USENIX Board of Directors Meeting
June 12, 2002
Redwood Room
Doubletree Hotel, Monterey CA

The regular meeting of the USENIX Board of Directors was convened on June 12, 2002 at the Doubletree Hotel, in Monterey, CA at 9:05 AM.

Attendance:

USENIX Board of Directors:
Dan Geer, Chairman
Andrew Hume
John Gilmore
Jon "maddog" Hall
Mike Jones
Kirk McKusick
Avi Rubin
Peter Honeyman

Board Elect:
Lois Bennett
Tina Darmohray

USENIX Staff:
Ellie Young
Jane-Ellen Long
Barbara Freel
Catherine Vegher
Tara Mulligan
Toni Veglia
Dan Klein (joined at 2:30 PM)

Guests:
Nick Stoughton, Standards Liaison
Shelley Gottlieb, Sales & Development Consultant
Dave Parter, SAGE
Geoff Halprin, SAGE
Rob Kolstad, SAGE Executive Director (joined at 11:10 AM)
Bryan Andregg, SAGE (joined at 2:30 PM)
Trey Harris, SAGE (joined at 2:35 PM)
Sam Leffler, Consultant (joined at 11:30 AM)
Jan Saell, EurOpen.SE representative
Richard Jaross, Consultant (joined at 2:30 PM)
Michelle Suski, CPA (departed at 10:50 AM)
Glenn Samson, Investment Portfolio Advisor, Morgan Stanley (departed at 10:50 AM)
Ted Ts'o, Chair, Linux Kernel Summit (joined at 4:30 PM)

All were present at the start of meeting except as noted above.

Minutes of the Previous Meeting

Honeyman moved and was seconded by Rubin, to approve the minutes of Feb 15, 2002. Passed: All in favor.

Changes to the Agenda

Geer proposed that the budget item be broken down into three parts:
a) Transfer of funds from the reserve; b) reports; and c) outside requests for funds.

Gilmore requested that the membership and cost per member reports be moved out of the consent agenda into the regular agenda.

Hall asked that the marketing and standards reports be taken out of the consent agenda and included in the discussion on the visibility of USENIX to outside communities.

Action Items

The group went through the list and most are in the agenda or completed, except as noted below:

Gilmore reported that he was not successful in finding a contact to make open source compatible for web tutorials. He was also contacting Neal Stephenson about giving a keynote address.

Honeyman said he was dropping off of the scholastic committee.

Hume said that a new liaison to the SAGE Executive Committee, and to the CRA (Computing Research Association), would need to be appointed. He will now be serving as the chair of the SAGE Certification Board.

Young reported that she hasn't yet heard from SNIA regarding their participation in LISA and FAST.

Financial Report - Reserve Fund Transfer

Samson reported that currently the Reserve Fund is being used to replenish the Operating Fund. The Reserve Fund was up to $8 million in 1999, and is now at $5.5 million. He feels that USENIX should be realistic in terms of cash flow, and we should reduce the expectation of 8% + returns. He suggested moving $500,000 to $1 million into operating funds, for at least the next six months. This will help with liquidity. He also suggested putting this amount in short-term bonds yielding 4-5%, and money market funds yielding 1.5%. He will make an addendum to the policy statement. Samson stated that although we may be coming out of the recession, geo-political issues could affect the markets, and we should stick to conservative allocations of funds. He also suggested we look at the allocation between the Reserve and Operating Funds more frequently.

Year-End Financial Statements and Audit Report

Michelle Suski reported that the audit by the firm Burr, Pilger & Mayer went very well, with no exceptions. Jones and Hume agreed with the auditor's management letter that USENIX needs to document the process for the Executive Director's compensation. Suski pointed out that while

USENIX currently has no outside debt, we have dropped 31% of assets, lost $3.3 million in 2001, with revenues dropping 42%. She felt that operating expenses weren't cut fast enough to account for the economic downturn caused by stock drops and 9/11. She also pointed out the difficulty of a quick financial turn-around due to the long-term commitments of conferences. which total over $1 million. She suggested that if the conferences don't become profitable, USENIX might consider fundraising.

