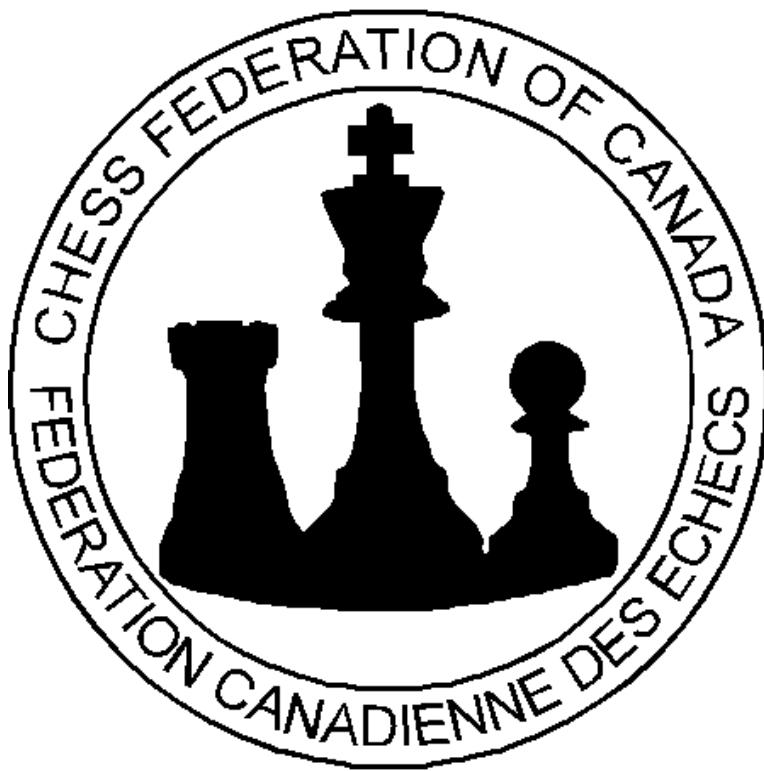


**CHESS FEDERATION OF CANADA
GOVERNORS' LETTER THREE
2008-2009**



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#4 is Friday, January 5, 2009

President's Message

This GL was delayed for two reasons. One was a simple error in communication. I asked Lyle Craver to send out the GL without up-to-date financials but, due to the large amount of correspondence, he simply missed my email. And then last week Lyle fell suddenly ill and was out of reach for a week. He is fine now and did the report from his bed last night. He's a committed soul!! And now on to my report

A number of our initiatives have moved forward, there have been a few hiccups, and with each project successfully completed a few more get added!

The financials are in and the bleeding is starting to end. Please keep in mind that these statements only cover a few months of the new initiatives that have been put into place to reduce costs. While we do have a paper loss of over \$8,000 please keep in mind that while book and equipment inventory has been paid for ages ago it is only listed as an expense item when sold. So cash flow is actually prettier than these financials indicate. Other key points to note are that membership dues and rating fees combined for about \$36,000 in revenues. For fiscal 2010 I think that a reasonable budget would allow for \$85,000 in revenues from all sources and at current rates. Our office and administration expenses were over \$60,000 in the reporting period. This is clearly unsustainable. Revenues have to increase and/or administrative expenses have to decrease. I will be sitting down with Bob Gillanders over the holidays and we will be tackling this core issue.

The CFC building has been sold for \$142,000 with a closing date of January 15th. Our thanks to Les Bunning and Stijn de Kerpel who both did an incredible amount of work to make this happen. The Foundation will be paid off immediately. The Executive unanimously feels that everyone should resist the temptation to spend this money on new initiatives. There is still a lot of structural reform that needs to be implemented.

The on-line magazine experienced a serious hiccup when it was discovered that the team of Lawrence Day and Bill Evans lacked the technology skills to implement the magazine as planned. Vincent Chow is now spearheading the technology of the magazine. The incredibly good news is that his fee of \$3,000 is incredibly fair! In the short term, Vincent will be acting as the interim editor. The Executive felt that since most content will be provided by local organizers and paid columnists, the editor did not need to be a 2200+ player. So far, Lawrence Day has agreed to a monthly column which will probably focus on his best games over his 40 year career. As well as being incredibly instructional, it will provide an interesting history of chess in Canada. Kevin Spraggett has also agreed to provide three in-depth articles including annotated games and photos, of three tournaments he will be participating in during the early months of 2009. Other top players have been asked to contribute. As well, we are eagerly anticipating a great Olympiad Report. We aim to launch in early/mid January. We will be encouraging TD's organizers, and other to provide content. We want this to be the hub for chess in Canada.

The book and equipment business has been successfully outsourced. We concluded that we simply couldn't compete with Amazon.ca and decided to join them rather than fight them. Their prices are significantly lower than any other retail outlet in Canada, they provide incredible

service, and a portion of every sale goes to the CFC. Equipment sales have been outsourced to FEN at very favourable rates. They have guaranteed us a minimum of \$6,750 or 20% of sales, whichever is greater. This is a substantially better deal than any other offer that was presented to us.

