



# AMERICAN INSTITUTE of ELECTRICAL ENGINEERS

345 EAST FORTY-SEVENTH STREET, NEW YORK 17, N. Y.

PLAZA 2-6800 (AREA CODE 212)

April 13, 1962

To the Executive Committee

MEETING APRIL 24  
TIME: 8:00 A.M.

Gentlemen:

Please note that the time for beginning your meeting on Tuesday, April 24, has been changed to 8:00 A.M., otherwise the schedule and the agenda remain the same.

Incidentally, returns indicate 10 members out of 11 will be present.

The enclosed material relates to the one item on the agenda of this meeting; the approval of a fiscal plan for IEEE for 1963, 1964, and 1965 as required by item 10 of the Agreement of Merger, approved March 9, 1962.

1) PLAN OF FISCAL OPERATIONS (ATTACHMENT I). This "budget" for the first three years of IEEE operations was prepared by the staffs of the constituent societies from recent experience figures assembled and tabulated in the format of the IRE statement of income and expenses. It was then reviewed and revised by the Two-Man Committee on Dues and Revenue Sources for presentation to the Executive Committees of AIEE and IRE at this concurrent meeting.

2) TREASURER'S COMMENTARY (ATTACHMENT II). Dr. W. R. Clark, Treasurer and AIEE member of the Two-Man Committee on Dues and Revenue Sources, has prepared the enclosed commentary on the plan.

3) PROXIES (ATTACHMENT III). Enclosed also are samples of the official call for the Annual Meeting and the proxy form. The proxy will be printed on an IBM card identified by member name and number to provide for checking the vote in case it should be close, and in any event for machine counting. It has been suggested that the "Plan for Fiscal Operations" as approved by the two Executive Committees on April 24 be printed and enclosed with the proxy.

Cordially yours,

N. S. Hibshman  
Secretary

NSH:amd

cc: Mr. Elgin B. Robertson

7.38.370



INSTITUTE OF ELECTRICAL AND ELECTRONIC ENGINEERS

PLAN OF FISCAL OPERATIONS

<u>INCOME</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
ADVERTISING	\$2,120,000	\$2,475,000	\$2,650,000
MEMBERSHIP DUES			
Entrance Fees	20,000	20,000	20,000
Current Year	<u>1,680,000</u>	<u>1,800,000</u>	<u>1,920,000</u>
Total	1,700,000	1,820,000	1,940,000
SUBSCRIPTIONS	345,000	360,000	375,000
SALES ITEMS			
Binders	12,000	13,000	14,000
Emblems	9,000	10,000	11,000
Reprints	148,000	{ 206,000	{ 249,000
Standards	35,000		
Miscellaneous	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
Total	210,000	235,000	280,000
CONVENTION SALES	835,000	850,000	900,000
CONVENTION RECORD SALES	75,000	80,000	85,000
INVESTMENTS INCOME	113,000	110,000	100,000
MISCELLANEOUS	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
TOTAL INCOME	\$5,401,000	\$5,933,000	\$6,333,000
TOTAL EXPENSE	<u>5,508,500</u>	<u>5,930,000</u>	<u>6,228,500</u>
OPERATING DEFICIT	107,500	+3,000	+104,500
POTENTIAL TAX LIABILITY	<u>104,000</u>	<u>104,000</u>	<u>104,000</u>
NET OPERATING DEFICIT	<u>\$ 211,500</u>	<u>\$ 101,000</u>	<u>\$ + 500</u>

(over)