A discussion ensued about the economy, the possibility of making cuts commensurate with losses, staying fiscally sound, reducing the staff, getting through previous downturn cycles, and what warning signs to look for. Suski said that operating in the red is the warning sign, and we should document deficit spending. Geer suggested that we try to determine the lag time in the recession and conference travel budgets. Suski suggested that we look into producing graphs for the future based on the past. Samson said he could help with this as well. Suski also suggested that we reassess all expenses for six months.

Honeyman left at 10:20, and returned at 10:25 AM.

Break from 10:50-11:10 AM.

Samson and Suski left at 10:50 AM.

Kolstad joined at 11:10 AM.

Transfer of Funds

Honeyman moved and was seconded by Jones, to approve transfers from the reserve fund to the operating fund, in January '02, March '02, and May 02 (for a total of $1 million.)
Passed: All in favor.

Honeyman moved and was seconded by Jones, to pre-approve authorization for the Executive Director to transfer $500,000 from the reserve fund to the operating fund between now and the next time the Board meets.
Passed: All in favor.

Reports on Fiscal Year 2002 Budget and Year-End Projections

Young reported that the 2002 budget included a deficit of $680,000 in operations. Unfortunately, this wasn't conservative enough, and the deficit in operating could be as high as $1.5 million. She pointed out that membership and conferences, in spite of having the worst year in conference attendance ever, were projected to lose $350,000. She suggested that we focus on conferences, and seriously limit our outlay towards Good Works and Special Technical Groups.

Kolstad and Hume explained that the SAGE Executive Committee has reduced their budget's direct expenses by $30,000-$40,000, and the SAGE Certification Program has cut as much expense as is possible. Young reported that USENIX has cut an additional $200,000 from the 2002 budget, and it is not clear what else can be done short of canceling conferences.

There was a discussion of SAGE activities, and how it might affect the overall membership if more SAGE projects were cut. Some felt that SAGE programs should bring in money to the point of being self-supporting.

Young stressed that the 2003 budget must be prepared now, as opposed to waiting until November. In Section V of her budget report included some scenarios that could be implemented immediately. She requested guidance from the Board.

A discussion ensued about areas to cut and/or seek funds. Gilmore said that the EFF would be willing to defer USENIX's pledge of $50,000 for a year. The idea of soliciting funds from those in the community that have done well was raised. The importance of protecting the quality of staff, and the effect of downsizing staff, were briefly discussed. Hall suggested leaving these decisions to Young.

Jones moved and was seconded by Hume, to strike all Good Works funding for the foreseeable future.
Motion withdrawn by Jones.

Jones moved to restrict student stipends to only funds that are externally obtained and so designated. No second.

Jones moved and was seconded by Hall, that student stipend spending for the remainder of 2002 is cut to $25K, plus any externally obtained funds.
Passed: In favor: 7; abstained: 1 (Rubin).

Jones moved and was seconded by Hall, that student scholars and research grant funds previously allocated but not yet spent in 2002, not be spent; and we reduce funding to the amounts already committed to specific projects.
Passed: In favor: 6; opposed: 2 (Gilmore, Rubin).
Gilmore stated that he was opposed to the process, not the motion.

Jones moved and was seconded by McKusick, that we publish only six issues of *;login:* in 2002.
Passed: In favor: 7; opposed: 1 (Gilmore).

Hall moved and was seconded by Jones, that we offer an "opt-in" option to receive *;login:* via web only.
Passed: In favor: 7; opposed: 1 (Honeyman).

Gilmore donated $15,000 to be designated to the student stipend fund.

Lunch break from 12:45-1:30 PM.

Honeyman left the meeting at 12:45 PM.

Budget (continued)

McKusick moved, and was seconded by Hall, that USENIX not spend any more of the discretionary $10,000 budget for the Board in 2002; and that we will fully fund one paid space for a Board member at each conference, with first preference going to the board liaison for that conference. USENIX will give a complimentary registration to any Board member to attend any conference, provided that they pay all other expenses.
Passed: In favor: 7; absent: 1 (Honeyman).

McKusick moved, and was seconded by Hume, that we raise student registration fees for all conferences to half the price of the regular registration fees, indefinitely.
Passed: In favor: 5; opposed: 2 (Rubin, Gilmore); absent: 1 (Honeyman).

