

DRAFT
MINUTES
REGULAR SESSION
BOARD OF DIRECTORS
AMERICAN CHEMICAL SOCIETY
Arlington, Virginia
December 3, 2006

The Board of Directors of the American Chemical Society met in Arlington, Virginia, on December 3, 2006, beginning at 10:40 a.m. James D. Burke, Chair, presided. Other Directors present for all or part of the meeting were: Judith L. Benham, Eric C. Bigham, William F. Carroll, Jr., Dennis Chamot, Bonnie A. Charpentier, Catherine T. Hunt, Nancy B. Jackson, Madeleine Jacobs, Madeleine M. Joullié, C. Gordon McCarty, E. Ann Nalley, Anne T. O'Brien, Howard M. Peters, Diane G. Schmidt, and Kent J. Voorhees. Present by invitation for all or part of the meeting were: Rudy M. Baum, Brian A. Bernstein, Robert D. Bovenschulte, Denise L. Creech, Yvonne D. Curry, Mary Kirchhoff, Valerie J. Kuck, Martha K. Lester, Flint H. Lewis, Robert J. Massie, Glenn S. Ruskin, David L. Schutt, David T. Smorodin, John R. Sullivan, Frank E. Walworth, Marleen G. Weidner, and Marinda Li Wu. A few observers were present at various times during the meeting.

Approval of Minutes

1. The Board of Directors VOTED to approve the minutes of the meeting of September 10, 2006, as distributed.

Report from Executive Session

James D. Burke, Chair, opened the December 3 meeting with a summary of the key Board actions and discussion points of the executive session, December 1-3, 2006, as follows:

- the election of Judith L. Benham as Chair of the Board (2007); the election of C. Gordon McCarty and Bonnie A. Charpentier to the Board Executive Committee: Dr. McCarty to a two-year term (2007-2008), and Dr. Charpentier to a one-year term (2007);
- approval that the following awards be financially supported by the ACS for the 2008 presentation unless a sponsor is found to support them: the ACS Award in Industrial Chemistry; the Arthur W. Adamson Award for Distinguished Service in the Advancement of Surface Chemistry; the ACS Award for Computers in Chemical and Pharmaceutical Research; and the E. Bright Wilson Award in Spectroscopy;
- a report from the ACS Petroleum Research Fund Steering Committee;
- approval of a cooperative cosponsorship of the International Union of Pure and Applied Chemistry (IUPAC) 43rd World Chemistry Congress and the 46th IUPAC General Assembly meeting to be held in San Juan, Puerto Rico, July 30-August 7, 2011;
- agreement to review evolving information and communication technologies formally and periodically on a continuing basis, and that the Society encourage and foster use of contemporary electronic technologies with and among its members;
- approval of the Society's biennial Public Policy Priorities for 2007-2008;
- approval to present the 2007 ACS Public Service Award to Representative Ruben Hinojosa (D-TX), Representative David Hobson (R-OH), and National Academy of Sciences President Dr. Ralph Cicerone;
- agreement to reaffirm the purpose of the Board of Trustees for the ACS Insurance Trust to provide insurance and financial security programs for ACS members and to consolidate governance and

management oversight for all investment and retirement security products under the Board of Trustees and the Office of the Treasurer, respectively;

- approval to continue the Committee on Public Relations and Communications, the Committee on Environmental Improvement, and the International Activities Committee;
- approval to support a request from the Committee on Chemists with Disabilities for a change in status from that of an Other Committee of the Board to a joint Board-Council Committee;
- approval of the Society's strategic plan, entitled "Strategic Directions – 2007 and Beyond";
- approval of several actions related to compensation for the Society's executive staff, and a report from the Board's executive compensation consultants Towers Perrin;
- reports from the Task Force on the Timing of Committee Appointments, Governance Review, the Communications Study Group, and the Community Outreach Study Group;
- a report from the Executive Director/CEO and several of her direct reports resulting in the approval of the 2007-2009 fundraising priorities and fundraising target for 2007; authorization to deposit a sizable bequest into the ACS Endowment; approval of financial targets for Chemical Abstracts Service and the Publications Division for 2007-2009; confirmation of a new Director of Education; and acceptance of the final report and recommendations from the Evolving Information & Communication Technology and Trends project;
- approval to adopt amendments to the ACS Green Chemistry Institute (GCI) Board Regulations and to approve appointments to the GCI Governing Board;
- a report on the activities of the Program Review Advisory Group (PRAG), and approval to support a proposed new mission-related financial venture;
- approval of the metrics for the 2007 Board goals and receipt of a final progress report on the Board's performance in achieving the 2006 goals.

