

Chair's Message

Running a large organization, such as SIGMOD, is usually full of surprises – some good and some not so good. One recent surprise in the latter group was our discovery early in 2002, while we were preparing the budget for next year, that our finances are not as good as what we had originally thought. It appears that there were a number of late charges to the account that did not show up when last year's financial report was being prepared, and there were a number of outstanding expenses that we did not account for. The result was a rather surprising fund balance that was substantially lower than what was reported to the membership. We have been working on this problem for the last couple of months and, in the process, discovered a number of accounts receivable and the collection of those funds have improved our financial picture significantly. I want to thank both Rick Snodgrass, as the past Chair, and Joachim Hammer as the past and current Treasurer for tracking down these monies.

This financial "scare" accelerated the evaluation of our business practices. SIGMOD has used its significant fund balance to provide excellent services to our members that have since become models for other SIGs. The issue, however, is whether we can continue with the same mode of operation. Our analysis shows that we cannot. We are, therefore, instituting a policy whereby every activity that we undertake (conference, membership, Digital Library, etc) have to be self-financing and, where possible, cost-neutral. This principle was agreed to by the Executive Committee in our meeting in late February. This means a number of changes to what we have been doing, and I'd like to describe these in some detail.

1. **SIGMOD/PODS Conferences:** Over the last number of years, we have been reducing the registration fees of our flagship event. This was largely due to the excellent work that the organizers and volunteers have done. However, the reduction was also supported by SIGMOD surplus in two ways. First is the coverage of what is known as "ACM allocation." ACM charges each SIG a certain amount of overhead based on the incurred expenses. Therefore, we are charged this overhead as a percentage of the total SIGMOD/PODS budget. In the past, we covered this allocation from SIGMOD fund surplus so that conferences did not have to recover this overhead in their budgets. We can no longer afford to do this. Second is the contingency in the budget. ACM requires conference budgets to contain a certain amount of contingency as an insurance against a possible failure of the event. In the past, SIGMOD "insured" the conference and the conference budgets did not have to include the contingency. We can no longer afford to do this either. Although the contingency is not an immediate expense that we have to recover, it now has to be included in the budget (and it becomes the surplus that the conference generates if we don't have to dip into the contingency). If you are wondering why the registration fees are higher this year than last, this is why. I want to thank David DeWitt for his understanding and willingness to adjust his budget many times while we were working through this issue.
2. **Membership:** As it currently stands, we lose money for every new member that we admit. The membership fees have not been adjusted in a decade while the cost of membership has increased with the inclusion of the SIGMOD Digital Library, the TODS online subscription, and other activities. Obviously, we cannot continue the current trend. We are taking two parallel actions. First, we will not be sending the entire Anthology and past and present DiSCs to each new member. We will, instead provide them with the current year's DiSC. Existing

members will continue to get the Anthology updates and the annual DiSCs. Second, we are evaluating our membership packages. Marianne Winslett is in charge of this activity and is working to define various membership classes with different benefits. This *may* require some adjustment of membership fees, but we will decide these over the next year and announce them when the time comes. For the upcoming fiscal year 2002-03, the fees will remain as they are.

3. **SIGMOD Digital Library:** As indicated above, we will continue to send current members their updates to the Anthology and the annual DiSCs (more on this below). As many of you might know, we are in the process of putting all of the Anthology and previous DiSCs (minus some content) onto 2 DVDs. This is called the **Silver Edition** and it is currently in production. It was our intention to provide this to the members free of charge, but that is not possible under the current financial circumstances; the Silver Edition has to be at least cost-neutral. Therefore, we will be providing it to the membership at an amount slightly over its cost (probably in the range of \$15-\$20). It will also be made available to non-members with a substantial markup and we hope to generate some funds this way.
4. **New member signing:** As you may remember, it has been the tradition in recent years to provide free SIGMOD membership to all SIGMOD/PODS Conference attendees. This has helped to significantly increase our membership numbers to make us the fourth largest SIG. The issue is not only the bragging rights; our membership numbers determine our weighted voting within ACM SIG Governing Board. Unfortunately, we are not going to provide that benefit to conference attendees this year. We hope that this is a temporary measure and that we will return to the same practice next year.

These are the immediate measures that we are taking, which we hope will improve our finances incrementally over the next couple of years. It is the Executive's intention to have a surplus in the neighborhood of \$50,000 over the required fund balance that is mandated by ACM. That allows us to participate in various activities within ACM, and affect how those activities are run. I am confident that SIGMOD's fund balance will soon rebound to more comfortable levels and that we will continue with the excellent member services that Rick and his team have started over the last couple of years.

Now to more positive news... With any luck, you should be receiving the Anthology Volume 5 CDs as well as the DiSC Volume 3 CDs (covering year 2000) with this issue of the SIGMOD Record. We will try, in the subsequent years, to produce the DiSC earlier and to package it with an issue of SIGMOD Record to reduce the shipping costs. Our longer term aim is to produce the DiSC in the first couple of months of the year so that it can be shipped with the March issue. This will take a few years and some hard preparatory work on the part of the DiSC Editor and the Editorial Board. The Silver Edition DVDs should also be available for sale at this year's SIGMOD/PODS Conference. They will subsequently be available for sale through ACM.

I apologize for devoting much of my message to administrative issues that are not entirely cheerful. However, I believe that it is important for membership to have a full appreciation of the issues and why we take some of the actions that we take. I am very positive in our long-term outlook and our ability to grow and be effective.

M. Tamer Özsu
April, 2002