

7th Meeting

2.11.122

14 - MAN COMMITTEE - AIEE-IRE MERGER

MINUTES OF THE SEVENTH MEETING

Meeting Place: Engineers Club, New York, New York.

Date and Time: November 14, 1962 - 9:00 P. M. - 11:00 P. M. ;
November 15, 1962 - 8:35 A. M. - 4:30 P. M.

Attendance: All members present except Hendley Blackmon,
L. V. Berkner, and L. M. Robertson.
Observers Weber and Oliver did not attend.
D. G. Fink attended as Secretary.

Actions Taken:

1. Minutes of the Sixth Meeting. The minutes of the Sixth Meeting were approved unanimously by those present. Mr. Clark noted that, in the attachment to the minutes of the Sixth Meeting (Review of Legal Requirements, Merger Documents), one discrepancy between the Bylaws and the Principles of Consolidation had not been noted. This relates to the voting privileges of the District Chairmen. This discrepancy was corrected as reported under Item 2, below.

2. Bylaws, Revision 6-A. Co-Chairman Haggerty reported that the Bylaws, Revision 6-A, had been approved unanimously by the IRE Board of Directors at their meeting of November 14, 1962. Co-Chairman Chase stated that the letter ballot of AIEE Directors, as of November 15, was as follows: 35 Ballots affirmative, 1 Ballot negative, two Ballots not yet received. He reported that Legal Counsel for AIEE had advised the holding of a Special Meeting of the AIEE Board of Directors to vote on the Bylaws. This meeting will be held on Thursday, November 29, 1962, at AIEE Headquarters at 11:00 A. M.

The following changes were made as corrections to the Bylaws, Revision 6 - A:

a. Page 27, Bylaw 401.4: At the end of the paragraph the words "but without vote" were removed and the following phrase substituted, "who shall be one of the voting members, as defined above in this paragraph".

b. Page 27, Bylaw 401.5, Second and Third Lines: The phrase "Technical Professional Groups" was revised to read "Professional Technical Groups".

c. Page 37, Bylaw 405.1.1., Lines Two, Four and Six: The phrase "course(s) of instruction" was replaced by the word "lectures" in each case.

3. Agreement Between AIEE and United Engineering Trustees. Co-Chairmen Haggerty and Chase reported on discussions held November 2 with Past President Fairman of the United Engineering Trustees; Mr. Marras, UET Secretary-Treasurer; Mr. Simon Presant, Counsel for AIEE and UET; Mr. Tobin, Counsel for IRE, and D.G. Fink. As a result of this meeting, a letter was prepared outlining the agreement between UET and AIEE regarding future space requirements in the United Engineering Center. A copy of this letter is appended to these minutes. Co-Chairman Haggerty reported that the IRE Board of Directors had accepted this letter, subject to its confirmation by the United Engineering Trustees at a meeting to be held December 13, 1962. If this confirmation is not forthcoming, the IRE Board of Directors will meet in Special Session thereafter.

4. Library Agreement with UET. In the discussion noted in Item 3 above, Co-Chairmen Chase and Haggerty reported that no immediate action was taken concerning the Engineering Societies Library assessment to be levied by UET against IEEE next year. They reported that the assessment would cover the period October 1, 1963 through September 30, 1964. The UET Secretary, Mr. Marras, will write Mr. Fink asking for the membership count (less Students) as of July 1, 1963. It was agreed that Mr. Fink will reply giving the total membership, less Students, of IEEE, but would also quote another figure, i.e.: the membership, less Students, of AIEE as of December 31, 1962 plus the total increase in membership of IEEE (less Students) from January 1, 1963 through June 30, 1963. General Manager Fink would request that the latter count of members be used as the basis for the library assessment for the above mentioned period and would reference discussions to this effect which had occurred during the latter months of 1962. It was agreed that the IEEE would be agreeable to library assessments, for the period commencing October 1, 1964 and thereafter, when levied on the basis of the full IEEE member count, less Students. Mr. Linder requested that Mr. Fink's letter be reviewed by the IEEE Executive Committee prior to its being sent to Mr. Marras.

