

REPORT OF THE 2002 PRESIDENT

For the period March, 2002 – March, 2003

George H. Sawyer, 2002 President

The year 2002 was clearly a transitional one for AIME! During the March Annual Meeting at Opryland in Nashville, Tennessee, the Board of Trustees took a decision to reduce the number of Trustees from twelve to eight; two from each of the member societies. Later at the Summer meeting in San Antonio, the Board elected to move the AIME office from New York City to Littleton, Colorado by May 31, 2003.

As the United States and world economies began to deteriorate in 1999-2000, the AIME Board began to study ways and means to assure the future economic viability of the Institute and preserve its storied traditions. These studies were conducted by the Strategic Direction Committee based on a Board decision at the Denver Annual Meeting in 2000. Over the span of 1998 through 2002, the Institute's financial portfolio declined from \$14 million to \$8 million. Decisions needed to be taken to preserve the Institute.

The four member societies were asked to consider submitting a proposal to AIME for the relocation of the AIME Headquarters Office to achieve the following: (1) preserving the AIME tradition and heritage including the important awards program, (2) maintaining our representation in AAES, UEF and ABET and achieving a total operating cost range of \$500,000 to \$550,000. Two of the societies elected to submit a proposal, SME and ISS. The proposals were deemed to be very close, but the Trustees elected to accept the SME proposal. Their headquarters is located in Littleton, Colorado.

As this report is being prepared, AIME has approved the hiring of Mr. J. R. (Rick) Rolater as part-time executive director for the Colorado office. Rick is eminently qualified for this important position; he also happens to be the son-in-law of Mr. Joe Alford, the AIME ED from 1970 to 1981. Also, an agreement is essentially complete for offices and services requirements for AIME by SME. The physical office move will take place between April 1 and May 31, 2003.

I must commend our existing executive director, Ms. Nellie Guernsey, Mrs. Arlene Pilon, and Ms. Carin Cantzler for their diligent efforts during the studies that were required to reach these very difficult decisions. They have been most helpful in maintaining a consistent, on-going program on behalf of AIME over this three-year period. WAAIME has continued their programs thanks to Mr. Norman Odden and effective officer leadership.

Significant progress has been made in achieving the objectives of the AIME Board of Trustees. An eight-member Board should be more efficient and cost effective, and the move to Littleton should permit a reduction in the annual operating costs (including awards) that has been targeted.

It is in the interest of AIME that the final phase of this move be made as seamlessly as possible. This will assure the longer-term objective of protecting the traditions and

continued viability of AIME as one of the Founder Engineering Societies in the United States.

In Memoriam

It is with deep personal sorrow as well as a great sense of long-term loss to AIME that I again note the untimely death of dear friend and colleague, Mr. Grant P. Schneider. I enjoyed serving with Grant and getting to know him as a professional and a family man. He did AIME a great service as our President in 2001.

AIME celebrated its 131st year with the Iron and Steel Society at their Annual Meeting in Nashville, Tennessee on March 9 and 10, 2002. The AIME banquet and awards ceremony was a memorable occasion. This was the last formal occasion for Grant Schneider to function as AIME President. He did a masterful job in all respects. Grant was a dignified, courageous man; one that I greatly admired.

An accounting of the 131st Annual Meeting keynote session and the awards ceremony may be found on page 8, followed by the names of the various award winners. I wish to thank both the ISS and AIME staffs for organizing this event and to express my appreciation to ISS leadership for creating such an inviting host environment.

The 2003 Annual Meeting will be in New York City at the Three Park Avenue Headquarters Office. AIME awards recipients will receive their recognition and awards in conjunction with the SPE Annual Meeting in Denver, Colorado on October 6, 2003. On Sunday, March 30th, I will be handing over the gavel to Dr. Robert H. Wagoner of TMS. Good luck to Dr. Wagoner as we follow his leadership.

