



Report of the 1985 President

Norman T. Mills

It is a pleasure for me to report to the Member Societies and their members on the activities of AIME during 1985. I feel honored, indeed, to have been allowed to serve as the AIME President during a most significant time in its history.

The year 1985 was marked by major changes in the organizational structure and governance of the Institute. While there were some substantive legal reasons for effecting these changes, they were undertaken primarily because it is firmly believed that the changes will place the Societies in the position to respond more effectively to the needs of their members, now and in the foreseeable future.

After receiving approval from the individual members of the Societies, each of the Societies separately incorporated and obtained an exemption from federal income taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code. As provided for in applicable AIME Bylaws, these actions were followed by the distribution of AIME assets to the Societies after receiving court approval to do so, as required by the New York State Not-for-Profit Corporation Law. The assets distributed to the Societies consisted principally of those which the Societies had generated and administered, but previously did not legally own due to the lack of corporate status. A total of approximately \$16,000,000 in assets was distributed to Societies on December 1, 1985, with approximately \$7,000,000 in assets being retained by the separate AIME Corporation. The Society Boards of Directors are now solely responsible for the assets and affairs of their respective organizations.

The new approach to governance of the Institute was implemented when the AIME Board of Trustees met for the first time on February 26, 1985. Consisting of equal representation from each of the Member Societies, the Board of Trustees is charged with carrying out the desires of the Member Societies in terms of managing the assets of the separate AIME Corporation, and facilitating cooperation and collective action among the Societies. Important to the new concept of governance is the provision that although the Board may act to adopt an AIME program or activity, each Member Society retains the right to decide unilaterally whether it desires to participate or share in the cost of the program or activity. In its three meetings during 1985, the Board of Trustees addressed these and other policy and procedural matters

to set the stage for effective functioning in the separately incorporated mode. I am pleased to report that great progress was made, and I was most impressed with the commitment of everyone involved to strive to find areas for mutual cooperation and action.

Despite the considerable attention given to structural and governance changes during the year, AIME continued to serve the Societies and their members in a number of important ways. Some of these activities are worthy of comment.

AIME has, and will continue to administer, a comprehensive Awards Program, as well as provide financial support to certain awards administered and bestowed by the Member Societies. In 1985, 20 AIME Endowment Funds were used to support Institute-wide and Society awards. An additional nine Institute-level awards were made without endowment fund support, including seven Honorary Membership awards, the Institute's highest honor. In every case, the awards were given to Society members to recognize their achievements in the various fields embracing the activities of AIME and the Societies. The many Society members who comprise the Institute-wide and Society awards committees play a vital role in the success of the Awards Program and their dedicated efforts are to be commended.

Again this year, effective use was made of other AIME Endowment Funds to advance knowledge in the engineering disciplines represented within the Institute to the benefit of Society members and the public at large. For example, the Seeley W. Mudd Memorial Fund supported the publication of an updated version of Economics of the Mineral Industries, co-sponsored with the Society of Mining Engineers the publication of the Mineral Processing Handbook, and provided financial support to the guidance efforts of the Societies, and to the Mineral Information Institute. Additionally, the Henry DeWitt Smith Scholarship Fund supported two graduate level scholarships, one in mining engineering and one in mineral processing. Other funds were used to support additional publications efforts, lecture series, undergraduate scholarships, and the Engineering Societies Library.

Turning briefly to meeting activities, AIME once again in 1985 conducted its Annual Meeting in conjunction with the joint Annual Meetings of the Society of Mining Engineers and The Metallurgical Society. In addition to the traditional Annual Meeting Luncheon at which the new AIME President was installed, and the Annual Banquet during which the Institute's major awards were presented, an excellent All-Institute Program was conducted under the able direction of Dr. Tobey Yu of the Society of Mining Engineers. The same meeting concept and format will be followed in 1986 in New Orleans, with 1987 AIME President Alan Lawley chairing the All-Institute Program Committee. At its meeting on October 24, 1985, the AIME Board of Trustees voted to continue to schedule the Annual Meeting in conjunction with the joint Annual Meetings of SME and TMS for 1987 and beyond. The Board also approved a new meeting format, consisting of a morning Board of Trustees Meeting, one AIME Keynote Session in the afternoon, and an AIME Awards Banquet, all held on Monday of the meeting week. This format permits traditional AIME activities to be carried out with the least conflict with Member Society activities.

One of AIME's most important roles is to actively participate or maintain liaison with external organizations. Except in those cases where these relationships are handled directly by the AIME Executive Director who, in turn, keeps the Member Societies appropriately

informed, most of the formal representation is accomplished by appointing the members of the Member Societies to positions on the governing bodies, councils and committees of these external entities. Approximately 50 Society members perform such representational duties.