5. Distribution of Bylaws to Section Chairmen. Mr. Peterson reported that the memorandum on Section Mergers sent out November 1, had promised that a copy of the approved Bylaws would be sent to the Sections as soon as approved by AIEE and IRE. It was agreed that the distribution of Bylaws to Sections would not take place until the AIEE Board of Directors had officially approved them.

6. Fellows Ceremony, IEEE Banquet, March, 1963.

The Secretary reported that the Fellows Ceremony in the March Banquet would recognize 76 Fellows elected by the IRE. He suggested that an approximately equal number of AIEE Fellows be recognized at this ceremony. According to Executive Secretary Hibshman, approximately 75 AIEE Fellows would have been elected in the period from August 1, 1962 to December 31, 1962. The Secretary was instructed to arrange for a Fellow Ceremony having approximately equal numbers of members elected by IRE and AIEE.

7. Committee Interest Coding. The Secretary reported that the Addressograph System, used for membership records, would not have facilities for recording the approximately 67 codes maintained in the AIEE records for "Committee Interest". The Committee authorized the Secretary to omit these codes on and after January 1, 1963, since it was physically impossible to accommodate them.

8. Hotel Accommodations for IEEE International Convention and Show, March, 1964. The Secretary reported that negotiations were nearly completed on the selection of a hotel for the March, 1964 Convention. If releases in writing are received from the Hotel Statler-Hilton and the Hilton Waldorf-Astoria Hotel by November 29, it is likely that the New York Hilton Hotel will be chosen as the Headquarters Hotel and Exhibit Hotel for this Convention. If these releases are not received by that date, it is probable that the Americana Hotel will be selected. A final decision will be made by the Secretary on November 30.

9. Members for Life Fund. The Secretary brought to the attention of the Committee an action by the AIEE Board of Directors requesting that the Members for Life Fund be accounted for separately and not merged with general funds. The Committee approved this action and directed the Secretary to keep the accounts of IEEE accordingly.

10. Summer General Meeting and WESCON 1964.

Mr. Peterson reported that the question of combining the 1964 Summer General Meeting and WESCON had been brought to the attention of the Los Angeles Sections of IRE and AIEE and had their approval, including that of the WESCON Representative. However, the WESCON Board of Directors had not yet been polled on this matter. Mr. Peterson will follow this and report at the next meeting.

11. Coordination of IEEE Meetings. The Secretary was instructed to prepare a comprehensive listing of all national and regional meetings, to keep this listing up to date, and to present it at each meeting of the IEEE Executive Committee with recommendations concerning "protected meetings" and conflicts.

12. Allocation of Members to Sections. Mr. Peterson referred to Item 2-b of the Minutes of the Sixth Meeting concerning the allocation of members to Sections. After consultation with members of the Ad Hoc Subcommittee on Regional Boundaries, he reported that his Committee recommended that assignment of members to Sections be continued on the basis now used by IRE and AIEE.

13. Reduced Dues in Certain Foreign Countries. The extension of Student dues, beyond the normal period, to members in certain foreign countries (Item 2-c of the Minutes of the Sixth Meeting) was discussed. It was agreed that this subject would be discussed by the Ad Hoc Subcommittee on Regional Boundaries, which is scheduled to meet at 2:30 P.M. on December 11, 1962, with the Regional Directors -Elect. Their recommendations on this subject would be considered by the Merger Committee at its meeting of December 11-12, 1962.

14. Fall General Meetings. The Committee affirmed the previous decision that there would be no Fall General Meeting in 1964 and thereafter. The question of a Fall General Meeting in Chicago, scheduled for 1963, is still open pending a report on the status of hotel commitments in Chicago for that meeting. A final decision on this meeting will be made by the Merger Committee at its meeting of December 11-12.

15. Signing of Merger Documents. The Committee recessed while the Presidents and Secretaries of AIEE and IRE signed the official Merger Documents to be filed with the Secretary of State in Albany, New York, on December 31, 1962. It was understood that these documents would not be filed until final approval of all pending matters has been given by the respective Boards of Directors and the Merger Committee.