I think that the Executive has achieved all of their initial goals. The future will be very interesting. The immediate priority is a balanced budget for fiscal 2010.

Secondly, we need to encourage all TD's to use the new SwissSys system. It saves us an incredible amount of time - time that the CFC pays for through salaries. It would be great if all Governors's used the system and encouraged other to as well.

Thirdly, we need to review revenues from membership and ratings. Can we realistically and reasonably raise any of these fees?

Fourthly, we need to review FIDE dues. Currently FIDE represents more than 10% of our operating expenses but these expenses are not fully recovered from tournaments etc.

Fifthly, we need to look at building the membership base. The CFC needs to work with local organizers. We need great tournaments that people want to play in.

Sixthly please add your topic and thoughts to the discussion board!

Happy Holidays and a wonderful New Year to all!

David Lavin
President, Chess Federation of Canada

Message from the Secretary:

This Governors' Letter has been long delayed (this past week due to emergency surgery on my part) but I'm glad to be out of hospital and ready to go – it is definitely not 'eggnog time' yet!. Please pay especially careful attention to the reports this issue as there is important news. The most important of course is the sale of the Business Office building and how understanding this impacts our future. Other important items are an upgraded to the method of submitting tournaments and new tools for the Tournament Director – please see the President's and Executive Director's reports for details. Please also check out Appendix 1 which contains a bid for the 2009 Canadian Junior Championship. Owing to the proposed date of the tournament we are requesting an e-mail vote to be held with a deadline of Tuesday December 30th. Let's give our Albertan friends a strong mandate! Details of the bid are in Appendix two.

Updated CFC Financials are in Appendix one. They represent clear progress but there is much yet to do. Congratulations to the office staff for their hard work in bringing this about. We are now not a minor piece down but "merely" two pawns down – and while that's an improvement we all know where that leads in 30 moves without further improvements!

A bit of background on how I look at the administrative side of the CFC: I make my living in a business with a little over \$2 million/year in sales, about 35% of this being mail order. Thus I take special "pleasure" in reading the financial reports. (This is one of the "benefits" of a business school education!) Progress has definitely been made over 2007-2008 but there remains important work to do. Fundamentally what it comes down to is that if things are in a deficit position mere survival implies

reducing costs, increasing revenues or preferably a combination of both. I know I'm stating the obvious but Tal shocked a lot of Soviet-era grandmasters by saying he often watched the kids' chess lessons on Russian television as it was good to review basic concepts. But then we're not after mere survival any more than Tal was – as a director the payoff has always been the players packing up on the last day and shaking your hand and saying what a great time they had.

I've always felt that a key part of the Governors' job is to be an information conduit both top down but more importantly up from the grassroots as well. I urge you to think of yourselves as ambassadors for the game in the community.

With the outsourcing of much of our services to members, what functions should members reasonably expect us to be focusing on? This is a discussion we need to be having and I urge you all to discuss this with the members in your area. What **MUST** we do? What **SHOULD** we do and what would we **LIKE** to be able to do?

We've got a story to tell and it's a good one – but we need to be constantly ready to market the services we offer in every way we can! Governors play a hugely important role in getting the Federation's word out to the average player. Mr. Tournament Director – check out what we have for you! Players – we have some deals you won't find elsewhere. We stand or fall on our players, club directors, tournament directors, and organizers. Although we play our game silently, in 40 years of tournament play I've never seen a tournament anywhere that was not primarily a social event where one happened to see some really good chess.

And THAT friends, is what it's all about.

Last of all the best of the season to you and yours and my best for 2009.

Lyle Craver
Secretary, Chess Federation of Canada

Treasurer's Report

Well, I have about the easiest time of it as CFC Treasurer ever, since despite my accounting experience, our ED, Bob, has about a million times more!

This means that I really have very little to report. You can see the latest financials included here however the face of the CFC is changing so quickly right now they aren't a good indication of where the CFC is going.

As we begin to achieve more certainty regarding costs and revenues going forward we are piecing together a budget which should be easily sustainable and balanced for the CFC, so that we won't have to see big losses piling up anymore.

I would encourage all Governors to tell as many people as possible about the CFC's new Amazon store. The link is very prominent on the CFC website, but here it is just in case:

<http://astore.amazon.ca/chesfedeofcan-20>

The CFC gets a small percentage of sales from here, and the prices are unbeatable! There's also a bonus, if you click the Amazon button while in the store, it will take you to the main amazon.ca site and let you order anything, not just chess books, and the CFC will get a percentage of those sales also! Plus free shipping on any order over \$35. Here is that link:

<http://www.amazon.ca/?%5Fencoding=UTF8&tag=chesfedeofcan->

[20&linkCode=sb1&camp=212357&creative=380577](http://www.chess.ca/20&linkCode=sb1&camp=212357&creative=380577)

I think Bob and David have pretty much covered everything else that needed covering from a financial point of view.