INSTITUTE OF ELECTRICAL AND ELECTRONIC ENGINEERS  
PLAN OF FISCAL OPERATIONS

<u>EXPENSES</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
<b>SALARIES</b>			
General Office	\$ 835,000	\$ 835,000	\$ 822,000
Editorial	232,500	235,000	230,000
Professional Groups	235,000	240,000	250,000
Standardization	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>
Total	1,315,000	1,322,500	1,314,500
<b>ADVERTISING SALES</b>			
Commission, PIRE	507,000	595,000	640,000
Advertising Promotion	175,000	180,000	190,000
Discount	<u>43,000</u>	<u>45,000</u>	<u>50,000</u>
Total	725,000	820,000	880,000
<b>PRINT</b>			
Advertising	{ 955,000	{ 1,190,000	{ 1,325,000
Editorial			
Subscriptions	150,000	155,000	160,000
Miscellaneous Printing	4,000	4,000	4,000
Bi-Monthlies			
Directory	OMIT	OMIT	OMIT
		PRICED TO BREAK EVEN	
<b>SALES ITEMS</b>			
Binders	10,000	10,500	11,000
Emblems & Diplomas	7,500	8,000	9,000
Reprints	128,000	135,000	142,000
Standards	<u>29,000</u>	<u>31,500</u>	<u>33,000</u>
Total	174,500	185,000	195,000
<b>FIELD ITEMS</b>			
Section and Subsection Rebates	215,000	225,000	235,000
PG Chapter Rebates	25,000	30,000	35,000
Professional Group Expense	15,000	20,000	25,000
Professional Groups Subsidy	<u>110,000</u>	<u>125,000</u>	<u>140,000</u>
Total	365,000	400,000	435,000
<b>STUDENTS</b>			
Student Branches	15,500	17,000	18,500
Student Members	24,000	28,000	32,000
PIRE Subsidy	{	{	{
Student Publication	169,000	190,000	210,000
Student Transactions	{	{	{
Student Representatives - Travel	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>
Total	225,500	252,000	277,500
<b>BUILDING OPERATIONS</b>			
Rental & Maintenance	145,000	145,000	145,000
Library Assessment	<u>29,000</u>	<u>29,000</u>	<u>40,000</u>
Total	174,000	174,000	185,000



INSTITUTE OF ELECTRICAL AND ELECTRONIC ENGINEERS  
PLAN OF FISCAL OPERATIONS

<u>EXPENSES (continued)</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
<u>OPERATIONS</u>			
Audit	9,000	7,500	7,000
Insurance	6,300	6,000	6,000
JTAC	3,500	3,500	3,500
Medals and Awards	11,700	11,700	11,700
Memberships	5,000	5,000	5,000
New Members and Publicity	8,000	7,500	7,500
Office Equipment	7,500	5,000	3,000
Postage and Express	140,000	150,000	150,000
Repairs and Rental Equipment	71,500	70,000	70,000
Stationery and Supplies	92,000	87,800	80,300
Telephone and Telegraph	31,000	30,000	25,000
Total	385,500	384,000	369,000
SOCIAL SECURITY AND D. I. TAXES	41,000	40,000	40,000
<u>TRAVEL</u>			
Directors	20,000	20,000	20,000
Directors - Regional	8,500	8,000	7,000
Other	5,000	7,000	5,000
President and Executive Secretary	22,000	20,000	18,000
Staff	18,000	15,000	15,000
Total	73,500	70,000	65,000
NATIONAL CONVENTION	625,000	650,000	700,000
NATIONAL AND DISTRICT MEETINGS		BREAK EVEN	
CONVENTION RECORD	52,000	55,000	58,000
ILIFFE & SONS - PLUS INDEX	OMIT	OMIT	OMIT
FISCAL OPERATIONS	5,500	5,500	4,500
LEGAL	25,000	15,000	5,000
PENSIONS, etc.	96,000	96,000	95,000
RESERVE FOR EJC	21,000	21,000	30,000
RESERVE FOR ECPD	20,000	20,000	20,000
MISCELLANEOUS	25,000	20,000	15,000
TOTAL EXPENSE	\$5,457,500	\$5,879,000	\$6,177,500
RESERVE FOR DEPRECIATION	51,000	51,000	51,000
GRAND TOTAL EXPENSE	\$5,508,500	\$5,930,000	\$6,228,500



April 11, 1962

ATTACHMENT II  
Ex.Com. 4/24/62  
Agenda Item

COMMENTS ON PROPOSED BUDGET FOR  
THE INSTITUTE OF ELECTRICAL AND ELECTRONIC ENGINEERS

On April 5, 1962, the Two-Man Team which is establishing a budget for IEEE (S. Bailey - IRE and W. R. Clark - AIEE), met at AIEE Headquarters with Messrs. George Bailey and John Buckley of IRE and Messrs. N. Hibshman and George Hermann of AIEE to review a proposed budget prepared by IRE Headquarters based on information supplied by AIEE Headquarters. This was a modification of the budget originally submitted in February and dated February 8, 1962. This was the first time that most of us, except for the IRE Staff, had had a chance to review the proposed budget. In most respects the budget seemed to be adequate. It was carefully reviewed at that meeting and some changes were suggested, some of which were incorporated, and the budget, as presented, revised slightly. After a further study of the budget subsequent to that meeting, I feel that some additional changes should be considered.

INCOME:

Under Sales Items, the entry "Emblems" should become "Emblems & Diplomas." The income for this entry should be:

1963	\$12,000
1964	17,000
1965	17,000

I feel, and so does the AIEE Staff, that we could, and should, expect this much income from the sale of both diplomas and emblems.