Along with the other Founder Societies, AIME retains its position and vested interest in the United Engineering Trustees (UET). In addition to three representatives on the UET Board, AIME is also represented on the Boards of the Engineering Foundation and the Engineering Societies Library. Dr. Frank Aplan of the Society of Mining Engineers is to be congratulated on his recent appointment as the Chairman of the Engineering Foundation Board of Directors. It should also be noted that during 1985, Kenji Okazaki of The Metallurgical Society, and Stephen A. Marinello of the Society of Petroleum Engineers were awarded research initiation grants of \$17,000 each by the Engineering Foundation.

The year 1985 was a crucial one for the American Association of Engineering Societies (AAES), an organization which AIME played a key role in initially establishing, and in which it retains membership. Although much was expected of AAES when it was founded, it did not live up to expectations, leading AIME, in 1983, to seriously consider resignation unless corrective measures were taken, as outlined in a Board-approved position paper. I am gratified to report that much was accomplished during 1985 to enhance the effectiveness of AAES, and I am optimistic about its future. Beyond solving its financial problems, moving to Washington, D.C., and reconstituting its staff there, AAES managed during the year to revitalize the Engineering Manpower Commission, expand its efforts in formulating positions on public policy issues, complete a comprehensive and valuable engineering manpower utilization study, serve as an effective forum for engineering societies to exchange views on matters of common interest, and establish dialogue and working relationships with federal and other entities, such that it is building a reputation as an effective voice for the approximately 500,000 engineers who constitute the memberships of the AAES Member Societies. As a member of the AAES Executive Committee and Board of Governors in 1985 and 1986, I am committed to working toward increased effectiveness of AAES in the coming year.

Among other external relationships carried on during the year, AIME and its Member Societies continued to be actively involved in the governance and accreditation activities of the Accreditation Board for Engineering and Technology (ABET). Special note is made of the election of Gordon Geiger of The Metallurgical Society as the ABET President-Elect for 1985-1986, after which he will succeed automatically to the Presidency, and Donald Gentry of the Society of Mining Engineers as the Chairman-Elect of the Engineering Accreditation Commission after which he will succeed automatically to the Chairmanship in July 1986.

AIME and the Member Societies also participated in an important two-day conference hosted by the National Science Foundation which addressed the challenges facing the engineering profession in the future, and resulted in the formation of a number of task forces to deal more intensively with issues addressed at the conference. Additionally, three meetings

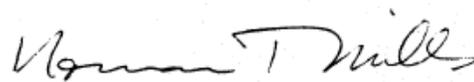
of the Founder Society Presidents and Executive Directors provided further opportunities to exchange views on matters of common interest. AIME also maintained its relationship with the Australasian Institute of Mining and Metallurgy, a relationship built primarily on a jointly sponsored Distinguished Lecturer Exchange Program. These and other outreach activities too numerous to mention were instrumental in sustaining AIME's reputation as one of the major professional engineering organizations.

In my view, current AIME functions and activities as summarized above provide a solid foundation on which to build a viable role for AIME in the new organizational structure. However, as recognized by those committees involved in developing recommendations which led to the new structure, further study is needed to more fully define the future role and functions for AIME, recognizing that the role and functions are subject to change with time. I am happy to report that action in this regard is already underway. As recommended by 1986 AIME President Arlen Edgar, the AIME Board of Trustees approved the formation of an ad hoc AIME Long Range Plan Committee comprised of two representatives from each of the Member Societies. The Committee is charged with setting a direction for developing a long range plan which will address AIME's activities over the next 10 years. It is anticipated that the Committee will complete its work and submit a final report to the AIME Board prior to the end of 1986.

Elsewhere in this Annual Report you will find the audited financial statement for the separate AIME Corporation for Fiscal Year 1985. As documented in the statement, the past year was very successful from a financial standpoint. The operating budget for the AIME Headquarters ended the year with a balance of revenue over expenses of \$75,000, and revenue from the AIME Endowment Funds exceeded expenses by approximately \$200,000. Close attention has and will continue to be paid to conducting AIME operations on a cost-effective basis, and to carefully managing the Endowment Funds, not only in terms of using them judiciously but also to follow an investment strategy aimed at achieving growth in total assets while meeting yearly income requirements.

I am indebted to the AIME Board of Trustees, the Society Boards of Directors, the AIME and Society staffs, committee members, and others for the dedicated support I received during my term as President. Finally, I should like to congratulate and pledge my full support to 1986 AIME President Arlen Edgar.

Respectfully submitted,

A handwritten signature in cursive script, reading "Norman T. Mills".

Norman T. Mills
1985 AIME President