There was a discussion on raising fees for conferences. The staff voiced concerns about raising fees during an economic recession.

Jones moved, and was seconded by Hume, that member and non-member technical session registration fees be raised by $100 from the current rates for early and late registration fees for all conferences, indefinitely.
Passed: In favor: 5; opposed: 2 (Gilmore, Rubin); absent: 1 (Honeyman).

Further discussion ensued on raising fees, and there were concerns about how high they could go. There was general agreement that membership dues are at a threshold, and might be raised only slightly. A straw poll indicated that we shouldn't consider canceling conferences at this time. There was more discussion about how to reduce conference expenses in the areas of catering, breaks, and receptions, without changing the "conference experience." Most felt that these reductions would be okay if the economic reasons for doing so were put forth to the membership.

Honeyman returned at 2:00 PM.

SAGE – Finances

Kolstad reported that SAGE may face a loss of up to $61,000 (which doesn't include the USENIX subsidy for additional staff and the LISA conference revenue share).
The following budget cuts have been made:

- Election costs were reduced (they will vote electronically).
- SAGE volunteers will do web administration.
- Publications: Kolstad will talk with Rik Farrow, Booklet Editor, regarding partial delivery of his contract.
- Salary Survey: The contract with a firm will be terminated. Kolstad will request the raw data, and will implement an in-house method to continue the survey.
- Web Server: The cost of implementation was much higher than expected, cost reductions are being arranged.

Geer discussed the USENIX support of SAGE. He pointed out that USENIX policy allows that 20% of the LISA net revenue after the overhead is removed be allocated to the SAGE budget. However, for the past few years, the net before overhead has been allocated to their budget (closer to 40%). Geer asked if we wanted to enforce the policy? A discussion indicated mixed reaction on enforcing vs. changing the policy. It was agreed that for now USENIX should support SAGE to give it a chance to reach stability, with SAGE doing its part to reduce costs.

Klein joined at 2:30 PM.

Rubin left at 2:45, and returned 2:48 PM.

Gilmore moved and was seconded by Jones, that we make a line item of all USENIX contributions beyond the LISA revenue share to balance the SAGE budget for 2002 only.
Passed: In favor: 6; opposed: 2 (Geer, Jones).

Honeyman left at 3:05, and returned 3:10 PM.

Sage Certification

Hume reported that the cCERT test (lower level test for junior system administrators) has gone live, but there were far fewer test takers than expected. Three scenarios were presented on revenue projections from the program for the rest of the year:

Pessimistic: 127 more tests taken, at a loss of $123K
Conservative: 377 tests taken, at a loss of $85K
Optimistic: 765 more tests taken, at a loss of $42K

Terminating the project immediately would have the following consequences:
- The $800,000 investment would be gone
- The test will be too outdated to restart in future (it has a shelf life)
- Loss of reputation and volunteers
- We will never be able to offer this testing to this market again

The key times to make decisions are October, 2002, when the Cert Program Manager's contract is due for renewal, and February, 2003, when the VUE contract is up for renewal. Hume suggested letting this program survive until February, 2003, and deciding its future then.

A discussion regarding the Certification program followed. Klein felt that training must accompany the testing. Geer expressed concern that we have developed a test for people who aren't our members and whom we don't train. Some responded that the test-takers are future system administrators and USENIX/SAGE members. Gilmore felt we should do the next level exam for certification.

Andregg recognized that there has been a lack of guided oversight. It was decided that Bennett, Kolstad, and Andregg will be monitor the expenses of program. Klein offered to work with the Certification group.

Break from 4:05-4:20 PM

E-learning Report

Jaross reported that the member discount offer for Digital Think courses was out. USENIX has a 15% royalty, with a 25% discount offered to members. He recommended we make all of our offerings more obvious on the Web site.

Gilmore moved, and was seconded by Rubin, to zero the budget and spend no more on the E-learning program.
Passed: In favor: 4; opposed: 3 (Geer, Hume, Hall); abstained: 1 (McKusick).

Outside Requests for Funds

Young reported that the following organizations have made requests:
- Grace Hopper Conference for $10,000
- IOI (International Olympiad for Informatics)
- M. Leahy for a "Computer Languages" journal

Honeyman moved, and was seconded by Hall, to continue funding the Grace Hopper Conference for $10,000.
Passed: In favor: 5; opposed: 3 (Geer, McKusick, Jones).

