

Secretary Treasurer's Reports

From John J. Joyce, SIGMOD Secretary - Treasurer  
Edited by SIGMOD RECORD Editor

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I. SECRETARY-TREASURER'S ACM SIGMOD REPORT

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INTRODUCTION

An additional quarterly report for membership and finances has been received since the analysis prepared in June 1976 for the 1976 SIGMOD conference. This commentary will focus primarily on the changes in the last quarter and the summary for fiscal year 1976. Many of the trends and analyses for the previous three years data were explained in the June 1976 report.

MEMBERSHIP REPORT

Quarterly membership growth was a substantial 6% as of June 1976 compared to the total of March 1976. Figure I in Appendix gives a detailed listing of the membership totals for all categories from March 1972. The yearly growth rate for 1976 was a very strong 41% over the total at the end of the previous fiscal year. Figure 2 shows the membership levels for selected categories. Total members includes all categories of members as well as subscribers. Other curves represent regular members, associate members and student members. Figure 3 illustrates the quarterly and annual percentage growth rates based upon totals which include all members and subscribers.

I anticipate that SIGMOD will continue to experience a strong growth during fiscal year 1977. I also anticipate that the percentage growth rates will be substantially reduced, primarily because we are now increasing from a larger base of membership. It is still too early to predict where SIGMOD membership will reach a plateau or saturate.

FINANCIAL STATUS

The hybrid retained earnings as of June 30, 1976 were \$20,639 and accrual retained earnings of \$16,082. Both of these figures were subsequently augmented by a credit of \$852 for earned interest based on our excess of average quarterly Hybrid Retained Earnings less the average quarterly expenses for the fiscal year. A summary of the main categories of the finances for fiscal year 1976 (as well as previous years) is shown in Figure 4. Figure 5 totals up the income and expenses by quarterly periods.

For comparison purposes the budget for 1976 and the actual values (as taken from Figure 6. are shown below.

## 1976 Fiscal Year

	Budget Value	Actual Value
Income	11,083	29,046*
Expenses	<u>12,212</u>	<u>23,331</u>
Net	- 1,129	5,715*
	Transfer to HO	<u>6,229</u>
	Net	- 514

\*These figures include a sum of \$6,229 which was not truly 1976 income for SIGMOD. This sum was simply transferred from external accounts to ACM Headquarters. Thus, although there was no net gain on the transaction, headquarter's records mark it as income anyway.

Thus, although the net income and expenses were underestimated, the actual net deficit was very close to the estimate.

### MEMBER SERVICES

Much of the increased expenses over budgeted amounts in 1976 were the result of improved services to the members. These improved services included an effort to bring the publications back on schedule and thus more than the usual number of newsletters were paid for in 1976. Additionally, large expenses were incurred in providing a copy of the 1976 SIGMOD Conference Proceedings to all members, a copy of the SIGPLAN-SIGMOD Workshop Proceedings to all members as well as printing the lengthy ANSI/X3/SPARC Study Group on Data Base Management Systems Interim Report in one of the newsletters. The 1974 SIGMOD proceedings were also reprinted, since we ran out and a good supply of 1976 SIGMOD Proceedings were printed for future sales.

### FINANCIAL ANALYSIS

Average incomes and expenses on a member weighted average are shown in Figure 7. Figure 8 separates out the incomes. Several observations are worthy of note here. In examining corresponding averages for fiscal year 1975, the costs of publications in 1975 were very low and in 1976 were very high. As mentioned above in the section entitled "Member Services" this difference is partly accounted for by the deferral of several newsletters and the very large newsletters recently sent to members. Headquarters allocation costs have significantly increased. Dues income, as expected, remains very close to \$3.00 (\$2.93) per member. Publications income still supports SIGMOD at nearly a \$5.00 (\$4.75) per member rate.

Figure 9 groups the expenses together and the incomes for consolidated values per member. Figure 10 portrays some average member incomes as well as total expenses.

