



Alberta Chess Association
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Minutes

The Planning Meeting took place on November 30th, 2019, at the Black Knight Inn, in Red Deer.
Starting time 12:08 pm.

- (1) Attendance – Present were Rafael Arruebarrena (President), Ian Findlay (Secretary), Jim Daniluk, Dale Haessel, Cristian Ivanescu, Frank Klutymans, , Magda Marais (via Skype), , Terry Seehagen, Angelo Tolentino (1:15pm)
- (2) Planning Committee Minutes - Ian Findlay moved that the minutes of the Planning Committee meeting held in July, 2019 be passed. Seconded by Jim Daniluk. Motion passed unanimously
- (3) Annual General Meeting Minutes – There was concern over what money was due to Leah Hughey on her maternity leave. Rafael to further investigate. Also, what is to be done with the \$4500 for office expenses and if this could be put in our general account. Rafael to check with David Ludwig. Jim Daniluk moved that the minutes be accepted as read. Ian Findlay seconded. Passed unanimously.
- (4) President's Address – Rafael reported that there is no ED position moving forward. Chess is flourishing in Alberta with great turnouts at the Alberta Open (62) Southern Alberta Open (42) and the Banff Open (89). The phishing fraud where we lost \$2187 in being looked into at the bank. We are unlikely to recover any of the money. The bank said will tell us how to avoid this In the future. Rafael also reported that he submitted a police report. Jim Daniluk suggested forwarding this report to Micah Hughey who had requested it at the general meeting.
- (5) Assign committees
 - a. Planning committee – Rafael Arruebarrena (Chair), Ian Findlay, Angelo Tolentino, Richard Pua
 - b. Junior and coaching committee – Michael Ludwig, Magda Marais, Cristian Ivanescu, Frank Klutymans, Angelo Tolentino (Chair)
 - c. Audit committee – Ian Findlay, Dale Haessel
 - d. Bylaws amendment committee – Jim Daniluk, Terry Seehagen, Rafael (Chair)
 - e. Technical committee Michael Ludwig, Frank, Angelo (Chair)
 - f. Appeals committee – Dale Haessel, Rafael Arruebarrena (Chair), David Ludwig
 - g. Conduct committee – Jim Daniluk, Rafael Arruebarrena (others to be found on time of inquiry).
 - h. Signers – Rafael Arruebarrena, David Ludwig with Jim Daniluk and Dale Haessel to be added later.
- (6) Broke for lunch at 12:45 as Angelo so Angelo would miss less of meeting.

- (7) ACA support for NA Junior Proposal – Rafael read the proposal for the bid to hold the North American Junior in Calgary, in which they requested a letter of support from the ACA as well as a pledge of \$3000 in support should they win the bid. It was brought up, that the ACA will be slashing their budget and this is a significant amount of money, but fair, since it would only make up approximately fifteen per cent of their revenue. It was moved by Dale Haessel that we provide the letter of Support and provide funding up to \$3000 with any excess returned to the ACA. Seconded by Magda Marais. Motion passed 7 in favour, 2 abstaining.
- (8) 2020 calendar and discussion of proposals related to tournaments
- a) Medicine Hat Open – Jim Daniluk reported that this will be Bill Taylor’s last MHO. He read a letter where Bill Taylor had asked for \$5000 in support to try to bring a couple of grandmasters to his tournament. He was hoping to get Eric Hansen or Fabiano Caruana. Fabiano has a \$10,000 fee. Jim Daniluk made a motion, seconded by Ian Findlay that we provide \$1000 in support. Motion passed unanimously.
 - b) Jim Daniluk moved that we give \$250 to Ford Wong to buy a plaque for a tournament, seconded by Ian Findlay. Passed unanimously
- (9) Proposal on ACA event funding by the Calgary Chess Club (see attachment 1) – Rafael read the letter from Steve Sklenka from the Calgary Chess Club. The main point of the letter was to allow organizers the flexibility to charge what they deemed appropriate for a tournament and that the ACA would not have to subsidize tournaments as much or at all. The current ceiling for entry fees was \$30 per tournament, but there were some exceptions such as the Alberta Open, Internationals and the Banff Open. There was some concern raised over possible price gouging. Ian Findlay brought up the example of Ontario where there was never a maximum entry fee stated and market forces kept the entry fees in check. If organizers abuse this, then people will not show up for the tournament. Rafael Arruebarrena moved that we remove the \$30 maximum entry fee for all tournaments. This was passed with 4 in favour and 5 abstentions.
- (10) Casino Chair Person – It was moved by Ian Findlay, seconded by Angelo Tolentino to make Jim Daniluk the Casino Chair Person. Passed Unanimously
- (11) General proposals – Dale Haessel discussed that the organizers of tournaments providing food was a nice touch and was trying to see if there was a way to provide guidance or a financial incentive to do so. After much discussion, no motion was raised.
- (12) Budget meeting Preparation
- a. From David Ludwig, The Opening Bank Balances (The balance at October 31 in the Casino account is about \$73,000 and the balance in the General account is about \$102,000)
 - b. Our funding from Casino night is approximately \$74,000, which gets run every 24 to 27 months. We have other revenue of between \$6,000 to \$8,000 per year. David Ludwig estimated our annual income to be about \$41,000 per year.
 - c. Our budget numbers from the past were \$75,000 for 2018, and \$65,000 for 2019. The ACA seemed to have lost approximately \$40,000 over 2 years in their bank balances. In order to balance the budget for 2020, it would appear that the budget expenditure for 2020 be set at approximately \$41,000. Ian Findlay raised the point that due to the \$3000 commitment to the NA Junior and \$1000 to the MHO, it would be nearly impossible to slash the budget by this much. Instead he proposed running a planned deficit of approximately \$9,000 next year and set the budget at \$50,000.