Hume moved, and was seconded by Jones, to reject the remainder of the outside requests for funds.
Passed: In favor: 7; abstained: 1 (Honeyman).

Finances (continued)

The discussion on cutting conferences and other activities continued. Geer said that doing a full conference program might not allow us to break even in 2003. Young stated that USENIX could be $800,000-$1 million in the red if we do full Conference Program, SAGE, and Student Programs as planned. Geer suggested that McKusick, Young and the Treasurer start planning the 2003 budget, and discuss this with the Board in July. Young said that enough cuts have been made today to keep USENIX going for two more years, but that more reductions should be considered in the future. It was agreed that McKusick, Jones, Bennett, and Young would meet in July.

Executive Director's Report

Hume moved and was seconded by Rubin, to re-institute SPAM filtering while "white listing" email from gnu@toad.com .
Passed: In favor: 5; opposed: 2 (Hall, Gilmore); abstained: 1 (Honeyman).

Update on Conferences

NordU: Jan Saell reported that the conference in February went reasonably well, but they didn't make the projected financial numbers. He would be asking USENIX for a loan of $15,000-$25,000 in 2003, with payback within a year. If that were not possible, he would ask for a loan of $10,000, and support for two speakers. The Board agreed to revisit this at the next meeting.

SANE: Honeyman said it was a great success. They lost some money, but he believes the USENIX investment was well spent.

SANS: Kolstad and Young felt that we should consider cooperating with SANS in a limited way. They suggested co-branding, and working together on tracks or publications. A committee was formed of Parter, Kolstad, Klein, Darmohray, and Young.

5:35 PM: Geer stated that agenda is out of order, and he excused SAGE Executive Committee members because they needed to attend another meeting.

USENIX 2002 Annual Technical Conference: Freel said the Marriott was sold out, and the Doubletree was two-thirds full with our attendees. We could save $30,000 on meeting room rental. There were over 1,000 people in attendance, 635 paid. Klein reported that the tutorial numbers are low, and that the new tutorials had disappointing numbers. Gottlieb said the exhibits are down 50% from 2001, but the exhibitors that did come did not balk at the increase in booth fees. Apple sponsored the terminal room. Vegher is trying to reach new people via emailing.

USENIX 2003 Annual Technical Conference: This event will be held in San Antonio, TX. Brian Noble will be the program chair; with Erez Zadok chairing the FREENIX track.

Linux Kernel Summit: Ted Ts'o reported that it would be a two-day event June 24-25, 2002, in Otta wa, next to the Ottawa Linux Symposium. It was noted that there could be trouble getting Freenix submissions because the Linux Kernel Summit is at the same time of year.

JVM 02: Young said that Hewlett Packard is sending 45 attendees at a discount.

Security 02: Young reported that the number of paper submissions was higher than in previous years. The closing speaker has cancelled, and the program committee is looking for another. Rubin suggested reconsidering the 2.5-day format.

Security 03: Vern Paxson has agreed to serve as the program chair. We are looking for an Invited Talk chair.

CARDIS 02: Honeyman said the submission deadline is soon, and he is expecting it to go well. He would like to work with Vegher on sponsorship activities.

LISA 02: This event will be held Philadelphia, PA in November. It will have fewer tutorials. Some logistic challenges have arisen, as we are overlapping with a citywide, oversold conference, and we are tight for space. Young reported that Alva Couch is doing a great job as program chair. Gottlieb signed Freshwater as a sponsor, but is expecting the exhibitors will be about half of last year.

HotOS: Jones reported that this would be a small, invitation only event, for about 60 people. He will propose to Ethan Miller (IEEE TCOS chair) that USENIX do it. It would not fall under our normal model, but we can charge enough to cover the costs. Everyone attending is an author, and they all pay. Jones and Young will talk with Miller.

BSDCon Europe: Honeyman asked that we put up 10% of what they need, and mentioned that we have a "gentleman's agreement" to help.

Honeyman moved and was seconded by McKusick, that we allocate $6,000 out of reserve fund as a grant to support BSDCon Europe 2002.
Passed: In favor: 7; opposed: 1 (Jones).

