The Board of Directors of the American Chemical Society met in Executive Session in San Diego, California, on March 11-12, 2016, beginning at 9:30 a.m. on the 11th. Pat N. Confalone, Chair, presided. Other Directors present for all or part of the meeting were: John E. Adams, George M. Bodner, Allison A. Campbell, William F. Carroll, Jr., Thomas M. Connelly, Jr., Rigoberto Hernandez, Paul W. Jagodzinski, Lee H. Latimer, Ingrid Montes, Donna J. Nelson, Laura E. Pence, Dorothy J. Phillips, Barbara A. Sawrey, Diane Grob Schmidt, and Kathleen M. Schulz. Others present by invitation for all or part of the meeting were: Brian A. Bernstein, Brian D. Crawford, Denise L. Creech, William J. Greenlee, Manuel Guzman, Mary Kirchhoff, Martha K. Lester, Flint H. Lewis, Scott J. Oliphant, David T. Smorodin, John R. Sullivan, Frank E. Walworth, and Marleen G. Weidner.

MINUTES

1. The Board of Directors VOTED to approve the December 13-15, 2015, executive session minutes of the Board of Directors.

CONSENT ITEMS

2. The Board of Directors VOTED to approve or ratify the following consent items by a single motion:

- **BD 1-2016.** VOTED that the Board of Directors accept the recommendation of the editor search committee and approve the following four inaugural Co-Editors-in-Chief for *ACS Omega* for a February 15, 2016 to December 31, 2021 term.
  - Dr. Cornelia Bohne
  - Dr. Krishna Ganesh
  - Dr. Luis Liz-Marzan
  - Dr. Deqing Zhang

- **BD 2-2016.** VOTED that the Board of Directors accept the recommendation of the editor search committee and approve Dr. John Yates as the Editor-in-Chief for *Journal of Proteome Research* with a term of February 15, 2016 to December 31, 2021.

SOCIETY BUSINESS

Board Development

Kathleen M. Schulz briefed the Board on her white paper on Board development opportunities. In her presentation, she outlined options for the Board individually (refining the Board orientation; mentoring new Board members; and developing knowledge, competencies and skills), and collectively (discussing strategic topics/accessing leading thinkers, improving Board
competencies, and engaging in continuous improvement). Extensive discussion followed the presentation on these topics – especially on the Board orientation. Board members found the orientation to be effective but made the following suggestions: time is needed to delve into greater detail on orientation topics, a webinar could supplement the orientation, more content could be put in writing for pre- or post-orientation review, holding the orientation in Washington, D.C. in January is not the best time and location and doing it as part of the Leadership Institute might be preferred, pre-work could be helpful on topics such as assessing Board member skills, a team-building component could be added, and we must determine the focus of the orientation: for new members? Returning members? Team-building? As to mentoring, a consensus was reached in favor of new Board members approaching mentors after their first Board meeting. Dr. Schulz concluded the discussion by suggesting that individual development plans for Board members could be explored offline.

June Board Retreat

Board Chair Pat Confalone noted that during its June 2015 retreat, the Board agreed to consider holding another retreat in 2016. He then led a discussion on the timing and possible topics for a facilitated Board retreat in June. The discussion included the following individual comments: The retreat should teach the Board to be transformers and move the Society forward in its objectives. The last retreat was on internal Board functions and was useful; the next should focus on strategy, not the Board. We could use mini retreats within the normal Board meetings. We need to get the Board to think in generative, rather than problem solving, mode. A topic should be how the Board can be proactive, rather than reactive. We should develop a Board strategic plan. Focus on the strategic elements that the Board can address; the challenges and opportunities. A retreat on the multiple topics raised here would be productive. We could have a collective brainstorming session as our retreat. Half the retreat could be on board operations and half on where the ACS is going. The Board reached consensus in favor of having a retreat in June, which is to be planned by a design team including Board members Bodner, Campbell, Connelly, Jagodzinski, and Latimer.