For several reasons, SIGMOD will need to think about whether dues should be raised, and if so, how much, beginning in fiscal year 1978; 1) printing and distribution costs are rising, 2) dues and publications incomes are now failing to cover expenses, 3) conference profits are highly uncertain and rumored to be small for the last conference, 4) distribution of 1976 SIGMOD Proceedings to all members may cut into sales of these proceedings. Budget forecasting for 1978 will need to be done in December 1976 or January 1977 and thus feedback from the board of directors or other interested people will be welcome.

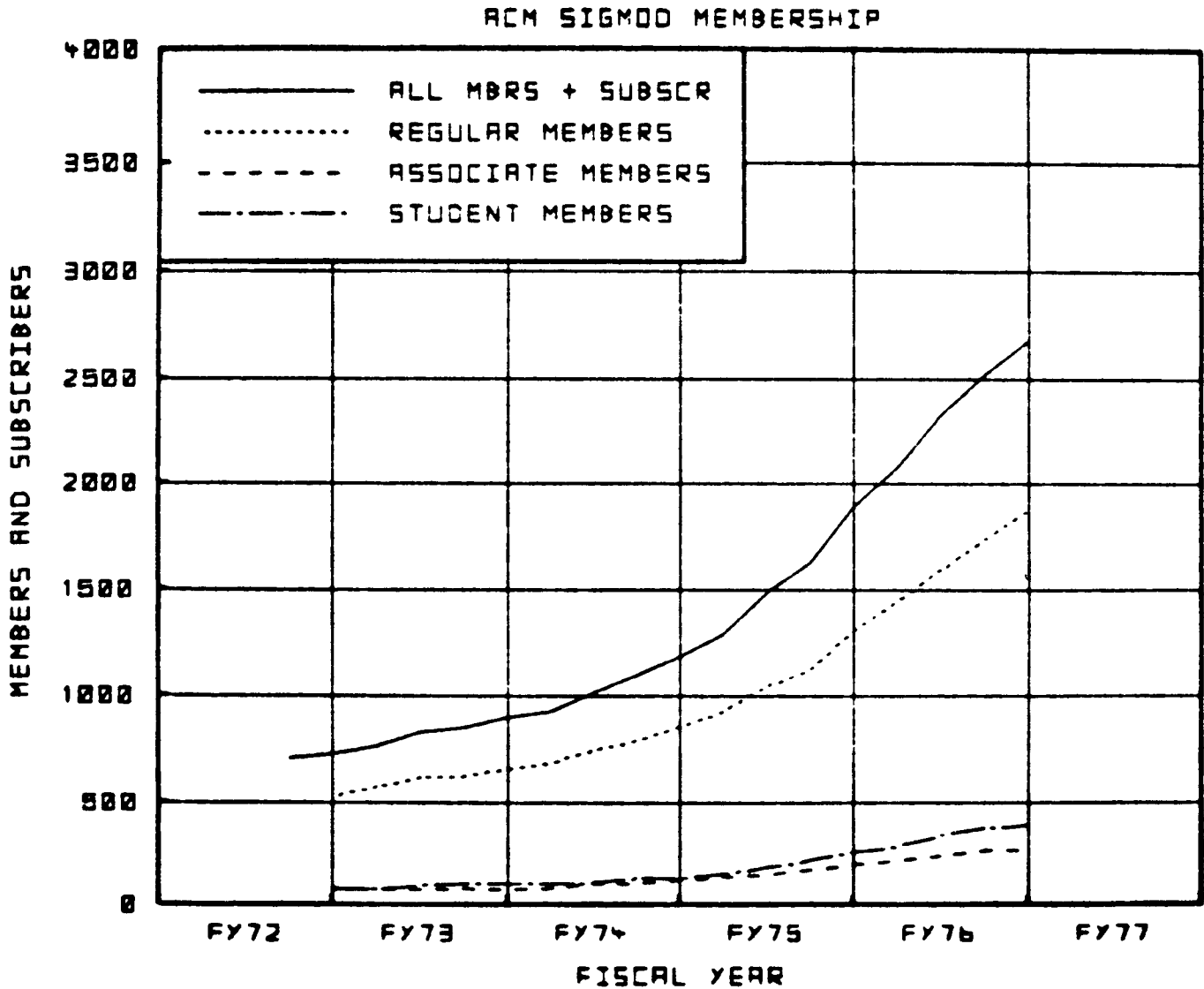
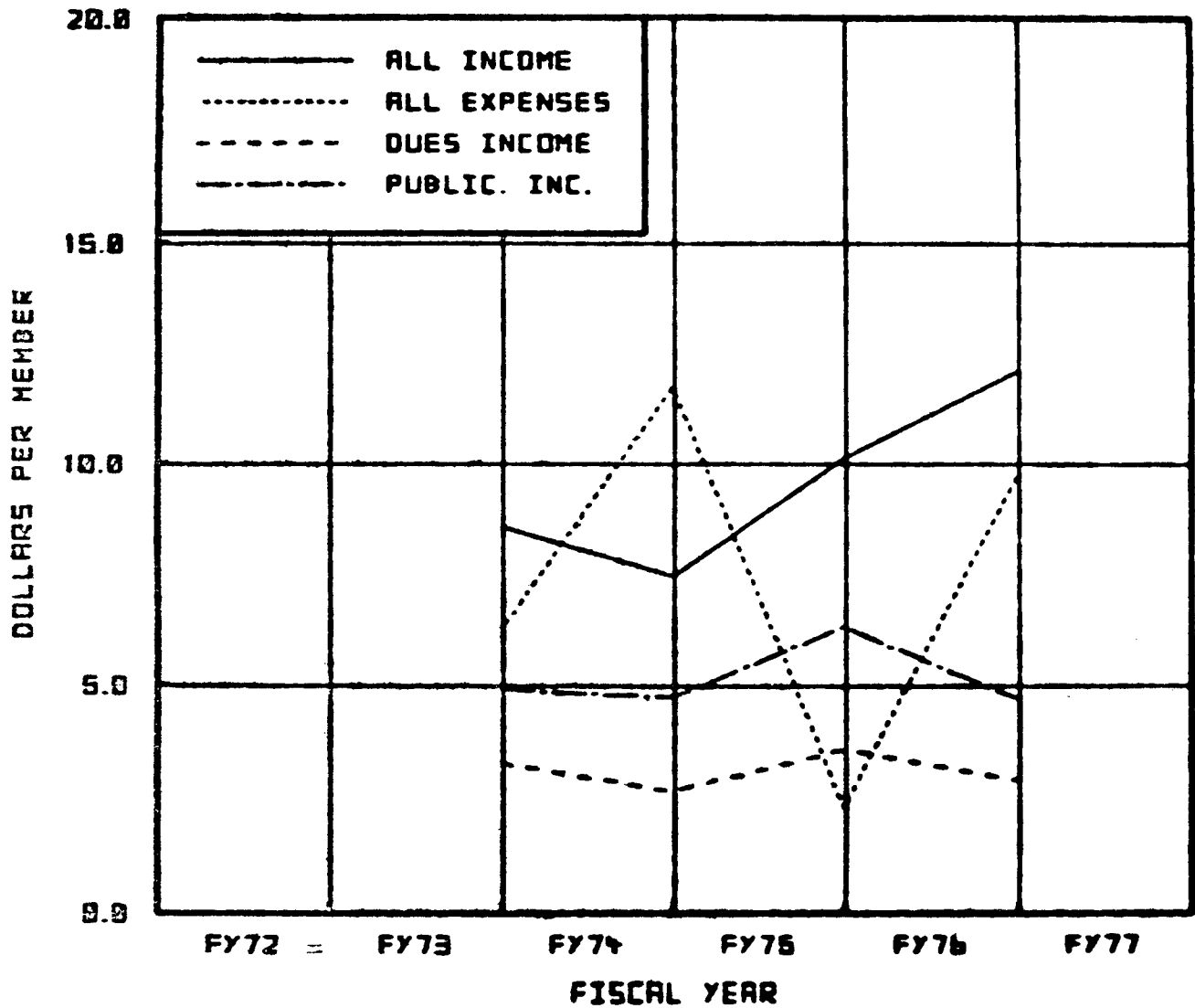


