

Arkansas Academy of Mechanical Engineering (AAME) Annual Business Board Meeting Minutes April 15th, 2023

CALL TO ORDER AND OPENING STATE OF THE ORGANIZATION REMARKS

The Annual Business Meeting of the Arkansas Academy of Mechanical Engineering was called to order at 9:05 a.m. CST on Friday, April 15th, 2023, by President Cristine Wolf. President Wolf opened the meeting by commenting that AAME has always stayed relevant. While some academies had paused activities during COVID, we kept going, inducted new members, and kept serving mechanical engineering. She was also excited to announce that two new inductees have volunteered to serve on the board.

IN ATTENDANCE

Mike Anderson	Jeff Hayes	Greg Sisti
Daniel Barnett	Danny Hughes	Mike Stewart
Zane Boatwright	Ted Ivy	Darren Talley
Jesse Buffington	Kyle Johnson	Scott Turley
Kelly Coleman	Bryan McNatt	Katrenia Taweel
Roger Cordes	Will Myers	Jeremy Williams
Rick Couvillion	Darin Nutter	Daniel Wilson
James Davis	Pete Opper	Cristine Wolf
Bill Green	Foye Penn	Thomas Wolfe
Bob Harrison	Brian Porbeck	Larry Young
Bill Hart	Robert Porbeck	
Melynda Hart	Gayle Russell	

APPROVAL OF PREVIOUS MEETING MINUTES

Secretary Pete Opper submitted minutes from the February 10th, 2023 Winter Meeting for approval, which had been emailed to membership by Melynda. Zane Boatwright motioned to approve, the motion was seconded, and the board voted to approve.

TREASURER'S REPORT

Treasurer Jeff Hayes started by saying that preceding him, Mike Hays was AAME treasurer for 17 years. Mike asked for someone to take over and 9 years ago Jeff decided to take on the role. Treasurer Hayes went on to present the Treasurer's Reports for the FY2023 3rd quarter ending on March 31st. He explained that we have two basic accounts; the first is the General Account. If you make a regular donation, the money flows into the General Account. Our accounting period matches that of the University fiscal year, which starts on July 1st. The General Accounts report format contains three sections, income, expenses and investments. At the top it shows we had a balance of \$214,109 at the beginning of Fiscal Year 2023. The right margin shows the amount of change compared to the previous fiscal quarter. We transfer funds out to support things like Mechanical Engineering Department expenses and the AAME Banquet. We also transfer money out to our other account,

the Scholarship Account. Our investment funds are managed by the University of Arkansas Foundation. Both gains and losses can be reflected here. Similar to a typical 401k, the Foundation has its investments distributed in various funds and financial instruments. Note that at the bottom of the report, we have an ending balance of \$327,430 on March 31st. The General Accounts Report is shown below.

FY2023 (2022-2023) 3rd Quarter General Accounts Treasurer’s Report

ARKANSAS ACADEMY OF MECHANICAL ENGINEERING
University of Arkansas, ME Bldg., Fayetteville, AR 72701, 479-575-4153

General Accounts Report

Mar 31st, 2023

			Change from <u>Last Report</u>
Beginning Balance as of July 1, 2022:	\$ 214,109.08		
Income:			
Member Contributions	\$ 118,632.12		\$ 10,725.00
Matching Gift Contributions	\$ 300.00		\$ -
Misc. Income	\$ -		\$ -
Total	\$ 118,932.12	----->	\$ 118,932.12
			\$ 10,725.00
Expenses / Transfers out:			
Student Competitions	-		\$ -
Special Projects	-		\$ -
Banquet Expenses	147.36		\$ -
Misc. Expenses	(0.74)		\$ (0.74)
Transfers to:			
Scholarship Investment Account	-		\$ -
Scholarship Spending Account	(5,090.86)		\$ (4,305.00)
Total	\$ (4,944.24)	----->	\$ (4,944.24)
			\$ (4,305.74)
Investment Income, Expenses, and Gain/Loss:			
Interest Income:			
Investment Act. (TRP)	\$ 677.24		\$ 314.04
Spending Act. (N/E)	\$ 205.35		\$ 69.24
Overhead:			
Foundation	\$ (134.82)		\$ (63.44)
Development	\$ (674.08)		\$ (317.19)
Investment Gain/Loss	\$ (740.62)		\$ 5,716.95
Total	\$ (666.93)	----->	\$ (666.93)
			\$ 5,719.60
Ending Balance as of Mar 31st, 2023	\$ 327,430.03		\$ 12,138.86
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Location of General Account Funds:			
Spending Account:	\$ 52,283.36		
Investment Account:	\$ 275,146.67		
Total	\$ 327,430.03		