Cheers!

Christopher Mallon
CFC Treasurer

Youth Coordinator Report

This year's WYCC had 24 Canadian Team Members participating in Viet Nam. Canada had it's highest ever finish with Kelly Wang from Québec and Eric Hansen from Alberta. The Team had over 50 % won games which is the highest ever. Congratulations! Thank you Bob Gillanders for all your work and time spent on this event.

We would like to increase the participation of more provinces in the qualifier events for the CYCC. To encourage this participation we are planning to have easy information packages accessible to TD's. These will include information about how to run the tournaments, forms to send to the media for publicity and other pertinent information to get someone started. As added incentive, we project to send CFC medals and a Team Canada CFC t-shirt for the organizer. This is anticipated to be revenue neutral as the organizer must contribute to the CYCC series program. For 2010 CYCC there should be an extra charge for CYCC participants who did not go through a qualifier tournament. The CFC should provide help to organizers of every province so that children of every province have the opportunity to benefit from the YCC series.

To promote chess in schools, on Dec 18th my husband and I went to the Ministry of Education of Ontario, French section, to meet with upper management from the 12 French language School Boards of Ontario. The presentation lasted about 1 hour and was introduced by a letter of support by CFC president David Lavin. We had a Power Point presentation that had been sent beforehand and lots of pictures of children playing chess. It was well received and there were several inquiries about development and cost. Chess is well perceived in Education but there seems to be uncertainty on how to develop it. If anyone wishes a letter of support to contact education authorities in their region, I would gladly oblige. Chess in schools could be a good future for the CFC.

Ellen Nadeau

Executive Directors' Report

GL#3 (2008–2009)
Executive Directors' Report

First, let me thank those members that have renewed their memberships through these difficult restructuring days. Since the last GL, memberships rose to 1,915 as of Oct 1, then it dropped back a little to 1,908 as of Nov 1.

The new SwissSys rating software for CFC tournament directors is now ready. Only a handful of TD's have used it in these early days, but the program is working fine. I encourage all TD's to begin using the software. Please visit the website and get your free copy.

For all those bargain hunters, I encourage you to visit our new CFC Amazon associate chess bookstore. You get the benefits of Amazon pricing and delivery, and the CFC gets a rebate. We still need to do

customizing to help you sort thru the huge selection, but we will get to that shortly.

Financials for 6 months ended October 31, 2008 are complete. The loss was \$ 8,717. The highlights are:

- Significant cost reduction from discontinuing the printed magazine.
- Office salaries include travel costs of \$ 4,507 for my frequent trips to Ottawa.
- Membership dues and rating fee revenues are remaining fairly stable.

In the second half of fiscal 2009 we will finally reconcile the accounts receivable balances and inventory valuations. These are old problems arising from bookkeeping problems from prior years. We will need to recognize a write down of accounts receivables from overstated sales and uncollectible accounts. Our previous estimate appears now to have been insufficient. We will also need to recognize a write down of inventory due to obsolete and old stock. These items will be identified separately on the income statement as unusual items. It is best to consider them as corrections to prior years' income rather than the current fiscal year.

In the second half of fiscal 2009 we will also be recognizing a significant gain on the sale of the CFC office. As with the items in the previous paragraph, this gain will be identified separately on the income statement as an unusual item. It is best to consider this as a correction to prior years' income, as the gain is in essence a recovery of accumulated depreciation charges over many years. Results for fiscal 2009 will be better judged by excluding all these unusual items.

Sincerely,

Robert Gillanders
Executive Director
December 16, 2008

Message from FIDE Representative:

Dear Governors,

Canadian National and Women's Olympic Teams took part at the Chess Olympiad in Germany in November, 2008:

<http://schachlive.dresden2008.de/teams/m/48/index.eng.html>
<http://schachlive.dresden2008.de/teams/f/53/index.eng.html>

Canadian National Olympic Team finished on 27th place – the best finish since 1986!

During Chess Olympiad in Dresden was held annual FIDE Congress.
International Arbitrator Hal Bond was Canadian Delegate at the FIDE Congress.
Some information from the Congress:

Approved International Titles:

Zhe Quan - International Master,
Christopher Mallon - FIDE Arbitrator.
Congratulations!!!

IA Hal Bond was appointed as Match Supervisor of the Challenger Match Topalov-Kamsky.

The Congress decided on the organization of several FIDE events:
Chess Olympiad 2012 in Istanbul, Turkey,
Junior and Girls Championship 2009 in Argentina,
Junior and Girls Championship 2010 in Poland,
Youth Championships 2009 in Turkey,

Youth Championships 2010 in Greece,
 World Team Championship 2009 in Turkey,
 and decided to invite bids for Youth Championships 2011 from American and African Chess Federations.
 It could be a good opportunity for Canada to host a major international chess event.