FIGURE 2

**AVERAGE INCOME AND EXPENSES PER MEMBER**



**FIGURE 10**

II. SIGMOD REPORT FROM ACM '76

Minutes of ACM SIGMOD Business Meeting

The combined breakfast/business meeting convened at 7:30 a.m. on Friday October 22, 1976. The Board of Directors present were: Jim Fry, Chairman; John Joyce, Secretary/Treasurer; Dick Godlove; Doug Kerr, Newsletter Editor; David Hsiao. Board of Directors unable to be present were: Ann Bandurksi; Susan Brewer; Bernard Plagman; Ed Sibley; Diane Smith; and Bob Taylor.

A total of 13 people were present for this business meeting. In addition to the Directors mentioned above, the following persons were present:

- |               |                 |
|---------------|-----------------|
| James Powell  | Dorothy Edwards |
| Lee Wilkerson | Jack Belzer     |
| Allen Merten  | Gordon Everest  |
| James Senn    | Fred Aronson    |

John Joyce, Secretary/Treasurer

The Secretary/Treasurer gave a condensed version of a written report. The contents of the full report were distributed to those present and copies are being mailed to the Board of Directors. In addition to reporting on the membership growth, financial status and membership services the Secretary/Treasurer requested feedback on the issue of when and how much dues should be raised for SIGMOD. It is clear from the current trends and expenses related to publishing that an increase in dues will be required within the next year or two.

Doug Kerr, Newsletter Editor

Doug Kerr, announced that he still needs papers and is seeking material for the SIGMOD Newsletter. The SIGMOD Newsletter now has a new name - SIGMOD Record. The name was suggested by Patrick Fischer. Doug also requested that reviews of significant data base papers be forwarded to him so that he can bring them to the attention of the SIGMOD audience. Abstracts of NTIS reports that are pertinent to SIGMOD will also be printed. It was also announced that the report entitled "Data Base Directions", which resulted from a conference sponsored by ACM and the National Bureau of Standards will appear as a joint SIGBDP SIGMOD Newsletter issue. ACM is reprinting this at a \$1.00 a copy, whereas purchase of extra copies of the report from NBS were projected at \$1.80 per copy.

David Hsiao, TODS Editor-in-Chief

David Hsiao reported on activities in TODS (Transactions on Data Base Systems). TODS is doing very well financially with over 3000 subscriptions now in force. The prediction originally was that by this time TODS should have over 800. The subscription volume has already exceeded the volume for Transactions on Mathematical Software which has been in existence for a longer time. There is a page charge of \$40 per page to have papers printed in TODS. The TODS editors are getting a steady flow of papers with about 90 papers currently being considered. However, because of the high rate of rejection to get quality papers, the editors are only one issue ahead and they would like to have a margin of having enough papers for two issues ahead at any one time. The fourth issue of this quarterly journal is slated to appear in December with the fifth issue scheduled for March. The goal is to have a major work in each issue. The best papers from the SIGMOD Conference are published in TODS. If there is enough good material to be published, ACM is willing to give TODS additional pages per year - up to 400 pages per year.

Jim Fry, Chairman

Jim Fry announced that the call for papers for the ACM SIGMOD 1977 Conference should be in the mail shortly. This conference will be held August 3 - 5 just prior to the IFIP Conference in Toronto.