ACTION ITEMS

Committee Action Items

Committee on Budget and Finance

2. The Board of Directors VOTED, on the recommendation of the Committee on Budget and Finance and in accordance with the long-range financial plan for ACS National Meetings (approved in December 1999), to approve an advance registration fee of \$320 for 2007 ACS National Meetings.

3. The Board of Directors VOTED, on the recommendation of the Committee on Budget and Finance, to approve the 2007 Proposed Operating Budget with a projected net contribution of \$7,603,000.

4. The Board of Directors VOTED, on the recommendation of the Committee on Budget and Finance, to approve the 2007 Proposed Capital Budget of \$29,288,000.

CONSENT ITEM

International Activities Committee

5. The Board of Directors VOTED, on the recommendation of the International Activities Committee, to continue the Saudi Arabia and Hong Kong International Chemical Science Chapters.

INFORMATION ITEMS

Chair James D. Burke thanked the Board for electing him as Chair for three consecutive terms. He reported that the Board has been setting ambitious goals since 2004 and continues to reach

each milestone. Dr. Burke described the Board as highly competent and of exceptional quality. He urged each member to read his column in the December Councilor Bulletin where he reviews their contributions and thanks them for their service.

Next, Dr. Burke noted several Board accomplishments during his three-year tenure as follows: held a financial planning conference that led to the contingency planning initiative offering the Society a ready path forward if ever confronted by notable crises; appointed a Program Review Advisory Group (PRAG) to assist the Committee on Budget and Finance in assuring that Society programs are relevant and well managed; approved a reinvention of the Society's web presence; addressed the "open access" issue and the NIH PubChem initiative to assure sustained integrity of ACS publications and databases; provided assurance that the ACS executive compensation policy and practice is appropriate and clearly communicated; developed better relationships with the American Institute of Chemical Engineering and the Chemical Heritage Foundation; adopted a new vision statement and strategic plan; proposed a strategy for addressing multidisciplinary; pursued in a deliberate fashion a review of Society governance; and participated in a community service project.

Dr. Burke concluded his comments by again thanking his Board colleagues and staff for three good years.

President E. Ann Nalley stated that the focus of her presidential year was communicating the value of basic and applied research, recognizing the value of volunteer service, and emphasizing the importance of good science through good science education. Dr. Nalley stated that she has represented the Society both nationally and internationally this year. She noted her participation in local section meetings, presenting awards, granting press interviews, judging posters, volunteering in the community service project, and attending Student Affiliate programs.

Next, Dr. Nalley described her role at meetings in both Korea and Cuba, and commented on her interviews with the Cuban press. Dr. Nalley summarized her comments by stating that what happens in Cuba affects the world, and that scientists must continue to interact and form global collaborations. She concluded her comments with a thoughtful reflection on her presidency. Dr. Nalley stated that she is energized by the many volunteer members and that she is touching the future of the Society.

President-Elect Catherine T. Hunt reported on her goals for 2007 by taking a reflective look back while continuing to look ahead. She described three components of leadership: competency, passion, and alignment and showed how these components can overlap and produce various scenarios. Dr. Hunt stated that chemistry is at a crossroads and that it's time to re-ignite our commitment to science and technology. She added that her agenda is to engage legislators, the media, the public and the next generation through education. Dr. Hunt added that she will encourage building a strong, vibrant, and vocal technical community through collaboration. Her innovation theme will attempt to promote re-creation of companies, universities, and the individual.

Dr. Hunt described her plan to engage legislators as three-fold: encourage Society members to use the Legislative Action Network, make legislative visits, and give congressional testimony. Dr. Hunt stated that she will engage the public and students through community outreach and volunteerism in the classroom. She added that her efforts to build collaboration will encourage greater cooperation between industry, academe, scientific societies, and national labs. Dr. Hunt stated that by working together we can change the face of chemistry.

Immediate Past President William F. Carroll, Jr. reported that he was able to successfully complete the National Chemistry Week Extreme Tour. He summarized his three years in the presidential succession by reporting that he had visited 95 local sections. He stated that one of his goals was to use the office of the ACS Presidency as a means to be the most visible face of chemistry.