Discussion from Planning Committee Strategic Issues Working Group

On behalf of the Board Committee on Planning, Barbara A. Sawrey led a discussion seeking Board input on the establishment of a process for Board strategic issue discussions. She posed several questions to the Board: What should they achieve? How do we select topics? How do we stay strategic? How often should we have the strategic discussions? In the discussion that followed, comments by individual Board members included: In the past, staff did much of the work because Board engagement on planning-related issues wasn’t as high. Environmental scanning (“e-scan”) discussions are useful but we should talk more in advance about trends that could impact us. We can’t solve these issues in an hour; rather, we need to bring them up again. Four issues a year is way too many; let’s hold fewer discussions with better preparation. Strategic issue discussions are useful but are best done on an as-needed basis. Let’s hold two issue discussions a year and focus on cross-committee or divisional topics. We need more in-depth discussions, so we may need to carry topics over into future meetings. What do the Executive Leadership Team (ELT) staff who are present think of this? (“There’s value even if the Board discussion doesn’t result in action.” “We tend to focus on what we know best – Membership-related issues.” “Discuss the strategic plan goals and where the chemistry enterprise is going in these four areas versus where ACS needs to be.” “Focus on strategy”). There’s value in hearing about education – no Board committee covers education and I can’t tell you the strategic direction of the Education Division. The e-scan identifies “known unknowns” but how do we have a better starting point and how do we factor in the “black swans” (“unknown unknowns”)? The Committee on Environmental Improvement felt no resonance when the e-scan was presented to it. Board input is needed before we go to committees. The Planning Committee needs this outside input or it becomes an “echo chamber.” Committees need to identify what their issues are that the e-scan relates to. We need to finish our discussions before moving on to
a new topic. Other societies ask what ACS is doing with its industry members; they’re our biggest customer and their issues drive globalization. Let’s gather more feedback from the facilitated strategic planning sessions; units think they’re expensive. Dr. Sawrey summarized the discussion as follows: (1) There is strong support on the Board for not seeking a specified number of strategic issues. (2) Staff worked hard to engage us on the e-scan process but a lot more work by the Board is needed. (3) There is support for more involvement by the ELT in future discussion. (4) We want to reach out more to committees and divisions but not to do so when concepts are “half baked.”

Executive Director and Chief Executive Officer’s Report

Executive Director and CEO Thomas M. Connelly, Jr. briefed the Board on a variety of key issues and on his observations after one year in his position. His report included the following highlights: He lowered the 2015 total Membership number from the first report to more accurately and fairly include only those who accepted the membership offering as part of the Enterprise Membership Model, which bundles membership with products and services from across ACS. The final membership count for 2015 is 156,876. Regular membership is decreasing while student memberships have been rising over the past 15 years. We are evaluating the testing from the 2015 membership renewal series and have several renewal initiatives for 2016. As to ACS’s international expansion efforts: over 60% of ACS revenues, two-thirds of our authors, 17% of membership, and 1% of staff are from outside the U.S. He asked the Board members to advise as to whether the pace of our international efforts was appropriate and was told that the pace was appropriate. We are appropriately expending significant sums on IT, both as to operating and capital expenditures, and we have made investments in our Enterprise Financial Systems Program, which will support our “One ACS” efforts with greater transparency and easier access to financial information across the organizations. Dr. Connelly observed that many Board members had expressed interest in going to Columbus, Ohio to see our Chemical Abstracts Service operation. He said that an optional Board visit, possibly coinciding with the annual CAS picnic in September, would be scheduled. He then provided the 2015 financial highlights (Net From Operations − $16.6 million; Total Revenues − $511.7 million; Total Expenditures − $495.1 million; Unrestricted Net Assets − $163.3 million) and a detailed report on ACS Free Cash Flow (“FCF” is cash from operations less capital expenditures). The ACS Board financial guideline requires FCF of break-even or better over a three-year rolling average. ACS experienced a FCF deficit in 2015 caused by a variety of factors, but improvements are anticipated in 2016. A series of executive engagements are underway to enhance our effectiveness as an organization and as an executive leadership team. Dr. Connelly next cited “Streamline and Simplify” accomplishments and ongoing efforts in the areas of Human Resources, Finances, and Information Technology. As part of his one-year summary, Dr. Connelly reviewed the “SWOT” analysis he presented to the Board last spring and found it to be largely accurate a year later, although he mentioned several areas where levels of both commitment and complexity were larger than he had initially realized.