The nominating committee will begin its work in selecting candidates for SIGMOD Offices. The election is expected to be held in February, 1977. One of the goals for more member services is to develop a self-assessment program for SIGMOD members. Special interest committees are being set up. ANSI SPARC Conceptual Schema Committee under John Berg is being planned. Dick Godlove and Bernard Plagman are working on a workshop for data base administrators.

Miscellaneous

One of the questions which generated considerable interest is that of directing the efforts of SIGMOD more towards applications since it is believed that the large increase in membership in SIGMOD comes in part from more people becoming interested in applications of data bases. Suggestions as to how this might be accomplished were items such as local SIGMOD activity, local workshops, mini tutorials, meetings at which papers in the SIGMOD Proceedings are discussed and an encouragement of applications people to submit papers on applications. The question was also raised - do we need a conference or a conference session on case studies of applications in which perhaps a two-page abstract and a copy of the slides for presentation could be a substitute for full papers - thus encouraging more applications people to participate in conferences? SIGMOD currently does not have a distribution of its members in academic or industrial or research activities.

III. THE 1978 SIGMOD BUDGET

April 5, 1977

The SIGMOD budget for 1978 has been approved. Enclosed you will find a copy of the summary sheet for the 1978 budget. I have also enclosed an excerpt on the SIG/SIC policy on financial accountability. A 1978 budget summary should be reported to the SIGMOD membership. It will save us costs if the budget summary or an abstract of that summary can be published in a timely issue of the SIGMOD Record Newsletter rather than sending out the information in a special mailing.

We are also expected to report to the membership a summary of the financial activity for the past fiscal year (1976). The information for the past year is contained in the Secretary/Treasurer's ACM SIGMOD report for October 1976 which I distributed at the National ACM meeting and subsequently mailed to the Board of Directors who were not present at the Houston meeting. There is more information in that report than you want for a Newsletter so feel free to abstract information that is important for the members to receive.

As you may have heard, the proposal to increase SIGMOD dues beginning in fiscal year 1978 (July 1, 1977) was received by the SIGMOD Board of Directors with reactions ranging from approval to disapproval with several mixed reactions inbetween. The mixed reactions were of the nature of either having more increases in smaller steps or defer increases for a year to give the SIG a chance to widely publicize the intent to raise dues so that members can give us their feedback. One proposal recommended that the profits from SIGMOD proceedings sales be maximized to obviate or minimize any future dues increases. In view of the above reactions, a decision was made not to raise dues on July 1, 1977. It is my opinion that the above information plus some additional information abstracted from the February 21, 1977 proposal (such as amount of increase, projected financial position of SIGMOD etc.) should be communicated to the membership via the Newsletter.

With regard to the financial future of SIGMOD, I recommend that the new SIGMOD administration (after July 1) give priority to setting financial policies for timing and amount of dues increase (if any) in combination with expected amount of income from proceedings sales and conferences for the next few years. Then, revise the 5 year financial forecast and publicize the plans well in advance of fiscal year 1979 in one of the Newsletter issues during fiscal year 1978. If dues increases are to be planned, less confusion is created if increases are coincident with the beginning of a fiscal year.

## Report to SIG MOD Membership Fiscal Year 1978 Budget Summary

	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	total
<b>Income</b>					
Dues	2,470	2,470	2,470	2,470	9,880
Publication Sales	2,600	2,600	2,600	2,600	10,400
Conference Net Income	-	-	-	-	-
Other	30	30	30	30	120
<b>A. TOTAL INCOME</b>	<b>5,100</b>	<b>5,100</b>	<b>5,100</b>	<b>5,100</b>	<b>20,400</b>
<b>Expenses</b>					
Travel	-	250	-	250	500
Temporary Help/Office Supplies	100	100	100	100	400
Telephones	75	75	75	75	300
Misc. Postage	-	-	-	-	-
Office Stationary and Supplies	280	90	90	50	510
Forms, Announcements & Brochures	-	210	-	510	720
Publication(s) Printing	1,650	3,900	1,650	3,890	11,090
Handling and Mailing	385	250	385	400	1,420
Shippine and Freight	Included in above line				
Bulk Mailing Postage	590	1,220	590	820	3,220