16. Emblems and Diplomas. The Secretary presented a hand-made sample of the new badge, which conforms generally to the specifications laid down by the Committee at its Sixth Meeting. The Committee requested the Secretary to present several alternative renderings of this badge for consideration at the next meeting. The schedule of colors to be used in the fields of the badge will be decided by the Committee at that time. To maximize income from the sale of badges, the Secretary was instructed to have the official badge ready for sale at the IEEE Winter General Meeting, January 27-February 1, 1963. To meet this date, the supplier must be selected and the dies prepared in advance of the first meeting of the IEEE Board of Directors. Accordingly, the Secretary was instructed to notify the IEEE Directors-Elect of the need for advance approval of this badge and to request authorization to proceed from each Director-Elect.

Concerning diplomas, it was the sense of the Merger Committee that each AIEE and IRE member requesting a new IEEE Diploma should be required to pay for it. Diplomas would continue to be offered free to those requesting them for all new IEEE members in the grades of Member and Senior Member. These diplomas would be produced by mechanical engrossing and facsimile signatures of the Secretary and President. The Fellow Diplomas would be hand-signed by the President and the Secretary.

The Secretary was directed to prepare a comprehensive program on the sale of emblems and diplomas, including the costs and income to be expected, for the meeting of December 11-12. It was pointed out that the sale of emblems and diplomas is potentially a substantial source of income in the first year and that full advantage must be taken of this to reduce the anticipated deficit.

17. Running Account of Changes in IEEE Policies.

The Secretary was instructed, as General Manager of IEEE, to prepare and keep up to date a running account of IEEE policies as they are established or revised by the Board of Directors.

18. Study of PTG/TOC Finances. The Committee requested Director-Elect Blackmon and Director-Elect Oliver to place before the Technical Operations Committee and the Professional Technical Groups Committee, respectively, the question of the subsidies required for the activities of these organizations of IEEE and requested that a study be made of the ways by which the net cost of these operations, against Institute funds, could be reduced without undue impairment of the services rendered to the members.

19. Investment Policy. The Committee noted that the AIEE policy regarding investments provides for ownership of common stocks, but that such equity securities have not been held by IRE for many years. It was agreed that this question should be placed before the Finance Committee and recommendations presented to the IEEE Executive Committee. Treasurer-Elect Clark was asked to follow this subject.

20. IEEE Operating Budget - 1963. Treasurer-Elect Clark and the Secretary presented a proposed Operating Budget for the calendar year 1963, identified as "Second Draft - November 10, 1962". The major time of the present meeting was devoted to a detailed review of this Budget and a Third Draft of the Budget was prepared by the Committee. A copy of this Third Draft is attached to these minutes.

The following principal actions were taken with respect to the Second Draft of the Budget:

a. The total estimated income of \$5,336,000 was retained without change. This income estimate is \$352,000 greater than the total of \$4,984,000, which was published as estimated income for 1963 to the memberships in connection with the Merger vote. Questions were raised concerning membership dues for the current year; the income from emblems and diplomas; the income from preprints and reprints; and the income from subscriptions, particularly with respect to a consistent policy on PTG TRANSACTIONS and IEEE bi-monthlies. The proposal to discontinue publication of IEEE Standards in IEEE periodicals was approved by the Committee. Dr. Ryder requested that a check be made on AIEE Convention Record Sales since the figure presented is not consistent with information he has from Mr. Rich.

b. The total estimated expenses for the calendar year 1963, as per the Second Draft, including the reserve for depreciation, was \$5,696,700 and the corresponding net operating deficit, as per the Second Draft, was \$360,700. The Committee revised certain expense items as follows:

Field Items: Rebates - PTG Chapters, increased from \$9,000 to \$17,000.

Field Items - Bi-Monthly Subsidy(a new item), \$40,000.

EJC Expense, increased from \$9,000 to \$16,500.

Pension Plan, the anticipated charge against reserves for the IRE Pension Plan, previously approved by the IRE Executive Committee at \$40,000, was added under the Pension Plan Expense Item changing the total from \$46,000 to \$86,000.