d. Ian Findlay moved that the budget expenditure for 2020 be set at \$50,000, seconded by Jim Daniluk. Motion passed 8 in favour, 1 abstaining.

(13) Other items – No other items discussed

(14) Adjournment – It was moved by Ian Findlay, seconded by Frank Klutymans, that the meeting be adjourned. Motion passed 8 in favour with 1 abstention.

(15) Next Meeting – The next meeting will be the budget meeting to be held on Sunday, December 8th, starting at noon at the Black Knight Inn, in Red Deer.

At 4:35pm, the meeting was adjourned.

ATTACHMENTS

Attachment 1

To the Executive Board of the ACA,

After reviewing the budgets for ACA sponsored events from the last few years, we are concerned that under the current rules and guidelines, as set out by the ACA, the CCC runs a significant financial risk hosting ACA events at our venue.

While entry fees remain fixed at 1990s levels, and guaranteed prize funds in the thousands more often than not overwhelm revenue from those entry fees even before other expenses have been accounted for, it seems clear to us that the existing structure of ACA events needs revision.

Prior to 2018 for example, when rental of expensive hotel venues contributed a large fixed cost to event budgets, the ACA commonly incurred losses of several thousand dollars at each of their large annual tournaments. And while that cost is somewhat mitigated these days with a \$150 per day rental fee instead going to clubs like CCC and ECC, the basic premise that tournaments need not be viable financially on their own merits is flawed in our view.

We believe that AGLC funding is meant to assist organizations like ours to develop programs and initiatives that make us better and stronger, to help us grow, and to create infra-structure with long-term value. It is not meant to be frittered away on prize funds and similar outflows that effectively undermine the financial well-being of our community in the long term.

We therefore propose discussion and amendment of the following:

- 1) bids for all ACA events must be financially viable even without ACA subsidies
- 2) bring entry fees for ACA events in line with similar events elsewhere
- 3) stipulate realistic prize funds based on entries unless the event budget justifies it, such as it might if third party sponsorship has been secured

Effectively, we do not believe the ACA should incur by default significant financial losses subsidizing what are effectively poorly organized events, or stipulating rules and regulations for entry fees and/or prizes that virtually guarantee ongoing deficits. In fact, in our view all tournaments should, in principle and by default, generate some level of revenue for ACA and club alike rather than constitute a large and ongoing financial burden...

It is incumbent on the ACA and affiliated clubs like ours to structure events and programs in ways that do not rely needlessly and excessively on funding meant to move the community forward in meaningful ways. Here and there of course a project or tournament is fully deserving of funding even when it does not immediately bring a positive financial return, but significant ongoing losses incurred-by-design are unsustainable and therefore should be eliminated.

We understand that ACA has a mandate to support chess in Alberta, and that financial support of ACA tournaments has been part of those efforts. What we would like to propose, instead, is that alternative projects are evaluated and considered on their merit for this type of financial

support. Projects that do more to promote chess in schools and the larger community for example. Such possibilities are endless, and often benefit from some level of financial support.

We await your reply and look forward to constructive discussion!

Respectfully,

Stefan (Steve) Sklenka, B.Sc.Eng.

CCC President

Knut Neven,

CCC Vice President