Submitted April 15th, 2023 by: Jeff Hayes, AAME Treasurer
AAME: Honoring Distinguished ME Graduates, Promoting UA Mechanical Engineering

A member said when they went to the AAME website; they were confused by the option to give to the General or the Scholarship account, and asked which they should give to. President Wolf answered by saying that we ask that members contribute to the organization by contributing some of their time and money. We ask for a \$300 or greater voluntary donation into the General Account to cover M.E. and student projects, our banquet and other expenses. Note that officers and board members are not paid; all the work being done is volunteered. The scholarship fund is separate and is used for Mechanical Engineering student scholarships. Scholarships funded by members are not formal endowments, but those that meet the requirements will continue in perpetuity. If you'd like to create a named scholarship, please contribute to the Scholarship Account. Instructions for giving to either will be included in the meeting minutes, which are distributed to membership by Melynda. Another

member asked if they have to contribute to the general account to remain as an “active” member. Treasurer Hayes Jeff said that everyone stays active unless they send a letter stating that they wish to become inactive.

Moving on to the Scholarship Report, Treasurer Hayes said \$332,896 was the beginning balance. He noted that we have a checking account that is used to write the checks for the actual scholarships. Contributions and expenses were about equal at \$14,440 and \$14,000, respectively. After an \$18,319 investment loss, the ending balance is \$315,018. The Scholarship Accounts Report is shown below.

FY2023 (2022-2023) 3rd Quarter Scholarship Accounts Treasurer’s Report

ARKANSAS ACADEMY OF MECHANICAL ENGINEERING
University of Arkansas, ME Bldg., Fayetteville, AR 72701, 479-575-4153

Scholarship Accounts Report

Mar. 31st, 2023

			Change from <u>Last Report</u>
Beginning Balance as of July 1, 2020:		\$ 332,896.20	
Income / Transfers In:			
Member Contributions	\$ 9,350.00		\$ 5,850.00
Matching Gift Contributions	-		\$ -
Transfers in to:			
Scholarship Investment	-		\$ -
Scholarship Spending	5,090.86		\$ 4,305.00
Total	\$ 14,440.86	-----> \$ 14,440.86	\$ 10,155.00
Expenses:			
Student Scholarships:			
Fall Semester	(6,500.00)		\$ -
Spring Semester	(7,500.00)		\$ (7,500.00)
Misc. Expenses	-		\$ -
Total	\$ (14,000.00)	-----> \$ (14,000.00)	\$ (7,500.00)
Investment Income, Expenses, and Gain/Loss:			
Interest Income:			
Investment Act. (TRP)	\$ 1,097.85		\$ 364.14
Spending Act. (N/E)	\$ 12.10		\$ 4.12
Overhead:			
Foundation	\$ (217.75)		\$ (73.56)
Development	\$ (1,088.75)		\$ (367.80)
Investment Gain/Loss	\$ (18,122.45)		\$ 6,604.94
Total	\$ (18,319.00)	-----> \$ (18,319.00)	\$ 6,531.84
Ending Balance as of . Mar. 31st, 2023		\$ 315,018.06	\$ 9,186.84
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Location of Scholarship Account Funds:			
Spending Account:		\$ 3,242.53	
Investment Account:		\$ 311,775.53	
Total		\$ 315,018.06	

Submitted April 15th, 2023 by: Jeff Hayes, AAME Treasurer
AAME: Honoring Distinguished ME Graduates, Promoting UA Mechanical Engineering

For information on the named scholarship program, please visit the AAME website, first click the Resources tab, then Bylaws and Operations and look for Tiered Scholarship Donation Recognition Plan (<https://aame.uark.edu/resources/>).

DEAN NEEDY’S REPORT

Dean Needy began by saying that it was great to see all the AAME members and then congratulated us on the fine lobster dinner we had at the AAME banquet. She said she was excited to talk about the College of Engineering Vision for 2035, and how the College needed the engineering academies to participate in this plan.