Data Processing	180	180	180	180	720
Advertising	-	200	-	-	200
Local Chapter Subsidies	200	200	200	200	800
Meeting Expenses	-	-	-	200	200
Hdqtrs Direct Allocation	720	720	720	720	2,880
Other	-	-	-	-	-
Contingency Funds	600	600	600	600	2,400
<b>B. TOTAL EXPENSES</b>	<b>4,780</b>	<b>7,995</b>	<b>4,590</b>	<b>7,995</b>	<b>25,360</b>
<b>C. HDQTRS Net FY 78 (A-B)</b>	<b>320</b>	<b>(2,895)</b>	<b>510</b>	<b>(2,895)</b>	<b>(4,960)</b>
<b>D. Outside Funds to be Spent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. True Net FY 78 (C-D)</b>					<b>(4,960)</b>
<b>F. Accrual Retained Earnings FY 77</b>					<b>10,639</b>
<b>Accrual Retained Earnings FY 78 (F+E)</b>					<b>5,679</b>

#### IV. A PROPOSAL FOR A DUES INCREASE

##### Summary

After analyzing SIGMOD membership trends and financial trends over the past few years and making a long-range forecast through the end of fiscal year 1981, I propose that SIGMOD establish a new dues schedule effective July 1, 1977 (fiscal year 1978) as follows:

Regular & Associate Members	\$6.00
Student Members	\$3.00
Subscribers	\$12.00
Non-ACM Members	\$14.00
Regular Newsletters	\$ 3.00 per copy
Special Newsletters	Individually priced

The above proposal represents an increase of \$3.00 per year for Regular and Associate Members, Subscribers and Non-ACM Members. No change is proposed for Student Members. A \$1.00 increase is proposed in the cost for regular Newsletters to make them consistent with the Subscriber Charge of \$12.00 per year for four issues. The differential between Regular Member Dues and Subscribers and Non-ACM Members represents a \$6.00 and \$8.00 increment passed on because of direct charges from ACM headquarters of \$5.50 and \$7.50 for each Subscriber and Non-ACM Member respectively.

It is intended that the above dues schedule be held constant for the next several years (through fiscal year 1981). The level of services to members is assumed to remain at roughly the level of the past year, but without giving free proceedings of SIGMOD annual conferences to all members.

## Overview

The need for a dues increase comes primarily from two factors. The first factor relates to the fact that SIGMOD expenses are primarily proportional to the number of members we serve. Our income however comes only partly from dues. Most of the remainder of the income comes from sales of publications. Presumably the sales of publications are not proportional to the increasing size of our membership. The second factor is the rising cost of printing, publishing and mailing material to the SIGMOD membership. The rapidly rising SIGMOD membership thus puts increased pressure on the expenses of SIGMOD without a corresponding increase in income.

## History

Some summary material has been extracted from previous secretary-treasurer reports issued in June, 1976, October, 1976 and from budgets prepared for fiscal years 1977 and 1978. This material illustrates the trends of membership, income and expenses. Table I illustrates the membership growth both in terms of number of members each year and the percentage annual growth based upon the membership figures at the end of each fiscal year.

Table II illustrates a weighted average of the two principal incomes for SIGMOD and the expenses for SIGMOD over the past several fiscal years. The average dues income hovers around \$3.00 as one would expect since Student fees and Regular fees are \$3.00 per year and these categories comprise approximately 95% of the membership. The average expenses per member in each fiscal year varies somewhat erratically. Part of this variation is accounted for by the fact that the publishing and charging for the Newsletters was not done uniformly across each fiscal year. Also, an amount of \$3,700.00 was listed as a credit in one year and appeared as a debit in another year and this distorts the averages.