For your information:

We received the following events calendar from the Chess Confederation of America (CCA):

CCA CALENDAR 2009

Continental Women Championship		Colombia, option	January 15th
Zonal 2.4 Absolute and Women		Brazil	to be announced
Continental Team Championship		Brazil, option	January 15th
North American Youth		Mexico	to be announced
Pan American Schools Championship		Colombia, Bogota	October
Central America and Caribbean Youth		Panama	August 1/15
Central America and Caribbean Juniors/Girls		Colombia, Cartagena	to be announced
Continental Absolute Championship		El Salvador	July 12/25
Zonal 2.5, Absolute and Women		Paraguay, Asuncion	June 15th
South America Juniors/Girls		Bolivia, Santa Cruz	to be announced
Continental Board Meeting		Argentina	July
South America Youth		Brazil	December 2/12
Pan American Juniors/Girls		Uruguay, Montevideo	to be announced
Zonal 2.3, Absolute and Women		Ecuador, Guayaquil	May
Pan American Youth		Argentina, Mar del Plata	August 15/30

CCA CALENDAR 2010

Pan American Youth		Brazil	
Pan American School Chess Championship		Peru	

CCA CALENDAR 2011

Pan American Youth		Mexico option
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Season's greetings and Happy Holidays!

December 12, 2008

Michael Barron,
 FIDE Representative,
 Canadian Zonal President

RESULTS OF VOTING: (conducted by e-mail)

Votes YES: (14) Barron, Craft, Craver, Demian, Dutton, Erickson, Farges, Hughey, Khoudgarian, Marghetis, Palsson, Steer, Stringer, Thorvardson

Votes NO: none

Abstentions: (1): Evans.

MOTIONS FOR SECOND DISCUSSION: none

Motion 2009-05: (Moved Egidijus Zeromskis Seconded Michael Barron)

It became a practice to held Canadian U8 youth events (open and girls) and send their winners to World championships. However, the current Handbook does not state that these events are official CFC events.

Therefore, I and Michael Barron ,as the seconder, propose this Motion:

Motion that Handbook paragraph 1000(a) dealing with CYCC be amended to read:

(a) The holding of the Canadian Youth Chess Championship ("CYCC"), which consists of the following twelve events:

Canadian Under 18 Championship (open and girls)
Canadian Under 16 Championship (open and girls)
Canadian Under 14 Championship (open and girls)
Canadian Under 12 Championship (open and girls)
Canadian Under 10 Championship (open and girls)
Canadian Under 8 Championship (open and girls)

Rationale:

Changes:

*** The events number is increased accordingly from ten to twelve;

*** The new line "Canadian Under 8 Championship (open and girls)" is a base of our amendment;

*** Words "Under" before each age group. This is a standard practice to call these chess events (e.g., see at the 2008 WYCC regulations

<http://wycc2008.vietnamchess.com/index.php?/Regulations/Regulations.html>

)

Valer Eugen Demian: This motion receives my full support and vote since an overhaul of the Handbook is long overdue. The first time when the issue about running an U8 event for girls and boys was raised by a few BC parents and coaches at CYCC 2006 from Kitchener. That was the year when FIDE introduced it officially in their calendar. It is my pleasure to remember Patrick McDonald's cooperation to create an ad-hoc U8 standings and award medals to the top 3 players on the fly.

Eric Van Dusen: I support this motion as it is updates the Handbook to today's practice.

Motion 2009-06: (Moved Michael Barron, Seconded Lyle Craver)

To reconsider Les Bunning/Peter Stockhausen motion regarding membership and rating fees passed at the AGM.

Michael Barron: This motion was introduced and passed without any advance notice. This contravenes CFC policy of routinely deferring all such motions brought to AGM to GL1 for voting. There was precious little debate on such an important and controversial topic before the vote. Many of those voting had not given this topic enough thought to make an informed decision. Many were voting with proxies.

Ken Craft: I vote in favour of reconsideration.

I presume Michael voted in favour of the motion in question since only an individual on the prevailing side can move reconsideration. All reconsideration does is place the motion back on the floor. It still requires another vote to either pass or defeat the original motion. Check Robert's Rules. I suggest that if the motion to reconsider passes we have another vote on the original motion. Passing the motion to reconsider does nothing other than place the motion before us for reconsideration. We need to defeat 2009-06 once it is back on the floor if we wish to restore the status quo.

Lyle Craver: A motion to reconsider has the effect of repealing the original motion and restores the pre-AGM status quo. Given the effects of the online magazine and SwissSys have not 'worked their way through' it would be wise to determine which if any of the membership options discussed in the Business Plan make the most sense.

Certainly I am of the opinion that "tournament memberships" have devastated the CFC as rather than bringing in new people in droves, regular members have chosen this option and have chosen to play in fewer but larger events. This at least has been the experience in Vancouver – Governors will have to decide whether it matches their experience in their areas.

I am definitely in favour of changing the fee structure but have not yet determined in my own mind what the best way forward is. This motion restores the previous status quo and gives us time to judge the best way forward from here.