She said we want to make Northwest Arkansas the premier choice in the middle heartland of the U.S. and the University of Arkansas the premier university (this region includes Oklahoma, Missouri, Kansas, Mississippi, Alabama, Georgia, South Carolina, Florida, West Virginia and a few others). Our state, region and nation need more engineers to drive growth and to fuel innovation. U of A graduates more engineers than every other college in the state combined. When U of A staff go out and meet with companies, we hear that we aren't producing enough engineering graduates in Arkansas. M.E. is thriving, but the building is maxed out, and we still need to find a way to grow the college. Engineering needs to be solving problems with food, data security, aging infrastructure and transportation. The College of Engineering recently hired a consulting agency to help create an externally focused strategic plan. They met with over 100 stakeholders in various advisory councils, faculty, staff and vice chancellors. Then they reached out across the state to multiple companies and organizations. They asked what the top priorities should be for the College of Engineering, what the workforce needs are and what skills do people need to develop after graduation. People are going to spend 40 or more years of their life working, so their skills will need to develop over their lifetime. The College of Engineering must be its own best advocate. We believe we can be a top engineering college. The area is really growing; we need to figure out what we need to do and how we need to adjust. There were three major recommendations:

1. Develop a big, bold vision
2. Focus on integrating industry and academia
3. Develop a "shock and awe" awareness and outreach campaign

If we don't do these things, some other university will. The vision is: *The College of Engineering will be the destination of choice that maximizes success, building the premier STEM workforce of the future.* All thriving communities have a thriving university as a hub. The mission is: *We want to be the entrepreneurial engineering platform that provides a holistic educational experience, generating transformational and relevant knowledge and growing the STEM workforce for Arkansas and the world.* We need to double the number of high-quality engineering graduates by 2035. We've done this once, but we didn't do it by doubling staff and infrastructure. This next time, we must increase infrastructure, faculty and amenities. Moving on, Dean Needy said that we are delighted that Charles Robinson is now officially our chancellor. He is focusing on three major goals, advance student success, achieve research excellence and make the University the employer of choice. We want students to come here, stay and put down roots. We will need more funding from the state of Arkansas. The dean was asked about the number of Texas students at the school, she said that out-of-state students pay 10% more tuition than in-state and that all Arkansas students that meet admission requirements get in, none are displaced by out-of-state students. We need out-of-state students to facilitate Arkansas to be a major institution, since the population of Arkansas is small. Dean Needy said that if any other members had a question, to please get with Dr. Nutter or to email her at kneedy@uark.edu. After Dean Needy left the meeting, there was some discussion regarding how it would be possible for Mechanical Engineering to get a new building and whether AAME could help with that. Dr. Nutter said a new building would be 40 to 60 million dollars, and we would need a seed gift to fund 20 to 30% of that to obtain approval. Several officers commented that this scale is currently beyond the reach of AAME. Dr. Nutter said that AAME funds haven't been used for brick and mortar projects in around 15 years, and M.E. doesn't plan to do so unless AAME decides to take on a big brick and mortar project.

COMMITTEE REPORTS

✓ Finance Committee Report

Chairman Rob Porbeck presented the finance report. Chairman Porbeck said that he is responsible for submitting a budget each year, and he takes financial data from the Treasurer and summarizes it into graphs for each quarter. We've seen a lot of growth over the last couple of years and looking at the income/expense curve, you can see contributions of about \$118,000 so far this fiscal year. Normally we get a lot of contributions in the last quarter when the banquet is held. Investment income is down about \$19,000 due to market conditions. There were \$14,000 in scholarship expenses. The total balance of all AAME funds is \$642,448. Member contributions are up, but this is mostly due to a single large contributions. Aside from the \$103,000 donation, 36 contributors gave about \$25,000 so far this fiscal year. Before COVID, we had 80 to 90 contributors per year. Last year, we had about 78, so hopefully we are trending up if we can get a lot of contributions in the final quarter. If most members make their \$300 contributions, our numbers will go back up. The FY2023 3rd Quarter Finance Report and the FY2023 (2022/2023) budget are excerpted below. FY2022 (2021/2022) finances are shown for comparison.