Dr. Carroll offered his perspective on how to make the role of the immediate past president more meaning. He suggested that the immediate past president host the Heroes of Chemistry celebration, notify ACS award winners, and act as the Society's representative to international societies. Dr. Carroll thanked the Board, members, and staff for their support during his years in the presidential succession.

Executive Director and CEO Madeleine Jacobs began her report by thanking the Board chair and her Board colleagues for their support and helpful suggestions. She referred colleagues to a report in the December Councilor Bulletin that covered a series of accomplishments from the beginning of her tenure as Executive Director and CEO in 2004 to the present. Ms. Jacobs comments included the re-invention of the Society's web presence, the launch of *ACS Chemical Biology*, robust revenues from the publications units and CAS, steady progress on activities from both the ACS Green Chemistry Institute Governing Board and the Governing Board for Publishing; innovative growth in the Society's information technology unit, a new design for *Chemical & Engineering News*, creation of the Society's own in-house legal function, centralization of the Development Office with fundraising goals and priorities, and more.

Next, Ms. Jacobs announced that after an extensive search for the Director of the ACS Education Division, that she was please to report that the Board of Directors had confirmed her choice of Dr. Mary Kirchhoff. She added that Dr. Kirchhoff has served as acting director of the division for the past year.

Ms. Jacobs concluded her comments by again thanking the Board, Jim Burke's leadership, and the staff for another successful year.

Treasurer Brian A. Bernstein reported that the Pensions & Investments Committee has met twice since the fall national meeting. He stated that at its September meeting, the committee approved a 2007 Petroleum Research Fund (PRF) distribution of \$26.8 million from the PRF endowment to fund the research grants program. Mr. Bernstein added that this represents a \$1.0 million, or 4% increase over the 2006 level at \$25.8 million. The increase for 2007 is largely a result of a steady improvement in the market value of the PRF over the past several years (\$537 million at year-end 2006, \$517 million at year-end 2005, and \$480 million at year-end 2004).

Mr. Bernstein reported that at its November meeting, the committee received a report on the financial status of the Society's pension plan as of September 30, 2006. He reported that the plan has returned to a fully funded status. Mr. Bernstein added that this improvement is a result of favorable plan asset performance for the 12 months ending September 30 (an increase of +11.6%) and, equally important, the use of a higher discount rate to determine the plan liabilities (6.00% vs. 5.625% in the prior year).

Mr. Bernstein concluded his report stating that the committee also reviewed a new financial accounting standard issued at the end of September: FAS 158 (accounting for defined benefit pension and other postretirement plans.) He added that the new standard will apply to the ACS pension and retiree medical plans and be effective for the Society in 2007. It will change the manner in which the plan's financial position is calculated.

Board Oversight Group for Leadership Development (BOG)

Eric C. Bigham, co-chair, updated the Board on the BOG's accomplishments for 2006, and their plans for 2007. He reported that BOG developed and executed a 2006 communications plan, and presented information on their activities to committees in San Francisco and at the regional meeting planning conference. Dr. Bigham stated that the pipeline team developed metrics for the leadership development system, issued an RFP and hired a consultant to develop a marketing campaign,

communicated items of concern to the Governance Review Task Force to expand access to ACS leadership opportunities, and designed a concept for a leadership/volunteer web portal.

Dr. Bigham reported that the skills team customized a 360 degree assessment, pilot tested a one-day Extraordinary Leaders Workshop, developed and piloted 3 four-hour facilitated workshops, developed two e-mediated modules, and conducted a Train-the-Trainer clinic for eight volunteers. Dr. Bigham enumerated seventeen 2007 goals for BOG.

Percy Julian Task Force

Anne T. O'Brien, task force chair, updated the Board on the activities of the Percy Julian film biography project. Dr. O'Brien reviewed the events of the fall national meeting in honor of Dr Julian and presented an outline of the pre-screening event planned for the evening of January 23, 2007, at the National Academies. She urged her colleagues to include this event on their schedules.

Dr. O'Brien concluded her comments by reminding the Board that the Percy Julian film biography is scheduled to air on February 6, 2007, at 8:00 p.m. (est.) on PBS.