Valer Eugen Demian: I vote in favour of this motion. The motion and voting taken in a hurry at the AGM to increase membership and ratings fees to outrageous levels did not have roots in a well thought process and without wide consultation. If Robert Gillanders manages to put together a list of chess teachers and coaches (including those recognized by FIDE), that list could be the beginning of putting together a group to actually promote the thankless work done with kids and juniors. Once such a group is formed, it could work very well together with CFC in setting up a healthy program in this country. Kids and juniors are the future of CFC and they should not be treated with impossible to explain membership and rating fees increases.

Barry Thorvardson: I also vote yes.

The constitution allows email votes and the forum is not yet a legal method for important voting issues.

David Lavin: *I rule that motions 2009-07, 2009-08 and 2009-09 have been validly withdrawn by the originators.*

[I have included discussion of these three motions but as per the President's ruling these motions are hereby withdrawn and will NOT be coming to a final vote. Please do NOT include votes on these in your comments – these discussions are for the benefit of other Governors who may or may not wish to bring forward motions on the subjects these motions cover – and I do hope other Governors propose other matters of this nature ed.]

Backgrounder to 3 Governors' CFC Fees Motions

September 17, 2008

(These motions were submitted by Bob Armstrong, with permission of mover/seconder; commentary prepared by Bob Armstrong, Grassroots' Campaign Coordinator)

Motion 2009-07 (referred to as Motion # 1) – Moved: Barry Thorvardson; Seconded: Gary Gladstone – **CFC Tournament Membership Elimination** – The Incoming Governors' 2008 AGM Motion on CFC fees is amended by deleting from the fourth sentence the words " the tournament membership shall be \$ 10 per tournament for adults, and \$ 5 per tournament for juniors. " and shall be replaced with " CFC shall

eliminate tournament memberships – if a player wants to play in a CFC tournament, s/he must purchase an annual/life membership “.

Commentary: From the minutes of the AGM, we reproduce for convenience the relevant motion:

The following is moved by Les Bunning and seconded by Peter Stockhausen.

Effective January 1, 2009, the membership fee for adult members shall be \$30. The membership fee for junior members shall be \$20. The CFC will discontinue selling family memberships and junior participating memberships effective January 1, 2009. Effective January 1, 2009, the tournament membership shall be \$10 per tournament for adults and \$5 per tournament for juniors. Players in a tournament in which all of the players are juniors shall not be required to be members but shall be required to submit the CFC rating fee of \$5 per player. Effective January 1, 2009, the CFC rating fee shall be \$5 per player per tournament or match.

Chess players must support their national organization by membership and annual membership fee, if they want it to exist. CFC must have sustainable revenue. There is no reason for two classes of members, one subsidizing the other. Also, when tournament memberships were introduced, they were meant as a one-time only thing, to encourage first timers to play tournament chess – they were not meant to become a continuous use membership. Community input has asked for numbers of special case exemptions/partial exemptions for annual memberships. This motion makes clear that tournament memberships must go, but this issue can be fine-tuned at the time of implementation if special cases re annual memberships seem warranted.

Note: this motion, slightly amended, was passed by the Governors as a straw vote at the Incoming Governors' AGM in July, 2008. Also, the CFC membership fees motion passed at the same Governors' AGM in July, as can be seen, did not eliminate tournament memberships, despite the prior straw vote.

Eric Van Dusen: 2009-06: I support this motion as Bunning motion was passed without proper notice. In addition, the CFC is considering the new Executive's business plan and after due consideration, a motion can be passed to adjust membership fees and rating fees.

Gary Gladstone: Good Evening and please remember the Olympian Fundraiser and mention to all your friends.

The motions passed at the AGM in Montreal with regards to rating fee and membership fees were not well thought out and not well discussed. There is absolutely no way that they should be implemented. I am afraid to resubmit my motions, in the event that it means the motions from Montreal will stand and not be amended.

Therefore, I am no longer in a position to put forth my motions, although the outcome of the motions is what I want, and I will support the vote to rescind the motions passed at the AGM.

Hope I've made myself clear and that everyone is happy with this.

Bob Armstrong: The Grassroots' Campaign, through the assistance of four governors, brought Motions 2009-07, 2009-08 and 2009-09 before the Governors, and they were placed in GL # 2 for first discussion.

On behalf of the movers of the 3 motions, and with their consent, I am advising that Barry Thorvardson and Nikolay Noritsyn are now withdrawing all three motions, for the time being. Would you please so note this in the next GL # 3.

When these motions were submitted, we were not aware of the existence of Motion 2009-06, which seeks to rescind the July AGM motion on CFC fees. Our motions seek to amend this very AGM motion. We have decided to support the executive initiative with this motion, to do a comprehensive review of CFC fees in the light of current CFC finances. Since we are now supporting Motion 2009-06, our three motions at this time are redundant – we would be amending something that is going to be rescinded. Therefore, it makes sense for us to withdraw the 3 motions to await the outcome of the vote on Motion 2009-06. Once we know the outcome of that vote, we can determine whether to renew our motions, if the July Motion stands, or to work with the Executive on a comprehensive review, making our submissions, if the AGM motion is rescinded.