FY2023 (2022-2023) 3rd Quarter Finance Report Excerpt

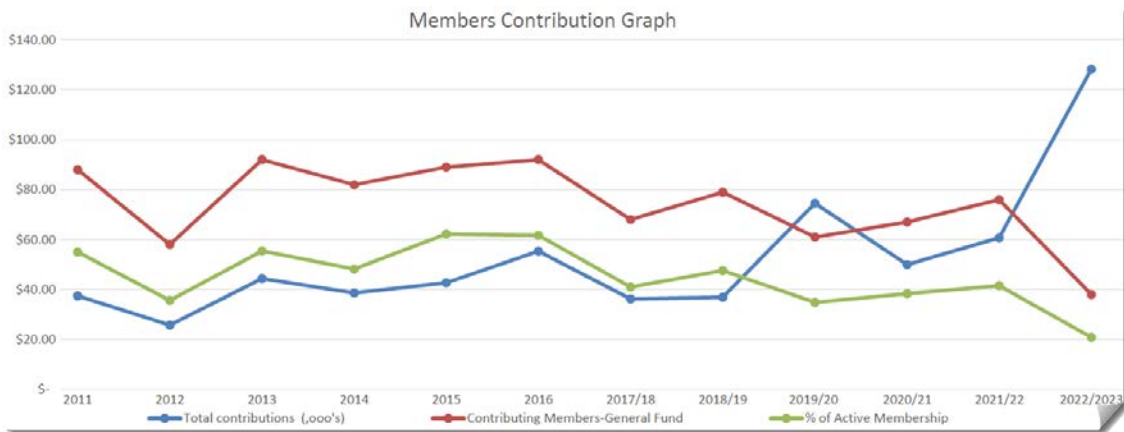
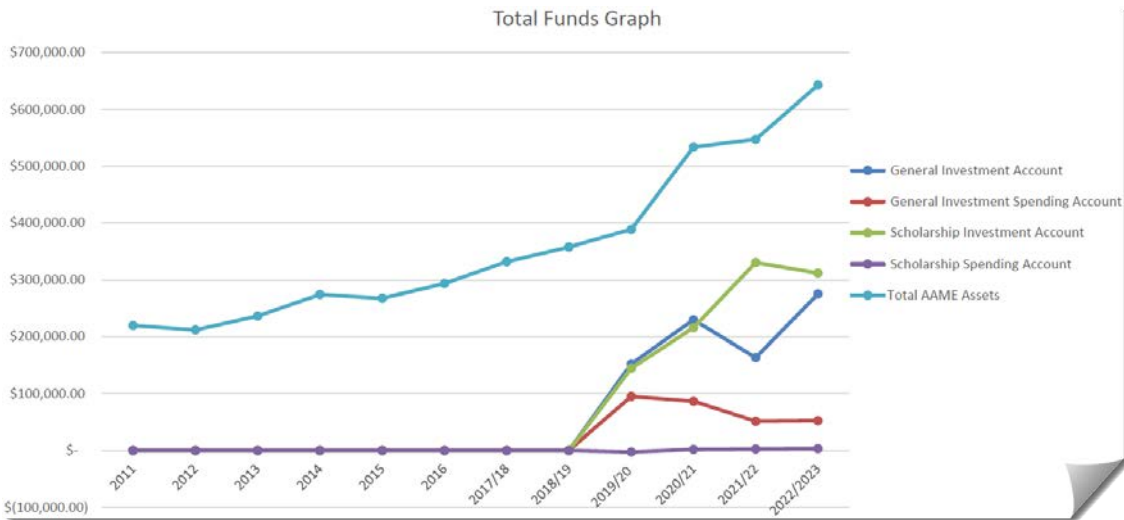
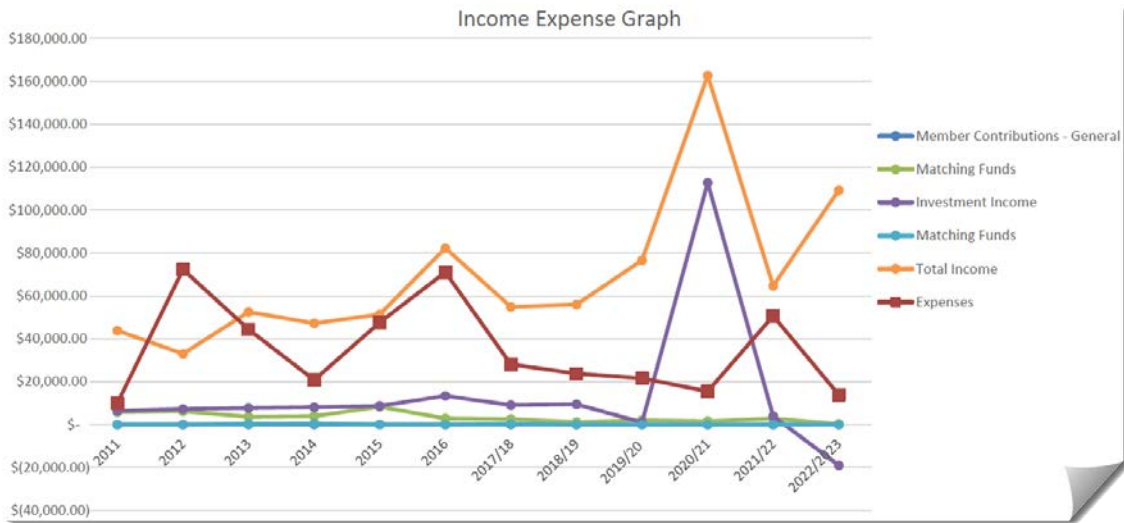
Historical Financial Reports