Government Affairs Through AAES

AIME government affairs and public awareness of engineering activities continued during 2002 through the American Association of Engineering Societies (AAES) located in Washington, DC.

AAES reorganized itself in 2001-2002, a reorganization triggered by the effect of the deteriorating economy and the impact of dues on the AAES Member Societies, which number more than twenty-five. AIME's annual dues were reduced by one-third as a result of the reorganization.

AAES went from a 25+ member Board of Governors to a 9-member Board and the elimination of the Executive Committee. Two caucuses were created and each member society could elect which one to join. Caucus A was allocated five seats on the Board and Caucus B four seats. AIME elected to joint Caucus A. Each caucus was entitled to one Executive Director and all other Board members were required to be Society current presidents or past presidents. The new, smaller board meets several times per year. The entire membership is required to vote on the annual dues. Twice a year there are Assemblies for the member societies, typically represented by the sitting president, president-elect, and executive director of each organization. The purpose of the Assemblies is to showcase the

AAES activities and invite speakers and organizations from the Washington community in order to keep the member societies current and to consider future activities.

One of the most ambitious and far reaching activities of AAES has been *Voices of Innovation*, a series of two-minute radio spots that are currently heard on some 70 radio stations throughout the US plus Voice of America and Armed Forces Radio. All of the AIME Member Societies were encouraged to provide input to the radio spots.

Finance

You are invited to review the audited financial statement for the AIME Corporation for fiscal year 2002 (ending November 30, 2002) starting on page 15 of this report. This is the fourth year the audit firm selected in 1999 audited the AIME Corporation and the combined savings plan for AIME and the member societies.

AIME assets decreased \$2.0 million from the end of fiscal year 2001 to \$8.5 million at the end of fiscal year 2002.

During 2002, AIME continued to look at the most cost effective and efficient ways to handle its financial functions and to achieve cost reductions in all areas of the operation. The level of \$850,000 to \$950,000 seems to be the minimum achievable in New York City.

Inter-Society Affairs

United Engineering Foundation (UEF)

I am pleased to report that AIME continues its effective involvement in the government of the UEF. UEF has also taken major cost reduction measures, and a part-time executive director has been hired, Dr. David. L. Belden.

Founder Societies

I am pleased to report our continued effective interactions with the Founder Society officers and executive directors in matters of common interest. This interaction has provided the president-elect, the executive director and me with an important opportunity to become cognizant of the broad spectrum of issues affecting the engineering profession. One of the ways we worked together in 2002 was to implement the United Engineering Foundation grant to AAES for *Voices of Innovation*, daily two-minute radio spots directed toward enhancing the public's awareness of engineers and engineering. We also had the opportunity to approve a UEF grant to the Iron & Steel Society.

ABET

The Institute also retained its relation with the Accreditation Board for Engineering and Technology (ABET) as an affiliate body and is represented by its Executive Director who serves as an official observer at ABET board meetings. Continued ABET participation will be reviewed for the future since all four of our member societies are members as well. Several of the member societies offer accreditation workshops at their conferences.

In Appreciation

It has been an honor for me to serve as your AIME president, to have had the opportunity to associate with and be assisted by the many fine people who comprise the AIME family, and to have the privilege of representing AIME on many auspicious occasions, including the inauguration of Dr. Gates as Texas A&M University President during the Autumn of 2002. I reflect with great gratitude and affection on my visits to the local sections and the opportunity to strengthen AIME's ties with its Member Societies and with the other Founder Societies.

I've had the privilege of serving three times on the AIME Board of Trustees, spanning the late 1980s, all of the 1990s and the early 2000s. I appreciate the cooperation of the Board of Trustees of AIME. I also extend my sincere appreciation to the Member Societies' boards of directors and executive directors, the staffs of AIME and the member societies, committee members, others and especially the AIME Past Presidents for their dedicated support during the past year. I also congratulate and pledge my full support to 2003 President, Dr. Robert Wagoner, and the new eight-member Board of Trustees, all of whom are depicted on the following pages.