Thank you for your assistance.

Valer Eugen Demian: (These comments apply to all three motions) There are several ways to tackle this issue of membership and other associated fees. Personally I think separating fees as they are today (and have been for a few years) such as: membership fees, tournament fee and rating fee, has caused the situation where CFC is now. There are a lot of very good ideas in these 3 motions, but I suggest we look at them carefully and weight all options. I like a lot the idea of removing rating fees; those who wish to play in a CFC rated event, should become members of CFC for the minimum duration existing in the Handbook (1 year). One possibility is to offer 6 months membership instead of a 40% reduction which can lead to a never ending debate on how CFC has arrived at this amount compared with others!

Lots of national federations charge only membership fees. I think we need to define first what CFC offers for the membership fee in charges, or in other words what are the benefits of being a CFC member. This should be in my opinion the starting point of any motions related to this subject. I think one of the benefits should be having a CFC rating, so in this case paying ratings fees extra makes no sense.

On top of the membership fees CFC can charge any organizer of a CFC rated event a tournament fee based on the number of players or rounds (example: see FIDE). That fee should be proportional with the amount of work needed to rate that tournament by CFC software. The organizer can add this expense to their tournament budget and make sure it is covered by different sources such as players, sponsors, grants, etc."

Motion 2009-08 (referred to as Motion # 2)– Moved: Barry Thorvardson; Seconded: Gary Gladstone – **CFC Annual Membership Discount** – The Incoming Governors' 2008 AGM Motion on CFC fees is amended by adding after the third sentence: “ Effective January 1, 2009, to encourage individuals to become CFC members, first time CFC members shall be given a 40% fee reduction for their first year. “

Commentary: See original motion above under Motion # 1. Organizers have advised that the annual CFC membership is a hindrance to getting first time tournament players to sign up for tournaments (especially when tournament memberships have been eliminated); so the 40% reduction for first-time CFC'ers attempts to ameliorate this difficulty. Even with the discount, the CFC will be collecting more than it did on tournament membership. Also, this replaces the tournament membership, which originally when introduced was meant to be a one-time only option.

Note: this motion, slightly amended, was passed by the Governors as a straw vote at the Incoming Governors' AGM in July, 2008. Also, the CFC membership fees motion passed at the same Governors' AGM in July, as can be seen above, did not incorporate the annual member discount, despite the prior straw vote.

Motion 2009-09 (referred to as Motion # 3) – Moved: Nikolay Noritsyn; Seconded: Natalia Khoudgarian

– **CFC Junior Rating Fee Reduction** – The Incoming Governors' 2008 AGM Motion on CFC fees is amended by:

- a) in the fifth sentence, the word “ junior “ shall be placed before the words “ rating fee “, and “ \$ 1 “ shall replace “ \$ 5 “;
- b) in the last sentence, adding before the words “ rating fee “, the word “ adult “; and
- c) Adding at the end of the motion the sentence: “ Effective January 1, 2009, the junior rating fee shall be \$ 1 per player per tournament or match “.

Commentary :

In CFC's 2007-8 financial year, CFC took in from rating fees approx. \$ 25,000. It was originally proposed by the Grassroots' campaign that this be doubled to \$ 50,000 [Junior rating fee would go to \$ 1 (from \$ 0.50); regular rating fee would go to \$ 6/ player/ event (from \$ 3)]. This was to shift CFC's general revenue burden from membership to rating fees, as a more acceptable way to get general revenue – basically, a more “ user-pay “ system. This would give CFC an extra \$ 25,000 revenue.

In the same year, CFC took in approx. \$ 50,000 from membership fees of all kinds. With the extra \$ 25,000 from increased rating fees, CFC would now have to raise only \$ 25,000 from membership fees, or a reduction of 50 %. This meant annual membership fees could be decreased by 50% [annual adult membership could go to \$ 18 (from \$ 36) and annual junior membership could go to \$ 12.50 (from \$ 25)].

What happened at the Incoming Governors AGM in July, was that the annual adult membership was reduced, but only to \$ 30 and the annual junior membership to only \$ 20 [the reason was that the CFC wanted to increase the amount of revenue in redistributing the burden between membership and rating fee. It did not want the change to be revenue neutral (what was gained by the rating fee increase, was lost by the membership reduction)]. Once restructuring is completed, if there is a surplus, the grassroots campaign will move to further reduce the annual membership.

Junior organizers have clearly indicated that the huge 900% increase in junior rating fee (from \$ 0.50 to \$ 5) will seriously damage their junior programs, and cast doubt on holding CFC-rated junior tournaments. Since juniors are so important to the future of chess in Canada, and CFC wants to encourage them to take up the game, we propose to increase the junior rating fee only 100%, from \$ 0.50 to \$ 1 (note that the adult rating fee was increased only 66 2/3 %). Our motion appears to increase the junior rating fee, but this is only due to the nature of the motion. We are amending an existing, passed motion. In fact we are lowering it from the proposed \$ 5 to \$ 1 (a reduction of \$ 4). A raise in rating fee is justified given the CFC's financial situation, and the reduction in annual membership, but the 100% increase is more reasonable.

