

**District 21 Director's Report**

Stu Goodgold

August 2022

Contact Stu: stugo@sbcglobal.net**Providence:**

The Summer NABC was held in Providence in July. Attendance was decent, with 7600 tables in play. This was better than the last estimate before the NABC started. Even so, we are expecting to see a moderate financial loss for this tournament.

Players from D21 did very well. Rather than listing all the great results for D21 in this column, look for the details elsewhere in the DIR or in the ACBL Bulletin.

Even with everyone required to have proof of vaccination and wristbands being checked whenever entering the playing area, there were still a number of cases of COVID that occurred during the tournament. Management is considering if more measures need to be in place to avoid the problem. Of course, the next NABC is months away, meaning the situation is fluid. We will know more as we approach November and the Fall NABC in Phoenix.

Membership:

Our membership is still in decline. As of June, it was 138,000 down from 142,000 at the beginning of the year. Tournaments are running about 50% of pre-COVID numbers, but the intermediate and new (I/N) players are noticeably absent, running maybe 10% of pre-COVID numbers. My opinion is that we need to find an incentive that would motivate the return of the I/N players.

Robert Todd, a professional bridge player and teacher, and President of the Educational Foundation, made an excellent presentation to the Board of Directors (BoD). He showed where membership was declining, not so much because players were dropping out during COVID, but rather because fewer new players were joining the ACBL.

Pre-COVID we would lose about 10K to 11K members per year, while gaining about 10K new players each year. Membership was declining slowly. During COVID, the drop-out rate increased a little, but new player enrollment dropped to about 3K, a 70% reduction.

Robert's conclusion was that we need to make a concerted effort to recruit new players. Essentially all the BoD agreed. The question was how.

To that end Robert proposed a pilot program where a team would identify prospective people that might want to learn bridge. They would be put in touch with a master teacher who was adept at recruiting new members. Teaching would be done in a Face-to-Face environment. The pilot program would start with 75 or so of the best recruitment teachers in the ACBL. The BoD was sold on this project, and committed a maximum of \$100K through the end of 2022 for the pilot program. If successful, it will be expanded in 2023.

Finances:

This year's budget was expected to show a loss, with the objective being to spend money supporting the revival on Face-to-Face (FtF) bridge. We did have 2 years of substantial increases in net worth, and now we are looking to use those assets to bolster the game. The fact that COVID is still a factor complicates the issue. The forecasted revenue for this year is \$14.5M, which is about \$1M below 2021. Most of that difference is due to the absence of the 2021 Employee Retention Credit from the US Government. Expenses are up about \$2.1M due to increases in field expenses as more TDs are expected for more tournaments, and to increases in marketing in an attempt to encourage more players to participate in FtF events.



Governance:

The BoD approved a major rewrite of the codification section on Units. Most of the change was a clarification of rules already in place but not clearly spelled out. For example, individual members are assigned to a Unit by zip code. A member can request to be reassigned to a unit that they do not live in provided they meet certain criteria, which are detailed in the section on Units. This subsection was moved into a separate section on membership. Another area expanded upon was what happens if a Unit decides they no longer want to be a Unit. There was much debate on the BoD about the details under these circumstances. The Unit can dissolve the organization legally, or merge with another Unit, and further details explain the consequences to the Unit's members if dissolution occurs. There are more and more Units that are below critical size, so we may be seeing an upswing in mergers or dissolutions. I've heard the smallest Unit, located in a remote area of the northern Rockies, has only 7 members. Kind of hard running a 2 table game, let alone a sectional. This chapter also defines how new Units can be formed, usually from a breakaway part of an existing Unit. But newly formed breakaway units must have at least 100 members.

In the last DIR, I reported that there was a by-law change proposed that would replace the Chair of the Board with an elected Vice President. This amendment passed its first hurdle by getting more than a 2/3 vote in favor. It has to be published for 30 days before the BoD has a second vote on any by-law amendment. Look for the amendment in the September ACBL Bulletin.

General Interest:

The ACBL in-house counsel has left the organization. As of now we have no full-time legal representation, and it may stay that way. The expense of maintaining this person on staff was quite high, so we expect a significant savings. Of course, we will have to consult with outside counsel when needed. We did that on occasion even when we had a full-time counsel; now we might need outside advice more often. The ACBL is predominantly a volunteer organization; so, to anyone reading this that is a lawyer: do you do pro bono work?

Speaking of legal issues, there was a class action lawsuit against the ACBL by a few Tournament Directors who felt they were denied overtime. The ACBL's position was that TDs are exempt from overtime, which is typically applied to management and high-level professionals. The suit was for \$2.1 M, including punitive damages. The judge ruled that the high-level TDs were indeed exempt and that although the lower-level TDs were non-exempt, the ACBL acted in good faith under legal advice and there would be no punitive damages. Instead of \$2.1M the court awarded the plaintiffs \$11K. That sounds like a great win for the ACBL, but because the plaintiffs won a small amount, the ACBL had to pay their legal fees. That was \$225K, plus the ACBL had legal fees of their own after the insurance covered only the first \$150K. The win in court cost \$11K plus over \$400K in total legal fees. This is a good example of why you want to avoid lawsuits whenever possible.

The IT department is a disaster and not getting better. In some situations, basic services are breaking as fast as they can be fixed. The pre-registration program was behind schedule and while it is now available, problems still exist that became apparent in Providence. There are changes to the Masterpoint calculations that were voted on last year that still have not been made. The BoD asked management to take a serious look at what is needed to have a functional department supporting the hardware and software. Outside consultants, who know both bridge and programming, are expected to be called upon to analyze the problems and make recommendations.