Honeyman will work with them to make sure they schedule their conference so that it does not coincide with our BSDCon, or with NordU.

Sales Report and Visibility of USENIX

Concerns were raised about the visibility of the USENIX name, and what more could be done to get results. Gottlieb suggested an executive level round table preceding a conference, consisting of CIO's and Directors. Hall suggested a "President's Breakfast." This idea will be discussed further at dinner.

Bylaws/Policies Review

Hume said the language should be cleaned up. We should take out the election material verbiage and remove the STG members, etc. He will have suggestions at the next Board meeting.

Honeyman moved, and was seconded by McKusick, to adjourn.
Passed: All in favor.

The regular meeting was adjourned at 6:35 PM.

The meeting of the 2002-2004 USENIX Board of Directors was convened on June 12, 2002 at the Doubletree Hotel in Monterey, CA at 6:40 PM.

Attendance:

USENIX Board of Directors:
Kirk McKusick, President and Chair
Lois Bennett
John Gilmore
Jon "maddog" Hall
Mike Jones
Tina Darmohray
Avi Rubin
Peter Honeyman

USENIX Staff:
Ellie Young
Jane-Ellen Long
Tara Mulligan
Toni Veglia

Guests:
Dan Geer, past President
Jan Saell
Ted Ts'o

Assignment of Committee and Board Liaison
New appointments were made. Please see list of Committee and Board Liaison appended below.

Next meeting:
The next meeting will be held at the LISA Conference in Philadelphia, on Tuesday, November 5, 2002. A Board dinner that evening will be scheduled as well.

Honeyman moved, and was seconded by Gilmore, to adjourn.
Passed: All in favor.

The meeting was adjourned at 7:05 PM.

Appendix I.

USENIX COMMITTEES & BOARD LIAISONS * (rev.10/21/02)

Executive <execcom@usenix.org>: Jones, Darmohray, Gilmore, McKusick
A subset of the Board that may make Board level decisions between the meetings. The Executive Director consults this committee in cases of personnel termination and hiring of senior staff. Some members have signature on bank checking accounts. Usually the president and at least one member who are located in the SF Bay Area serve.

Nominating Committee: In the summer of the year preceding the Election, the Board of Directors appoints someone to serve as chair. The chair will then put together a committee (all of who agree that they will not run for office in that particular election).

Prizes & Awards <prizes@usenix.org>: Hall (chair). Makes proposals about instituting awards to celebrate special achievements in the community. It also seeks nominations for and does subsequent selection of Flame and STUG annual awards.

SAGE Review Committee: Hume, Parter, Hall, Kolstad, Young Formed in May '02 to review the working relationship between USENIX and SAGE, especially as it relates to the SAGE Executive Director being able to accomplish his or her mission.

Scholastic Services <scholastic@usenix.org>: Mary Baker, Darrell Long (chair), Rubin. Work on developing this program and evaluating submissions for research grants, scholarships, and software projects.

STG Committee <stg@usenix.org>: Hume, Jones, Hall, McKusick
Makes proposals to the Board for new STG's, and evaluates current program

SANS Relationship Committee <sanscom@usenix.org > Darmohray, Kolstad, Klein, Parter, Jaross

BOARD LIAISONS:

CRA: Jones

SAGE: Hall

Interim Certification Board: Bennett

USENIX Conferences:

LISA, Philadelphia, Nov '02	Rubin
CARDIS	Honeyman
OSDI/WIESS, Boston, Dec '02	Jones
File & Storage Systems, Mar '03	Honeyman
USITS, Seattle, Mar '03	Honeyman
Mobisys, SF, May '03	Jones
HotOS, Lihue, HI, May '03	Jones
USENIX Annual, Monterey, Jun '03	Honeyman
Freenix, Jun '03	McKusick
Security, Aug '03	Rubin

BSDCon, San Mateo, Sept '03	McKusick
LISA '03 San Diego Oct '03	Darmohray

Other Conferences (USENIX-related):

NordU:	Hall
EuroBSDCon:	Honeyman
Middleware	Honeyman

*Note: Young is the Staff Coordinator for each of the committees and is included on each mailing list.