Committee on Executive Compensation

The Chair of the Committee on Executive Compensation, William J. Greenlee, referred to the materials that had been provided on SharePoint to his colleagues in advance of the meeting in order to give extensive background on the recommendations of the committee and on the total compensation offered to Society executives. He reminded the Board of the compensation-related actions it had taken at the last Board meeting in December, the Committee on Executive Compensation’s responsibilities in the compensation process, and the ACS executive compensation philosophy, and described the impact of the Society’s 2015 financial performance on the Society’s compensation system. He provided a series of motions from the committee, which after discussion and careful review, were approved as follows:
3. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed Executive Performance Incentive Plan (EPIP) funding pool results for Chemical Abstracts Service, the ACS Publications Division, and Society Programs and Administration for 2016.

4. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve an overall rating of 107.5% on the 2015 Executive Performance Incentive Plan Organizational Objectives for the Executive Performance Incentive Plan Participants.

5. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed 2016 salary actions and 2015 Executive Performance Incentive Plan payout for the ACS Secretary & General Counsel.

6. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed 2016 salary action and 2015 Executive Performance Incentive Plan payout for the ACS Treasurer & CFO.

7. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed 2016 salary action and 2015 Executive Performance Incentive Plan payout for the President, ACS Publications.

8. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed 2016 salary action and 2015 Executive Performance Incentive Plan payout for the President, Chemical Abstracts Service.

9. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed 2016 salary action and 2015 Executive Performance Incentive Plan payout for the Director of Membership & Scientific Advancement.

10. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed 2016 salary action and 2015 Executive Performance Incentive Plan payout for the Director, Division of Education.

11. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed 2016 salary action and 2015 Executive Performance Incentive Plan payout for the ACS Chief Information Officer.

12. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed 2016 salary action and 2015 Executive Performance Incentive Plan payout for the Director of ACS Human Resources.

13. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to approve the proposed 2016 salary action and 2015 Executive Performance Incentive Plan payout for the ACS Executive Director & CEO.

14. The Board of Directors VOTED, on recommendation of the Committee on Executive Compensation, to direct that the new document explaining ACS compensation be posted to the ACS website.

No staff members were present when their own salary or EPIP actions were discussed or voted upon.
Committee on Grants and Awards

15. The Board of Directors VOTED, on recommendation of the Committee on Grants and Awards, to approve an “E. Bright Wilson Award in Spectroscopy Endowment” to support the E. Bright Wilson Award in Spectroscopy, beginning with the 2018 presentation.

16. The Board of Directors VOTED, on recommendation of the Committee on Grants and Awards, to financially support the Irving Langmuir Award in Chemical Physics for the 2018 presentation, unless a cosponsor is found to support this award.

17. The Board of Directors VOTED, on recommendation of the Committee on Grants and Awards, to approve language to be included in the ACS Fellows Program guiding documents to allow for the rescission of ACS Fellows designations.

18. The Board of Directors VOTED, on recommendation of the Committee on Grants and Awards, to approve language to be included in the ACS National Awards guiding documents to allow for the rescission of ACS national awards.

19. The Board of Directors VOTED, on recommendation of the Committee on Grants and Awards, to approve the screened list of nominees for the 2017 Priestley Medal.

20. The Board of Directors VOTED, on recommendation of the Committee on Grants and Awards, to approve the screened list of nominees for the 2017 Award for Volunteer Service to the ACS.

21. The Board of Directors VOTED, on recommendation of the Committee on Grants and Awards, to approve the screened list of nominees for the 2017 Charles Lathrop Parsons Award.

In response to a question by committee chair George Bodner, Board members agreed that a separate call to discuss the background materials for the three awards was not necessary.

Committee on Professional and Member Relations

(Although anticipated in the agenda, the committee did not provide an oral or written report to the Board.)

Committee Review Task Force Update

Task force chair John Adams presented recommendations from the task force and sought approval of some recommendations and a preliminary consensus of the Board on whether others should be brought for action at a subsequent Board meeting. After discussion, the Board expressed the following consensus: Oversight of human rights/scientific mobility issues should move from the Committee on Professional and Member Relations (P&MR) to the Committee on Public Affairs and Public Relations. Several additional Board Standing Committees will be reviewed by the task force. The following Board committees should be exempt from further task force review: Audits, Pensions and Investments, Governing Board for Publishing, AACT Governing Board and the Board of Trustees of the Group Insurance Program. The Board supported bringing back Regulations amendments to implement the following recommendations: The Committee of Grants and Awards should be sunsetted and its current responsibilities reassigned. P&MR’s responsibility for approving cosponsorship requests and international alliances should be transferred to the CEO.