Provision for Bylaw 403.10.e. was reduced from \$25,000 to \$12,500.

The net increase in cost resulting from these changes is \$83,000 and the corresponding Net Operating Deficit, as revised in the Third Draft, is \$443,700.

Questions were raised concerning the following expense items:

Salaries: The Secretary was asked to prepare a preliminary estimate of the total staff required, after all consolidation of staff had been effected, and to outline a schedule for such consolidation, for presentation at the next meeting.

Printing Costs: Dr. Ryder reviewed figures prepared for him by Mr. Rich and asked that these figures be checked because the expenses appeared to be underestimated in some particulars. Also the printing costs for IRE appear to be higher than earlier budget estimates. The Secretary was asked to investigate.

Rebates: The Secretary was asked to spell out in detail the plan for rebates for the calendar year 1963. It was agreed, subject to revision in later discussion, that Section finances would be continued for the first six months of 1963, following the respective plans of IRE and AIEE, as if there had been no merger. Sections merging during this period would receive the sum of both IRE-derived and AIEE-derived rebates. During the second half of the year, the IEEE Bylaw provisions, Revision 6 -A, would be followed and a single amount, computed as if the Sections had merged, would be provided. Sections which had not combined by July 1, 1963 would have this single sum divided between them on a per capita basis.

PTG Subsidy: It was agreed that a subsidy must also be provided to insure continued publication of the AIEE Bi-Monthlies and this sum was set at \$40,000. The Secretary pointed out that in previous budget estimates, the Bi-Monthlies were to be priced to meet all costs of publication. The sum of \$40,000 is, therefore, an entirely new budget item.

Operations: Questions were raised concerning memberships in other organizations and office equipment - expendable.

Travel: The Committee questioned whether the sum provided for the travel for the President and General Manager was sufficient.

National Convention: The costs of the 1963 National Convention in the Second Draft are substantially higher than previous estimates and do not agree with recent reports concerning anticipated show income as reported to Co-Chairman Haggerty by Executive Secretary Bailey. The Secretary will investigate.

Pension Plan: It was agreed that the costs of the IRE Pension Plan would be shown in the Operating Budget. This is a change from the past practice of IRE. This sum, therefore, is a new expense not previously contemplated in the Operating Budget. It is, however, an expense which otherwise would have been charged against reserves, in any event.

Per Capita PTG Chapter Rebates: The Committee affirmed that the per capita allowance, when and if set up, would apply only to those Section members who were also members of PTGs and then only when Chapters of the respective PTGs had been set up within the Section in question. The Secretary was asked to investigate the administrative problem of identifying the PTG memberships to which this per capita allowance would apply. (Note: the Secretary has since been advised that the Addressograph System permits a ready identification of these memberships and an accurate budget forecast of this allowance can be made. This will be presented at the next meeting.)

Medals and Awards. The Secretary was asked to obtain a breakdown of the sum of \$11,500 for the cost of medals and awards.

21. Next Meeting. The next, and presumably final, meeting of the Joint Merger Committee will take place at the Engineers Club in New York on the evening of December 11 and the full day of December 12, 1962. The principal topic of discussion will be the Third Draft of the Operating Budget for 1963, with particular reference to means of reducing costs and increasing income.

Respectfully submitted,



Donald G. Fink
Secretary

Attachments: UET Letter, Dated 11/14/62.
Operating Budget - Third Draft.

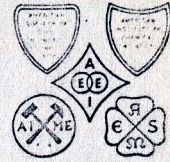
November 17, 1962.

UNITED ENGINEERING TRUSTEES, INC.