[Note : The CFC motion also did not quite double the adult rating fee. It increased it to \$5 (not \$ 6). Given this increase, and the increase in revenue from the modest annual membership reduction, we feel that the adult rating fee can stay where the CFC motion placed it, and need not be increased to \$ 6].

General 3- motion note:

The amended motion, if all three motions are passed, would then read:

Effective January 1, 2009, the membership fee for adult members shall be \$30. The membership fee for junior members shall be \$20. The CFC will discontinue selling family memberships and junior participating memberships effective January 1, 2009. Effective January 1, 2009, to encourage individuals to become CFC members, first time CFC members shall be given a 40% fee reduction for their first year. Effective January 1, 2009, CFC shall eliminate tournament memberships – if a player wants to play in a CFC tournament, s/he must purchase an annual/life membership. Players in a tournament in which all of the players are juniors shall not be required to be members but shall be required to submit the CFC junior rating fee of \$1 per player.

Effective January 1, 2009, the CFC adult rating fee shall be \$5 per player per tournament or match.
Effective January 1, 2009, the junior rating fee shall be \$ 1 per player per tournament or match

MOTIONS FOR FIRST DISCUSSION: none

General Comments from Governors: none received

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

Balance Sheet
As at October 31, 2008
Unaudited

	Oct 31	April 30
	2008	2008
CURRENT ASSETS		
Cash	\$ 1,518	\$ 20,688
Accounts receivable	17,880	16,647
Inventory	28,465	34,405
Prepaid expenses	6,900	3,807
	54,763	75,547
CAPITAL ASSETS	84,116	85,555
	\$ 138,879	\$ 161,102
CURRENT LIABILITIES		
Accounts payable	\$ 26,482	\$ 28,685
Chess Foundation of Canada - other	2,540	4,590
Chess Foundation of Canada - Loan	30,000	30,000
Deferred membership revenue	22,748	23,500
	81,770	86,775
DEFERRED CONTRIBUTIONS	10,211	18,712
EQUITY		
Opening balance	55,615	88,866
Net Earnings (loss) for the period	(8,717)	(33,251)
Closing balance	46,898	55,615
	\$ 138,879	\$ 161,102

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

Statement of Revenue and Expenditures
For the 6 months ended October 31, 2008
Unaudited

	6 months ended Oct 2008	12 months ended April 2008
REVENUE		
Sales of books, equipment and software	\$ 37,902	\$ 73,414
Shipping and handling charges	1,488	4,411
Membership fees	23,582	51,159
Interest earned from Chess Foundation of Canada	2,500	5,282
Rating fees	12,665	24,600
Publication sales and advertising	-	4,684
Donations	4,313	16,544
Surplus donated from Canadian Open 2007	-	5,051
Other programs (see supplementary information)	66,989	82,139
	149,439	267,284
EXPENDITURE		
Cost of sales	23,981	49,077
General and administrative		
Salaries, benefits and staff travel	40,343	67,920
Building and equipment expenses	7,629	19,273
Office	12,085	27,421
	60,057	114,614
Programs		
Publications	-	36,885
International	3,623	10,390
Contributions to clubs and affiliates	3,056	5,000
Contributions to Chess Foundation of Canada	450	2,430
Other programs (see supplementary information)	66,989	82,139
	74,118	136,844
	158,156	300,535
NET REVENUE (EXPENDITURE) FOR THE YEAR	\$ (8,717)	\$ (33,251)

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

Supplementary Information
 For the 6 months ended October 31, 2008
 Unaudited

Analysis of Membership fees	2009 1st half	2008 1st half	2008 2nd half	2008 Year
Annual membership fees collected	21,060	20,263	24,679	49,070
Tournament memberships collected	1,320	1,117	1,870	2,987
Adjustment to Deferred revenue	752	-	800	800
Life memberships	450	2,430	-	2,430
Membership fees reported	<u>23,582</u>	<u>23,810</u>	<u>27,349</u>	<u>51,159</u>
Less: Life memberships to Foundation	450	2,430	-	2,430
Net membership dues	<u>23,132</u>	<u>21,380</u>	<u>27,349</u>	<u>48,729</u>

The organization follows the deferral method of accounting for revenues. Membership fees are recorded as revenues in the period to which they relate.

Deferred Contributions	Olympic Donations	CYCC Program	Kalev Pugi Program	Total
Balance, April 30, 2008	1,015	14,434	3,263	18,712
Add: Contributions	12,286	45,382	820	58,488
Less: amount recognized as revenue	<10,348>	<56,141>	<500>	<66,989>
Balance, October 31, 2008	<u>2,953</u>	<u>3,675</u>	<u>3,583</u>	<u>10,211</u>

Contributions to these programs are recognized as revenue in the period in which the related expenditures are incurred.