Secretary and General Counsel Report

Secretary and General Counsel Flint H. Lewis reported on the status of various legal matters with which the Society is involved, noting that only one personnel-related matter was in the litigation
stage. Mr. Lewis presented two items for Board consideration which were follow-up items to the Board’s meeting in December. First, he presented an amendment to the Regulations that would direct that amounts spent by the President and the President-Elect in excess of their annual budgets be deducted from their following year’s budget. Second, he presented revised Board Chair and Board Executive Committee election procedures. Mr. Lewis reported that the Board had requested a simpler and more intuitive process for these elections, and that he was proposing a process that would only have the names of candidates desiring to run on the ballot and that would use preferential voting to avoid the need for subsequent ballots in the event of ties.

22. The Board of Directors VOTED, upon recommendation of the Secretary & General Counsel, to approve the following amendment to Board Regulation VI. FINANCE (New language underlined):

Board Regulation VI. FINANCE
2. Executive Initiatives. There shall be established in each annual budget of the SOCIETY a fund of up to $100,000 to be used at the discretion of the Executive Director for funding unbudgeted items. Reports on the use of the fund shall be provided annually to the Board of Directors. (12/4/04) There shall be established in each annual budget of the SOCIETY, funds for the operation of the offices of the President-Elect, President, and Immediate Past President in the amounts of $40,000, $175,000, and $40,000, respectively, for the special expenses incurred by the incumbents of those offices during the specific fiscal years. Such expenses may include costs of officer’s travel as an official representative of the SOCIETY; programming at national, regional, or other ACS-affiliated meetings; special task forces and initiatives; and necessary office administration costs. Annual expenditures expected to exceed these amounts (excluding funds raised on behalf of the officers’ activities from external sources or unspent from their years as President-Elect or President) or one-time expenditures or initiatives expected in total to exceed $10,000 require approval in advance by the Board of Directors. Any amounts spent by the President or President-Elect from, and in excess of their annual budgets, shall be deducted in equal amounts from their next year’s budgets, despite receiving prior Board approval to exceed their budgets. Travel and expense practices for all SOCIETY directors and officers shall comply with policies applicable to ACS staff generally. (8/14/15)

23. The Board of Directors VOTED, on recommendation of the Secretary & General Counsel, to approve revised procedures for conducting Board Chair and Executive Committee elections (attached).

President Donna Nelson

ACS President Donna Nelson’s report summarized her recent activities: her task force on employment has been meeting regularly, she has represented ACS at awards ceremonies and other meetings both domestically and abroad, and has funded diversity activities. Dr. Nelson explained her 2016 programming as addressing employment, diversity, organic chemistry education, fracking, public perception of science and scientists, and safety in our chemical community. In discussing the latter symposium on safety, Dr. Nelson expressed concerns about changes to the symposium speakers, format and focus that had been made by organizers from the Division of Chemical Health and Safety (CHAS), and the improper listing of speakers who had not agreed to speak. The Board discussion of these changes reached consensus that CEO Tom Connelly should talk to CHAS leaders and express concerns about the symposium’s direction and inform them of the President’s withdrawal of support. Dr. Nelson concluded her report by describing the Council special discussion
that would occur in San Diego to gather input on seven questions posed by her task force on employment.

President-Elect’s Report

President-Elect Allison Campbell commented that she was honored to be President-Elect and felt a huge responsibility to the people who had put her in this office. She began her presentation with an introductory slide that provided background on her family, education, and career. Her presidential themes are science advocacy (Federal R&D drives innovation), science literacy (she has worked on a module at the Leadership Institute on elevator speeches that chemists can take to the public to tell their collective stories), and the importance of the global chemistry enterprise. She reported that potential symposia for her presidential year include energy for a low carbon future, as part of grand challenges for chemistry; and the chemistry of our earth and how we can mitigate environmental impacts.