UNFINISHED BUSINESS

Dr. Burke offered his appreciation to the staff of the Office of the Secretary and General Counsel who had worked very closely with him during his three year tenure. Flint H. Lewis, ACS Secretary and General Counsel, conveyed his staff's appreciation of Dr. Burke's steadfast support and professionalism.

NEW BUSINESS

Schedule and Location of the Board of Directors Meetings in 2007

6. The Board of Directors VOTED to approve the following locations and dates for their meetings in 2007:

Chicago, Illinois, Sunday, March 25
Baltimore, Maryland, Sunday, June 3
Boston, Massachusetts, Sunday, August 19 (contingent on CPC)
Washington, DC (Arlington, Virginia), Sunday, December 9

Resolutions

7. The Board of Directors adopted the following resolutions in honor of its departing members and a deceased ACS president:

BE IT RESOLVED That the Board of Directors of the American Chemical Society expresses to its friend and colleague, Nancy B. Jackson its profound gratitude for her many contributions as Director-at-Large (2004-2006); Committee on Grants and Awards (2004-2006); Committee on Public Affairs and Public Relations (2004-2005); Committee on Professional and Member Relations (2006); and member or chair of several other ACS bodies. The Board notes with sincere appreciation her advocacy for greater funding before the Nation's decision makers, and her unwavering commitment to the promotion and inclusion of underrepresented minorities in the chemical sciences and the activities of the Society. The Board also commends her efforts to promote opportunities for review and reform of the Society's governance structure, and enhanced utility of its prestigious Petroleum Research fund and national Awards Program. The Board will miss her judicious comments and thoughtful deliberations, often reflective of her collective experience in Society governance and her past service as an ACS staff member. We extend to Nancy and her husband Jim our warmest wishes for success in their future professional and personal endeavors.

BE IT RESOLVED That the Board of Directors of the American Chemical Society expresses to William F. Carroll, Jr., its sincere appreciation and heartfelt gratitude for his consummate service as President of the Society in 2005, and as a member of the Board during his years in the presidential succession (2004-2006), and notes with amazement his tremendous energy, deftness of humor, and wry, well-timed wit. The Board salutes Bill's fervent and untiring service to the Society, as evidenced by his diligent efforts to be the most visible face and credible voice for chemists and chemistry, and his efforts to envision changing needs and the need for change – in chemistry at work, chemistry at school, and chemistry in the eyes of our neighbors – while identifying the many opportunities that change makes manifest. His colleagues wish him every success as his career advances and encourage him to continue to speak on behalf of those engaged in the chemical enterprise. The Board collectively offers to Bill, his wife Mary, and his children their very best wishes for continued happiness.

BE IT RESOLVED That the Board of Directors of the American Chemical Society expresses to its friend, colleague, and leader, James D. Burke, its thanks and gratitude for his many contributions as Chair of the Board (2004-2006); Director-at-Large (2000-2006); Chair of the Committee on Budget and Finance (2002-2003); Co-Chair of the Governance Review Task Force; and member or chair of several other ACS bodies. The Board notes with sincere appreciation his style as Board Chair, which was engaging and jovial, firm in the face of principle, respectful and solicitous of his colleagues' views and opinions, resolved in the pursuit of consensus, , and resolute in defense of the Society's interests and policies. The Board also commends his leadership of the Board's efforts, in concert with the Council and staff, to review the Society's governance structure, craft a new vision and strategic plan, reinvent the Society's Web presence, and prepare for contingencies, while assuring maximum effectiveness of Society programs on behalf of our members. He leaves a legacy of an effective and unified Board of Directors, and we extend to Jim and his wife Barbara our warmest wishes for success in their future professional and personal endeavors, following a well-deserved period of rest and renewal.

BE IT RESOLVED That the Board, Society Council, and Staff of the American Chemical Society note with sorrow the passing of their colleague and friend, Robert W. Parry, longtime dedicated and active member of the Society, recalling with appreciation his service to the Society as its president in 1982, a member of the Board of Directors from 1973 to 1983, a member of the Society for 63 years, a councilor for more than 45 years, and a member or chair of numerous ACS bodies. Bob Parry is remembered for his outstanding contributions in the field of inorganic chemistry, chemical education, and his commitment to the Society and chemical professionals. The Society's members and leaders honor his memory and his contributions to chemistry and to the ACS, and extend sincere condolences to his family, colleagues, and friends.

There being no further business, the meeting was adjourned at 12:07 pm.

Flint H. Lewis
Secretary