

December 11, 1962

MEMORANDUM TO: Members and Observers, Joint Merger Committee

FROM: Donald G. Fink, Secretary

SUBJECT: Explanations of Revisions in IEEE 1963 Operating Budget,
Fourth Draft, December 7, 1962.

1. Income. No sources of increased income have been identified, except "Sales Items - Emblems and Diplomas". This will be the subject of a separate report to be presented to the Merger Committee on December 12, following receipt of bids from the badge suppliers.

2. Expenses - Salaries. Discussions with the various Staff Chiefs have indicated that a saving in salary costs of \$50,000 can be achieved by consolidation of staff not contemplated in previous reports. The sum of \$22,000 has been identified by Mr. Herrmann; \$10,000 by Mr. Buckley, and \$18,000 by Miss Sirjane and Mr. Gannett. This is a preliminary figure.

3. Field Items - Rebates - Sections and Subsections. The formula for Section Rebates, as outlined in the minutes of the Seventh Meeting, has been reviewed by the two staffs. Mr. Herrmann believes that an additional sum of \$3,400 will be required to cover the AIEE Sections under this formula.

4. Field Items - Bi-Monthlies Subsidy. The Third Draft figure of \$40,000 inadvertently included salaries which were already included in the Salaries item of the budget. The net cost of bi-monthlies in 1962 is estimated at \$27,000. The new figure of \$20,000 is believed adequate for this purpose.

5. Students - Subsidy - PIRE/TIRE. Dr. Bailey reports that the number of Students electing to subscribe to the PROCEEDINGS at the subsidized rate of \$4.00 per year has very rapidly dropped off in recent weeks. The Third Draft figure presumed that half of the Students would require this subsidy. The revised figure is thirty per cent.

6. Students - Subsidy - EE/Bi-Monthlies. The staff recommends that the sum of \$1,200, to provide an extra subscription to ELECTRICAL ENGINEERING and to the Bi-Monthlies for each Student Counsellor, be removed from the Budget, as a necessary economy in this deficit year.

7. Students - TIRE to Branch Chairman. The staff recommends that the Budget provision for sending IRE TRANSACTIONS to Branch Chairmen be eliminated, on the same basis as Item 6 above.

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8. Operations - JTAC. The Third Draft figure of \$9,000 included the sum of \$5,000 to subsidize the publication of the JTAC book "Radio Spectrum Conservation - Second Edition". It now appears that this book cannot be published before 1964 and there will, therefore, be no need to spend this money in the calendar year 1963. Accordingly, this item is reduced by \$5,000. This amount must be provided for in the 1964 Operating Budget.

9. Operations - Telephone and Telegraph. The Third Draft figure included approximately \$1,000 for relocation and reconnection of telephone instruments. This amount has been removed from the Operating Budget and transferred to 1963 Merger Expense, chargeable against Surplus, in accordance with the note at the end of the Operating Budget.

10. Travel - Staff. The travel budget for the Staff has been increased \$3,000, in part to provide for the travel of the General Manager which had not previously been included.

11. National Convention. Dr. Bailey has revised his estimate of the cost of the 1963 International Convention and Show, as indicated by more up-to-date estimates than previously available. This item, accordingly, has been reduced to \$720,000.

12. ECPD. This item has been reduced by \$2,800, in accordance with the actual assessment to be levied by ECPD. The ECPD has decided to reduce the assessments for all member bodies by a total of approximately \$8,000, the difference being taken from their surplus. The difference in the Budget item represents the IEEE share of this reduction.

13. Provision for Bylaw 403.10.e. In view of the heavy deficit incurred in the fiscal year 1963, the staff urgently recommends that the permissive per capita allowance of this Bylaw be removed from the 1963 Budget.

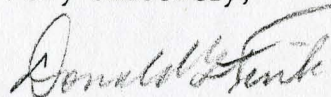
14. Miscellaneous Expense. The Third Draft figure of \$23,000 has been checked in detail by the combined staff, and a reduction of \$13,500 has been achieved as follows. Allowance for overtime meals has been eliminated; the fund for contingencies for the Finance Committee (AIEE) of \$5,000 has been eliminated; the cost of advertising for help has been reduced by approximately \$3,000; the cost of mail bag delivery has been reduced by approximately \$500; the cost for Presidential Christmas Cards of approximately \$100 has been eliminated. An item for bottled water for \$1600 has been eliminated; the Secretary's miscellaneous account has been reduced from \$750 to \$250; approximately \$1,000 of Miscellaneous Committee Expense, otherwise provided for in the Budget, has been eliminated; and a number of smaller items make up the total reduction of \$13,500.

15. Merger Expense, Chargeable Against Surplus.

The staff wishes to draw the attention of the Committee to the fact that some Merger Expense will extend over into 1963, and should be identified as chargeable against Surplus. This includes moving expense for staff relocation, \$6,000; equipment relocation and reconnection, including the telephone and telegraph item previously noted, \$2,000.

16. Net Reduction in Operating Deficit. As a result of the above revisions, the Third Draft Net Operating Deficit of \$443,700 has been reduced to a Fourth Draft figure of \$289,100, for a net reduction of \$154,600. It is anticipated that a further reduction in the deficit may be achieved as a result of increasing the income from the sale of emblems and diplomas, as per the separate report on this subject.

Very sincerely,



Donald G. Fink
Secretary

Att.