ENGINEERING SOCIETIES LIBRARY
ENGINEERING FOUNDATION
UNITED ENGINEERING CENTER

345 EAST 47TH STREET, NEW YORK 17, N. Y.

PLAZA 2-6800



STEVEN W. MARRAS

November 14, 1962

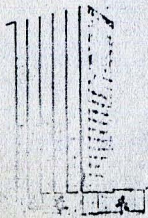
TO THE AIEE AND IRE

Gentlemen:

1. With respect to the merger agreement dated March 8, 1962, between your organizations, we agree that in the event of its consummation the continuing corporation which we understand will be IEEE, shall have no obligation to lease and/or occupy any area or space in the United Engineering Center building at 345 East 47th Street, New York City, other than that presently occupied by AIEE or an area not larger than said area presently so occupied by AIEE.
2. It is agreed by you, however, that the continuing corporation will maintain its principal offices at our building at 345 East 47th Street, New York City.
3. After your merger we shall submit to our Board of Trustees for its consideration a proposal to amend our By-Laws to expressly provide that none of the Founder Societies shall have any obligation to lease or occupy any area or space in the said Center other than that presently occupied by such Society or an area elsewhere in said Center not larger than said area presently so occupied by such Founder Society or we will submit for consideration to the Founder Societies the advisability of having the Founders' Agreement dated February 28, 1958, as amended, to be further amended to expressly provide for the above understanding.
4. As of the date hereof eight members of our fifteen man Board have indicated by letter their approval of the above paragraph "1", and that they will submit the matters referred to in paragraph "3" to our Board, and they have authorized our Secretary to send this memorandum to you.
5. We shall bring up for consideration at our next Board meeting, which is scheduled for December 13, 1962, approval of the matters set out in paragraph "1" hereof, and to ratify the act of the Secretary in sending out this memorandum to your organizations.

Very truly yours,

UNITED ENGINEERING TRUSTEES, INC.



*United Engineering Center
"for the advancement of America's engineering leadership"
at United Nations Plaza and 47th Street, New York City*

OWNED AND OPERATED BY UNITED ENGINEERING TRUSTEES, INC.

By St. J. J. J. J. J.

THIRD DRAFT - NOVEMBER 15, 1962

THE INSTITUTE OF ELECTRICAL AND
ELECTRONICS ENGINEERS, INCORPORATED
OPERATING BUDGET - 1963

<u>INCOME:</u>	<u>TOTAL IEEE</u>
<u>ADVERTISING</u>	\$1,800,000
<u>MEMBERSHIP DUES</u>	
Entrance fees	20,000
Current year dues	1,693,000
Prior year dues	2,000
	<u>1,715,000</u>
<u>SUBSCRIPTIONS</u>	337,000
<u>SALES ITEMS</u>	
Binders	12,000
Emblems and Diplomas	30,000
Preprints and Reprints	150,000
Standards (Note 1)	35,000
Miscellaneous	3,000
	<u>230,000</u>
<u>CONVENTION SALES (Note 2)</u>	926,000
<u>CONVENTION RECORD SALES</u>	75,000
<u>INVESTMENTS INCOME</u>	114,000
<u>OVERHEAD ALLOWANCE, NSF GRANT</u>	25,000
<u>TECHNICAL CONFERENCE INCOME</u>	110,000
<u>MISCELLANEOUS</u>	<u>4,000</u>
<u>TOTAL INCOME</u>	\$5,336,000

Note 1: Predicated on no publication of any IEEE Standard in any IEEE periodical.

Note 2: Includes \$10,000, equal to 10 per cent of anticipated gross sales, 1963 IEEE Winter General Meeting, as per agreement with Reber-Friel, Inc.

CONFIDENTIAL

IEEE OPERATING BUDGET - 1963

THIRD DRAFT, NOV. 15, 1962

EXPENSES

TOTAL IEEE

SALARIES (Note 3)

\$1,369,500

ADVERTISING SALES

Commission	450,000
Promotion	90,000
Discount	36,000
	<u>576,000</u>

PRINTING COSTS

Editorial	620,000
Advertising	476,000
Subscriptions(Transactions)	124,000
	<u>1,220,000</u>

SALES ITEMS

Binders	10,000
Emblems and Diplomas	17,000
Preprints and Reprints	106,000
Standards	24,000
	<u>157,000</u>