I think we can expect more income from Standards. I think it is perfectly ridiculous for us to sell our Standards for 10¢, 20¢ and 30¢ a folder. I think the minimum charge should be \$1.00 for members and \$3.00 for non-members. This, I think, would result in a \$10,000 a year increase and this entry could become

1963	\$45,000
1964	216,000
1965	259,000

The last two years' figure includes income from reprints.

The item Convention Sales includes everything connected with the Convention, including the ~~meetings~~, Meeting Registration Fees and the Entrance Fee to the Exhibits. These fees at present are only \$1.00 per member and \$3.00 per non-member. In contrast, the AIEE Registration Fee for our Winter Meeting is \$6.00 per member and \$10.00 per non-member. Now we are talking about combining in the future the two meetings and the two exhibits and the budget shows a Registration Fee of only \$1.00! This, to me, does not make sense. It could be, and should be, considerably more than this. I recommend that we establish a fee of \$3.00 per member of the IEEE for the meetings and the exhibits and \$6.00 per non-member. This would provide an additional revenue of \$150,000. I think it would not seriously affect the attendance but would eliminate some of the "driftwood" from the exhibit halls and give those who are technically qualified to see the exhibits a better chance to discuss them with those who are staffing the booths. I also feel that these Registration Fees would do much to upgrade the caliber of those attending the technical sessions. I don't think it would



seriously curtail the number of people in attendance at the technical sessions. I don't believe companies which send their employees to the IEEE meeting and exhibit would hesitate one moment to spend the extra \$2.00. After all, the Registration Fee is a very small percentage of the amount of money spent to get to the Winter Meeting.

I believe we could obtain more income from IRE investments than they do at the present time. IRE has all of their money invested in U. S. Government Bonds. Our portfolio of investments shows a larger percentage return than what is shown by the IRE. I think a review of this situation and reinvestment of funds in accordance with competent financial counsel could result in an additional yearly income of \$20,000. Therefore, I recommend that this budget item be changed to \$133,000

1963	\$133,000
1964	130,000
1965	120,000

If these changes are made, the total incomes become:

1963	\$5,584,000
1964	6,120,000
1965	6,520,000

#### EXPENSE:

There are some items of expense which have not been included in the proposed budget. They were discussed at the meeting on April 5th but no action was taken.

Under Sales Items, "Emblems & Diplomas," these figures should change to

1963	\$ 9,000
1964	12,000
1965	13,000

to accommodate an expected increase in sales of emblems and diplomas over that forecast by the budget in its original form.

Under the heading of "Building Operations" on the third page, the Library Assessment figure should be

1963	\$40,000
1964	40,000
1965	40,000

Under "Travel" I think an allowance should be made for Regional Meetings which would be attended by the Regional Director, the District Officers of the Region who assist the Regional Director and one delegate from each Section in the Region. The present budget provides for no District Executive Committee Meetings or does not provide funds for sending a delegate from each Section to the Summer Meeting. It is estimated that the cost of having one Regional Meeting in each Region per year would be about \$17,000, so this amount should be added to the budgeted expenses for



each of the three years. The travel expense for the Regional Directors to these Regional Meetings is included in the present item under travel labeled "Directors - Regional."

No provision is made in the budget under travel for Technical Division Meetings. At the present time the expenses of Technical Division Committee Chairmen are paid for by the Institute for their attendance at the Division Committee Meetings. I feel that this is an important function and that the new institute should continue giving travel allowance for this function. It is estimated this would amount to \$2,000 per year and, therefore, it is recommended that this item be added to the budget for each of the three years.

If these additions are made, the total expenses will be

1963	\$5,487,500
1964	5,909,000
1965	6,207,500

Subtracting from each year \$51,000, which is reserved for depreciation, this makes

1963	\$5,531,500
1964	5,960,000
1965	6,258,500

OPERATING DEFICIT:

If these changes are made and if we reserve a fund for potential tax liability of \$104,000 for each of the three years, we find that we have the following net operating deficits:

1963	\$ 51,500
1964	+ 56,000
1965	+157,500

W. R. Clark



TEXT OF MERGER PROXY  
(Back of IBM Card)