3/31/2023

	Year End	2021/22 7/15/2022	2022/2023 12/31/2022	2022/2023 Budget 7/15/2022
Active Membership		183	182	
Contributing Members-General Fund		76	38	
Contributing Members-Scholarship Fund				
% of Active Membership		42	21	
Proposed Member Contribution		300	300	300
Members with Matching Programs				
INCOME				
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Member Contributions - General		\$ 32,880.00	\$ 118,632.12	\$ 32,000.00
Member Contributions - Scholarships		\$ 25,050.85	\$ 9,350.00	\$ 17,000.00
Matching Funds		\$ 2,796.00	\$ 300.00	\$ 2,500.00
Total contributions (,000's)		\$ 60.73	\$ 128.28	
Investment income, expenses, gain/loss	General	\$ 5,777.59	\$ (666.93)	\$ 3,000.00
	Scholarship	\$ (1,839.31)	\$ (18,319.00)	\$ 5,000.00
Investment Income	Total	\$ 3,938.28	\$ (18,985.93)	
Misc Income		\$ -	\$ -	
Total Income		\$ 64,665.13	\$ 109,296.19	\$ 59,500.00
Expenditures				
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Scholarships	Fall	\$ 7,500.00	\$ 6,500.00	\$ 10,000.00
	Spring	\$ 6,000.00	\$ 7,500.00	\$ 10,000.00
Banquet Expenses			-147.36	
Misc expense			0.74	
Operating	Annual Meeting	\$ 27,162.23		\$ 28,000.00
	Miscellaneous, Ops	\$ 6.52		
Special Projects		\$ 10,000.00		\$ 10,000.00
Solar Splash Competition				
Student Competitions				
Newsletter Printing				
	Total Expenditures	\$ 50,668.75	\$ 13,853.38	\$ 58,000.00
Income exceeds expenditures by:		\$ 13,996.38	\$ 95,442.81	\$ 1,500.00
Transfer to Scholarship Investment Account	Fall / Spring	\$ 785.86		
Open Account				
General Investment Account		\$ 163,018.69	\$ 275,146.67	
General Investment Spending Account		\$ 51,090.39	\$ 52,283.36	
Scholarship Investment Account		\$ 330,337.58	\$ 311,775.53	
Scholarship Spending Account		\$ 2,558.62	\$ 3,242.53	
Endowment Fund (Restricted)				
Total AAME Assets		<u>\$ 547,005.28</u>	<u>\$ 642,448.09</u>	

Updated finance charts that include data through the 3rd Quarter of FY2023 are shown below.

FY2023 (2022-2023) 3rd Quarter Finance Report Graphs



Reminder: Contributions can be made by check and mailed to Melynda or by electronic payment. Mailing instructions and online payment links are on the AAME website at <https://aame.uark.edu/resources/>, click the "Giving" link. Checks should be made out to "University of Arkansas Foundation" and include a comment for "AAME General" or "AAME Scholarships" to specify which fund. If paying online, select "Arkansas Academy of Mechanical Engineering" as the designation and include a comment for "AAME General" or "AAME Scholarships" to specify which fund.