FIELD ITEMS

Rebates - Sections and Subsections	214,000
Rebates - PTG Chapters	17,000
Technical Conference Expense	90,000
PTG Subsidy	104,000
PTG Expense	8,000
Bi-Monthlies Subsidy	40,000
TG Expense	10,000
TOC Field Expense	7,000
Miscellaneous Printing	15,000
	<u>497,000</u>

STUDENTS

Rebates - Branches	18,000
Rebates - Memberships	23,000
Subsidy - PIRE/TIRE	25,000
Subsidy - EE / Bimonthlies	12,700
Student publication	75,000
Travel - Counselors/Students	23,000
TIRE to Branch Chairmen	5,000
	<u>181,700</u>

TOTAL EXPENSE CARRIED FORWARD

\$4,009,200

Note 3: Salary expense includes 5 per cent for wage increases, less 1.5 per cent average annual attrition rate for staff losses not to be replaced. The attrition percentage does not apply to editorial and PTG staff salary budgets.

CONFIDENTIAL

IEEE OPERATING BUDGET - 1963

THIRD DRAFT, NOV. 15, 1962

<u>EXPENSES(CONTINUED)</u>	<u>TOTAL IEEE</u>
<u>TOTAL CARRIED FORWARD</u>	\$4,009,200
<u>BUILDING OPERATIONS</u>	164,500
<u>OPERATIONS</u>	
Audit	11,700
Computer Rental	49,000
Insurance	25,600
JTAC	9,000
Medals and Awards	11,500
Memberships in Other Organizations	10,200
Public Relations and Member Campaigns	21,000
Office Equipment - Expendable	4,000
Postage and Express	130,000
Repairs and Service to Equipment	18,000
Stationery and Supplies	90,000
Telephone and Telegraph	37,500
	<u>417,500</u>
<u>SOCIAL SECURITY AND D.I. TAXES</u>	45,500
<u>TRAVEL</u>	
Directors	30,000
Directors - Regional	4,000
Directors - International	3,000
President and General Manager	10,000
Staff	24,000
Field Travel - Regional Committees	8,500
	<u>79,500</u>
<u>NATIONAL CONVENTION</u>	760,000
<u>CONVENTION RECORD</u>	40,000
<u>FISCAL OPERATIONS</u>	3,000
<u>LEGAL</u>	17,000
<u>ENG. SOC. LIBRARY ASSESSMENT</u>	30,000
<u>ECPD</u>	18,500
<u>EJC</u>	16,500
<u>AIEE PENSION PLAN</u>	<u>86,000</u>
<u>TOTAL EXPENSE CARRIED FORWARD</u>	\$5,687,200

CONFIDENTIAL

IEEE OPERATING BUDGET - 1963

THIRD DRAFT, NOV. 15, 1962

<u>EXPENSES(CONTINUED)</u>	<u>TOTAL IEEE</u>
<u>TOTAL CARRIED FORWARD</u>	\$5,687,200
<u>PROVISION FOR BYLAW 403.10.e. (Note 4)</u>	12,500
<u>MISCELLANEOUS EXPENSE</u>	<u>23,000</u>
<u>TOTAL EXPENSE, LESS DEPRECIATION RESERVE</u>	\$5,722,700
<u>RESERVE FOR DEPRECIATION</u>	<u>57,000</u>
<u>TOTAL EXPENSES</u>	\$5,779,700
<u>TOTAL INCOME (From Sheet 1)</u>	<u>\$5,336,000</u>
<u>NET OPERATING DEFICIT</u>	\$ 443,700

Note 4: Bylaw 403.10.e. states that there may be a per capita allowance for each Professional Technical Group Chapter member residing in a Section, in an amount to be specified, at some future time, by the IEEE Executive Committee. The amount provided in the budget would cover such an allowance, at 25 cents per capita.

- = May ask for exception for Fall Gen Meeting 1963 chi. since have forecasts and plans for overall sessions.
- Should invite PTGs to schedule sessions.

|| FGM 10/6-11/63 AIBB on 5 yr schedule
|| NEC 10/21-23/63 later NEC could not get McCormack Place same date

= Policy re staff members as voting members.
IRE yes AIBB No