PROPOSALS

FOR

AGAINST

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 1. The merger agreement made as of March 9, 1962, between the said AIEE and The Institute of Radio Engineers Incorporated, the principles of consolidation and the Constitution of AIEE, the continuing corporation, as annexed to the said merger agreement.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The adoption of a Constitution in the form set out in Exhibit A annexed to the said merger agreement, to take effect only when, as and if the said merger agreement is approved by the Supreme Court of the State of New York and the said merger finally consummated.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. A change of name of AIEE to Institute of Electrical and Electronic Engineers Inc. as provided for in said merger agreement, and to authorize the officers of AIEE to cause the necessary papers to be executed and filed in the appropriate offices and to duly effectuate such change of name as soon as practicable after the final consummation of the merger.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Upon such other business as may properly come before the meeting or any adjournment or adjournments thereof, hereby ratifying and confirming all that said attorneys, agents and proxies, and each of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof, and I do hereby revoke any and all proxies heretofore given by me for use at such meeting or at any adjournments thereof. |                          |                          |

IN WITNESS WHEREOF, I have hereunto set my hand and seal this \_\_\_\_ day of \_\_\_\_ 1962.

\_\_\_\_\_  
L.S.

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(Front of IBM Card)

PROXY:

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Warren H. Chase, B. R. Teare, Jr., and W. Russell Clark, and each of them, with full power in each of them to act in the absence of each other, and with full power of substitution in each of them, to be my lawful attorney, substitute and proxy for me and in my name to attend and vote at the Annual Meeting of the members of the American Institute of Electrical Engineers (AIEE) to be held on the 18th day of June, 1962 and at any adjourned meeting thereof, as fully and with the same effect as I might or could do if I were personally present at such meeting with respect to the numbered proposals on the reverse side of this card.

NOTE: IF NO SPECIFIC INSTRUCTIONS ARE GIVEN WITH RESPECT TO ANY OF THE NUMBERED PROPOSALS ON THE REVERSE SIDE OF THIS CARD, THE VOTE REPRESENTED BY THIS PROXY WILL BE CAST IN FAVOR OF SAID PROPOSALS, AND THE PERSONS NAMED HEREIN WILL HAVE DISCRETIONARY AUTHORITY AS TO OTHER MATTERS TO CAST THE VOTE REPRESENTED BY THIS PROXY IN ACCORDANCE WITH THEIR JUDGMENT.





AMERICAN INSTITUTE OF ELECTRICAL ENGINEERS

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

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of members of the AMERICAN INSTITUTE OF ELECTRICAL ENGINEERS (AIEE) will be held at The Denver Hilton Hotel in Denver, Colorado, on the 18th day of June, 1962, at 2:00 o'clock in the afternoon to consider and act upon the following matters:

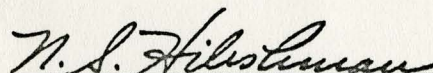
1. To take action upon and approve the merger agreement made as of March 9, 1962, between the said AIEE and The Institute of Radio Engineers, Incorporated (IRE), the principles of consolidation and the Constitution of AIEE, as the continuing corporation, in the respective form as annexed to the said merger agreement.
2. To consider and vote upon the adoption of a Constitution for said AIEE in the form heretofore approved by the Board of Directors of said AIEE on the 9th day of March, 1962, and as appended to the said agreement of merger made as of March 9, 1962, to take effect only when, as and if the said merger agreement between AIEE and IRE is approved by the Supreme Court of the State of New York and the said merger finally consummated.
3. To consider and vote upon a change of name of AIEE to Institute of Electrical and Electronic Engineers, Inc. (IEEE), and to authorize the officers of AIEE to cause the necessary papers to be executed and filed in the appropriate offices and to duly effectuate such change of name on or as soon as practicable after the final consummation of said merger between AIEE and IRE.
4. The transaction of such other business as may properly come before the meeting or any adjournment or adjournments thereof.

The said agreement of merger made as of March 9, 1962, between AIEE and IRE, the principles of consolidation and the Constitution for AIEE, as the continuing corporation, have been printed in April 1962 issue of Electrical Engineering, and are on file, and may be inspected at any time during business hours at the office of AIEE, 345 East 47th Street, Manhattan Borough, New York, New York, and copies thereof will be furnished to any member upon application to the Executive Secretary of AIEE.

A proxy is enclosed. If you cannot be present at the meeting, will you kindly date, sign, and return the proxy immediately. If no instructions to the contrary are given with respect to any of the above specific proposals, the holders of the proxy will vote in favor of said specific proposals, and as to other matters, cast the vote represented by this proxy in accordance with their best judgment.

By order of the Board of Directors.

Dated: May 10, 1962.

  
N. S. Hibshman, Executive Secretary