Appendix 2:

Chess Federation of Canada 2009 Canadian Junior Chess Championship Bid

VOTE ON THE BID TO BE CONDUCTED BY E-MAIL DEADLINE 30 DEC 2008

Organizing Body: Calgary Junior Chess Club
#274, 3359-27th St. NE Calgary, Alberta

Chief Organizer: Simon Ong
President, Calgary Junior Chess Club [Email:](#)
simong89@yahoo.ca
Phone: (403) 274-2954

Organizing Committee:

Simon Ong: Responsible for advertisements, event website, DGT live coverage, trophies/medals.

Seng Ting and Hubert Shi: Responsible for accommodations/transportation for players. John Piera
and Paul Gagne: Responsible for reception, invitation to players.

Advertising: Provincial Chess Organization websites, CFC and Chess n'math websites, Chesstalk and CFC forum website, Flyers to any club who are interested in this event.

Publicity: Pre-event notice to media Event press releases

Internet Site/Coverage: Dedicated website for the event:
<http://www.geocities.com/cjcc2009/home.html> Top 4 board will be broadcast using DGT boards

City: Calgary

Address: #274, 3359-27th St. NE Calgary, Alberta

Location Description: Only 10 minutes from the airport
4 major hotels within walking distance
10 restaurants within walking distance
dedicated home of Calgary Chess Club

Tournament Room: 28' x 40' with windows and carpet
Controlled forced air heating central air conditioning

Analysis Room: 28' x 20 with windows and carpet 2
washrooms
snack bar, fridge stocked with drinks 2 Internet
access computers
phone

Registration: Pre-registration starts as soon as the approval of the bid form and end at Feb 1. Late Registration additional \$30 (after 6 PM MT Feb 1)

Date: February 13-16, 09 Family Day Weekend.

This is now a long weekend in several provinces and is the only long weekend between January 1 and July 1, 2009 other than the Victoria Day weekend which has traditionally been the Chess n' Math date for their National Grade Championship and Easter Weekend.

Format: 6 Round Swiss

Time Control: Game in 120 minutes plus 30 seconds increment

Rounds: 6 rounds

Opening Ceremony Friday, February 13th, 2009 9:00 am MT
Round 1 Friday, February 13th, 2009 10:00 am MT
Round 2 Friday, February 13th, 2009 4:00 pm MT
Round 3 Saturday, February 14th, 2009 10:00 am MT
Round 4 Saturday, February 14th, 2009 4:00 pm MT
Round 5 Sunday, February 15th, 2009 9:00 am MT
Side Event Sunday, February 15th, 2009 3:00 pm MT
Round 6 Monday, February 16th, 2009 9:00 am MT
Awards Ceremony Monday, February 16th, 2009 3:00 pm MT

Playoff: February 16th, if necessary.

Rated By: CFC and FIDE

Equipment Provided: All sets and clocks are provided by CJCC and CCC.

Prizes: Winner will have expenses to attend the World Junior Chess Championship. Top female player will win the right to represent Canada at the World Junior Chess Championship. Trophies and medallions.

Entry Fees: \$150 (Cash or cheques received before 6 PM MT Feb 1st). Late Fee: on day of tournament \$30.

TD: Tony Ficzere, Alberta Chess Association Executive Director **Side Events:**

Blitz and Bughouse

Accommodations: List of local hotels that provide players with discount are posted on our event website: <http://www.geocities.com/cjcc2009/home.html>

Transportation: To and from Calgary is at players expense. Transportation from airport to playing site is provided.

Budget: Attached

Date Submitted: December 10, 2008 **Submitted by:** Calgary Junior Chess Club

Budget

Income:

Registration Fee (20 players x \$150)	\$3,000.00
Alberta Chess Association Funding	\$1,105.00
Calgary Chess Club Funding	\$ 500.00
Total Income:	\$4605.00

Expenses:

Prize Fund	\$2000.00
Live Coverage	-
Transportation (including airport)	\$600.00
Trophies and medals	\$300.00
Rent (4 days x \$1 00/day)	\$400.00
Advertisements	\$200.00
TD Fee (4 days x \$35/day)	\$140.00
CFC and FIDE rating	\$160.00
Reception and Ceremonies	\$200.00
Miscellaneous (i.e. Organizers Expenses)	\$605.00
Total Expenses:	\$4605.00

Motions for Final Vote:

Canadian Junior 2009 Bid (Calgary)

Please vote Yes, No or Abstain

THIS VOTE IS TO BE CONDUCTED BY E-MAIL WITH A VOTING DEADLINE OF TUESDAY 30 December 2008

Motions for Second Discussion:

Motion 2009-05: CYCC Handbook revisions

Motions for First Discussion:

Deadline for submissions to GL#4 is Friday, January 5, 2009

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