✓ **Awards Committee**

President Wolf said that Lamar Pettus will be receiving our Distinguished Alumni award at the College of Engineering Banquet. Lamar has been a resource to the organization for legal knowledge for many years. Mike Anderson will be taking over as AAME President, and we need a new awards committee chairman. If any members would like to step up and serve, this is a good opportunity, get with Cristine Wolf or Mike Anderson.

✓ **Conduct, By-Laws & Constitution Committee Report**

Chairman Zane Boatwright started by saying that Lamar Pettus had provided critical legal advice to him many times for constitution and by-laws work. Chairman Boatwright said he had been performing in this role for many years, he's happy to keep doing so, but if someone else is interested, he could train them up. Chairman Boatwright next said that we have a proposed change to by-laws Section I.A.3 that pertains to limiting membership to 200 members. The board considered several options regarding the cap and decided to present to membership a change to remove the cap completely. At least one of the other academies does not have a membership cap. President Wolf added that we are getting close to the current limit of 200 with our new inductees and we will need to either increase the cap or eliminate it to facilitate further growth.

The current verbiage:

I.A.3. The number of Active Members shall not exceed two hundred (200), and not more than ten (10) Active Members may be elected each year.

The verbiage proposed by the board:

I.A.3. There is no limit to the number of Active Members, however not more than ten (10) new Active Members may be elected each year.

It was noted that the phrase "active members" does not include associate members. There was quite a bit of discussion regarding the annual induction limit of 10 persons, but no action was taken to change this. Greg Sisti motioned to accept the proposed change. There was a second, members voted and the motion carried. Chairman Boatwright will update the by-laws, provide them to Melynda and she'll post on the website.

The AAME By-laws are available on the AAME website at <https://aame.uark.edu/resources/>.

✓ **Fundraising Committee**

President Wolf is still acting as Fundraising Chair while Bob Harrison is taking a break. She said that with the new 2035 University Vision that the Dean spoke of, they will be coming to Alumni for some of the money. She said she would try to emphasize that most of the money be solicited from government and industry. Bob said that he

had been on the advisory council for 9 years, and he's happy to have gotten President Wolf to take over his seat on the council. Bob should be able to take AAME fundraising back in the future.

✓ **Membership Committee Report**

Chairwoman Katrenia Taweel said that we are in the recruiting phase of the year; the deadline for nominations is September 1st. Chairman Taweel encouraged membership to get engaged. If you are a newer member, please call in to every meeting. There are only four per year, and most only last about an hour. If you go look at our webpage, there are a number of committees that could use members.

Reminder: Membership nomination forms are available on the AAME website at <https://aame.uark.edu/membership/>, scroll to the bottom of the page and click the "Nomination Form" link.

✓ **Student Liaison Committee**

President Wolf said that Will Myers did this for years and set the bar. Darren Talley would like to transition to the newsletter committee, so we need someone to take over student liaison. Darren has setup processes for much of what we are doing, so you don't have to invent it. Chairman Darren Talley said we've talked a lot about fundraising and scholarships, but another way you can contribute is to give your time to mentoring and resume reviews. Some students need a good bit of help, so it can be very valuable. When Chairman Talley started, we did all the resume reviews onsite, after COVID, we moved to doing them all remotely and they have stayed that way. It would be nice for to revert more reviews back to being in-person. Regardless, we plan to keep remote as an option.