TABLE I - History of Membership Growth

<u>Fiscal Year</u>	<u>Total Members</u>	<u>Total Annual Membership Growth</u>	<u>% Annual Membership Growth</u>
73	898	171	23
74	1182	284	31
75	1890	708	59
76	2678	788	41
77*			

\*Data available for only the first quarter.

TABLE II - Selected Income & Total

Expense Averages Per Member

<u>Dues Average</u>	<u>Publications Average</u>	<u>Expenses</u>
3.31	4.94	6.28
2.69	4.78	11.77
3.63	6.32	2.32
2.93	4.75	9.73
2.80	3.45	2.72

The budgets for fiscal years 77 and 78 are shown in summarized form in Table III. For purposes of the long-range forecast some of those budget figures will be modified slightly, in as much as new information is available since the fiscal 77 budget was prepared in January 1976.

TABLE III - Current Budgets

<u>Fiscal Year</u>	<u>Dues</u>	<u>Publications</u>	<u>Other Income</u>	<u>Total Income</u>	<u>Expenses</u>	<u>Net</u>	<u>Accrual Retained Earnings</u>
77	6620	8080	400	15,100	21,395	(6295)	10,639
78	9880	11,400	120	20,400	25,360	(4960)	5,679

Membership Predictions

Table IV illustrates my predictions on the membership and its growth for the next five fiscal years. The important key to this information is in estimating when and at what level SIGMOD membership will level off or nearly level off. My basis for indicating a decreasing percentage of annual growth is based upon the fact that the last five quarters of growth over the same time of the previous years have been 61%, 56%, 54%, 41%, 38%. I am also assuming that increased dues will not seriously inhibit the growth of SIGMOD.

TABLE IV - Estimated Membership Growth

<u>Fiscal Year</u>	<u>Total Members (End of Year)</u>	<u>Total Growth</u>	<u>Percent Growth</u>	<u>Total Members (Mid-Year)</u>
77	3,500	822	30%	3,100
78	4,200	700	20%	3,850
79	4,800	600	15%	4,500
80	5,300	500	10%	5,050
81	5,700	400	8%	5,500

Income and Expense Predictions

The income from dues will be estimated based upon the membership growth illustrated in Table IV. It will be assumed that 15% of the members will continue to be student members, 5% of the members will be Subscribers or Non-ACM members or Designees, and the remaining 80% will be Regular or Associate members. If a dues increase goes into effect for fiscal year 1978, it will be assumed that only half of the increase in membership during fiscal year 1978 will pay the increased dues. It is assumed that, as an approximation membership renewals are uniformly distributed across the entire year.

Table V shows the actual average expenses per member for the last several fiscal years. For fiscal years 1974 thru 1976 the expenses are recalculated at a uniform rate per member. Thus, the budgeted expenses per member in 77 and 78 represent a reduced cost per member in spite of inflation. Both fiscal years 77 and 78 are budgeted as deficit years, however. For budget years 78 thru 81, the average expense of \$6.90 per member for fiscal year 77 is used as the basis. A 7% inflation per member is assumed thus giving the remainder of the values in the fourth column under new estimates. This 7% increase allows a higher inflation rate with some compensation for reduced printing costs because of economy of scale.

TABLE V - Predicted Expenses Per Member

<u>Fiscal Year</u>	<u>Actual Average Expenses Per Members</u>	<u>Reworked or Budgeted Average</u>	<u>New Estimates</u>
73	6.28	-	-
74	11.77	7.84	-
75	2.32	7.84	-
76	9.73	7.84	-
77	-	6.90*	-
78	-	6.60*	7.40
79	-	-	7.90
80	-	-	8.40
81	-	-	9.00

\*Budgeted values

Predicted Effects of Current and Selected Dues Increases

Based upon the assumptions outlined in the previous sections, Table VI illustrates the projected incomes and expenses for fiscal years 77 thru 81 if the current dues structure is retained. Thus we will be facing an increasingly larger deficit each year leading to a bankrupt SIG by 1980. Publications income for 77 thru 79 has been reduced over that actually received in 75 and 76 for two reasons. First, all SIGMOD members received copies of the 1976 SIGMOD conference proceedings. It is assumed that this will decrease the income from the sale of this volume. Second, the retail price for proceedings of SIGMOD conferences in 74 and 75 are \$15.00 and \$25.00 for ACM members and Non-members respectively, while the retail prices for the 1976 SIGMOD proceedings are \$10.00 and \$14.00. Thus, the net profit per copy will be considerably reduced. An approximate 10% growth per year in publications income is assumed from this 77 base up through the 1981 fiscal year. Other income in Table VI represents a token amount from conference profits and/or other miscellaneous incomes. ACM SIGMOD 77 conference is budgeted on a break-even basis. It is assumed that this conference and future conferences will be similarly budgeted and if any profit is present that it will be small.

TABLE VI - Estimated Financial Picture With Current Dues

<u>Fiscal Years</u>	<u>Members Mid-Yr.</u>	<u>Dues Income</u>	<u>Publication Income</u>	<u>Other Income</u>	<u>Expenses</u>	<u>Net</u>	<u>Accrual Ret. Earnings</u>
77	3,100	9,000	8,100	1,000	21,300	(3,300)	13,600
78	3,850	12,900	10,000	500	28,500	(4,100)	9,500
79	4,500	15,100	11,000	500	35,500	(8,900)	600
80	5,050	16,900	12,500	500	42,400	(12,500)	(11,900)
81	5,500	18,400	14,000	500	49,500	(16,600)	(28,500)

Table VII shows the long-range financial estimates when dues increases of \$5.00, \$6.00 or \$7.00 are made effective July 1, 1977. If the dues structure outlined in the summary were followed and the assumptions were all correct, then the net reserves of SIGMOD would be the same at the end of fiscal year 1981 as at the end of fiscal year 1977. I believe that neither a continually decreasing reserve with \$5.00 dues nor an increasing profit structure with the \$7.00 dues is good for SIGMOD. The former situation is financially risky and the latter forces members to accumulate surpluses for future members. Maintaining the present reserve gives SIGMOD the ability to react in a favorable way if the membership should actually rise faster than is predicted or if the expenses rise more than is predicted. The expenses were estimated fairly tightly as you will note since the expenses per member will not reach the average level of 74 thru 76 until 1979 again.

TABLE VII - Financial Picture With Selected Dues Increases

Fiscal Year	Dues (\$5 Reg.)		Accrual Retained	Dues (\$6 Reg.)		Accrual Retained	Dues (\$7 Reg.)		Accrual Retained
	Net	Earnings	Net	Earnings	Net	Earnings	Net	Earnings	
77	9,000	(3,300)	13,600	9,000	(3,300)	13,600	9,000	(3,300)	13,600
78	16,200	(800)	12,800	17,700	(300)	13,300	19,400	1,400	15,000
79	22,700	(1,300)	11,500	26,500	2,500	15,800	30,400	6,400	21,400
80	25,500	(3,900)	7,600	29,800	400	16,200	34,000	4,600	25,000
81	27,800	(7,200)	400	32,400	(2,600)	13,600	37,200	2,200	27,200

Comparisons With Other Special Interests Groups

In order to put SIGMOD proposed dues changes in perspective, Table VIII shows the fees structures for all SIG's. The current SIGMOD dues are less than the average SIG dues. The proposed new dues outlined in the summary above will cause the SIGMOD dues to be slightly above the averages for other SIG's.

TABLE VIII - Fee Structures For All SIGS

<u>SIG</u>	<u>Regular</u>	<u>Student</u>	<u>Non-ACM</u>	<u>Subscriber</u>
CURRENT MOD	3.00	3.00	11.00	9.00
AVERAGE	5.15	3.22	10.54	12.14
PROPOSED MOD	6.00	3.00	14.00	12.00