MECHANICAL ENGINEERING DEPARTMENT UPDATE

Dr. Nutter provided the status for the M.E. Department. He said that University leadership is stabilizing. Charles Robinson is our chancellor and Terry Martin is Provost and Executive Vice Chancellor for Academic Affairs. John English has moved from Vice Chancellor for Research and Innovation to a faculty position. The campus is still growing, with more students and buildings being added. There are \$220 million in ongoing construction projects. The freshman and sophomore classes are larger than the junior and senior classes. We're working to improve retention of students so that fewer drop out of the program. He's heard that the U of A doesn't want enrollment to go much beyond 33,000 for now. The "enrollment cliff" that has been discussed, which pertains to about 10% fewer students graduating high school in 10 years, is expected to hit smaller institutions a lot harder than large land grant schools such as Arkansas. We've seen a nice increase in student activities, students are in the building, they are engaging more, and the department is doing more things socially. Overall university enrollment is expected to be 32,000 for fall. Last year Mechanical Engineering graduated 157 BSMEs, 4 MSMEs and 3 PhDs. Current enrollment is at 540 students, we should have 21 faculty with 2 starting in August. On freshman engineering Decision Day in March of this year, 25% of students picked Mechanical Engineering for their degree, 2nd place was Computer Science at 18%. President Wolf said that she heard in the industry advisory council meeting that over a 6 year program, the graduation rate for freshman is about 50%. Dr. Nutter said they are focusing on providing sophomores more help to try to further improve retention. A lot more internship and co-op opportunities are available locally. The STEM fair is running out of space for companies. We have two new faculty members starting this fall, Neelakshi Majumdar, with a PhD from Purdue, for Aerospace and

Jenn Campbell, previously an engineering manager at Trek Bikes, will specialize in design related classes. That will bring us to 23 faculty members, the most ever. The dean has provided \$70,000 to modernize the M.E. building. This will provide a facelift and make for a better first impression when entering building. Included will be new electronic displays for the MMEG directory and also for AAME, which will show members and scholarship recipients. AAME's Dr. Talley will be teaching Intro to Nuclear Engineering, we're updating the aerospace concentration and the 2nd year design class. The MSME program is being accelerated. There is currently an aerospace concentration, and path for a business minor. We want to add concentrations for manufacturing and robotics/automation. The Senior Capstone Alumni reception will be on Thursday, April 27th at 5:30 pm in Bud Walton Arena; AAME members are invited to attend. Looking ahead, we need to mentor new faculty, we need continuous improvement toward student achievement of learning outcomes, we need to support growing research by faculty, we need to adapt to new technologies such as ChatGPT and we need to ensure that faculty and staff meet their short and long term career goals. Thanks to the contributions of AAME, advising, scholarships and FE program.

OLD BUSINESS

1. Update on Tiered Scholarship Donation Recognition Program – Cristine Wolf summarized the program, for a \$10,000 contribution, you can have a named scholarship in perpetuity. The program will continue as long as AAME is in existence, we so far have four named scholarships created by members that have been fully funded. But that doesn't mean you have to donate that much, you can donate any amount at all. Once your contributions total \$1,000, you are recognized as an AAME Fellow and receive a certificate and be recognized at the banquet. A detailed document describing the program is available on the AAME website resources page at <https://aame.uark.edu/resources/> under "Academy Bylaws and Operations".

NEW BUSINESS

1. 2024 Banquet Planning – Next year's banquet will be at the Fayetteville Library on April 19th & 20th, 2024.

ELECTION OF 2023 BOARD OF DIRECTORS

President Wolf said that three members volunteered to serve on the Board of Directors and were up for election, Danny Hughes, Gayle Russell and Thomas Wolfe. Zane Boatwright motioned to approve, the motion was seconded, and membership voted to approve.

MEETING OF BOARD OF DIRECTORS

The election of 2023 officers was next held by the Board of Directors. The candidates for office were:

For President - Mike Anderson

For President-elect - Katrenia Taweel

For Secretary - Pete Oppen

For Treasurer - Jeff Hayes

It was motioned and seconded to approve the candidates for office and the board unanimously voted to approve.

Outgoing President Wolf said that it has been a tradition for the outgoing president to give a gift to the AAME Board. In lieu of that, she is going to make an additional contribution to the scholarship fund in honor of the AAME Board. Incoming President Mike Anderson thanked Cristine for her service. He asked everyone to consider serving on committees, especially the student liaison committee, and to reach out to him. Cristine Wolf mentioned that Tom Weiss has suggested that members taking distributions from a 401k can designate a tax-exempt distribution to a charitable organization such as AAME. We can provide an informational document describing how to do this upon request.

CONCLUSION

President Mike Anderson adjourned the meeting.

Minutes prepared and respectfully submitted by Pete Opper, 2023-2024 AAME Secretary, with special thanks to Melynda Hart. Previous minutes are available on the AAME website at <https://aame.uark.edu/resources/>.