Immediate Past President

ACS Immediate Past President Diane Grob Schmidt’s report began with a summary of the considerable progress which had occurred since the Chief Technology Officers Summit from last September: ACS held two meetings with USGAO officials on its sustainable chemistry report and ways in which ACS members can serve as a resource to GAO, a TSCA risk assessment workshop was held February 8 on Capitol Hill, an implementation task force has been appointed to follow up on the 2015 presidential task force on industry and 2-year college partnerships, we are assessing options to measure the public’s opinion of chemistry, a roundtable is being planned on the R&D infrastructure ecosystem, and an NGO roundtable is being scheduled between April and June of this year. A second CTO summit will be held in the fall of this year. She concluded her report by noting the follow-up activities to her historic meeting in Cuba last year, including a Science and the Congress briefing, which will occur shortly.

Governing Board for Publishing

After calling attention to the background materials posted on the Board’s SharePoint website and included with the agenda, Dr. Connelly called on Brian D. Crawford, President of the ACS Publications Division, and Manuel Guzman, President of Chemical Abstra cts Service (CAS), for special reports on the recent Governing Board for Publishing meeting and, specifically, on the challenges and opportunities faced by their divisions. The Board members engaged in a lengthy question-and-answer exchange with both executives as part of their presentations.

Dr. Crawford briefed the Board on a wide range of issues and results for the ACS Publications Division, and began with a recap of the division’s performance in 2015: The division exceeded its Revenue and Net Contribution targets, the C&EN Media Group met its Net Contribution target despite a significant advertising revenue shortfall, journals experienced record levels of author submissions and web usage, three new journals were successfully published, we stimulated and grew author participation in open access programs, we restructured Marketing Outreach and Advertising Support functions, launched a revamped web delivery platform and ACS2GO paired mobile delivery, and we streamlined and further automated internal processes. Since the last Board meeting, the ACS Omega promotion campaign was launched and editors search completed, we began publication of ACS Sensors and secured an inaugural Editor-in-Chief for ACS Energy Letters, deployed a Manuscript transfer peer review process across the entire journals portfolio, advanced global outreach programs in both China and India, and completed the redesign of the C&EN Print Edition. Dr. Crawford described the early 2016 outlook, noting that more than 90% of the 2016 institutional sales budget has been invoiced, Web Editions sales are on track to meet budget, the new journal uptake has been strong, and U.S.-based paid advertising is on course but non-US sales are off to a slow start. He then highlighted
key actions taken by the Governing Board for Publishing at its February meeting (securing approval for the Division’s 2017 pricing program and the development of a new journal for 2017) and discussing 2016 strategic issues (renewal negotiations with key consortia, editorial and business development in China, open access scenario planning/mitigation strategy, anti-piracy efforts, and data privacy concerns). He concluded his report by citing organizations such as ResearchGate, which are taking publisher content – including ACS’s – and adding value. If these organizations continue, ACS and other publishers may need to engage in litigation.

24. The Board of Directors VOTED, on recommendation of the Committee on Publications, to reappoint Dr. Paul Weiss for an additional 5-year term as editor of ACS Nano effective January 1, 2017, through December 31, 2021.

25. The Board of Directors VOTED, on recommendation of the Committee on Publications, to reappoint Dr. Jonathan Sweedler for an additional 5-year term as editor of Analytical Chemistry effective January 1, 2017, through December 31, 2021.

Mr. Guzman briefed the Board on a wide range of issues and results for CAS, as follows: CAS finished 2015 meeting Probable 2 budget expectations and with underlying revenue growth of 3.3% (double the 2014 growth without FX), SciFinder commercial and academic revenues increased in 2015 (4.8% and 3.9% respectively) before considering the impact of changes in year-over-year FX rates, CAS expects to exceed the budgeted $38.6 million Net Contribution in 2016 by a couple of million dollars, and STN could return to revenue growth in 2016. Mr. Guzman called on his senior management team for reports, including Matthew Toussant (presented an opportunity for CAS to become the world-wide collection point for dissertations), Chris McCue (presented a SciFinder Curriculum pilot that should confirm that SciFinder and CAS content can help teach organic chemistry and other subjects at the undergraduate level), Conal Thompson (described the new SciFinder technical architecture), and Michael Dennis (updated on innovation efforts at CAS). CAS held its global sales meeting was held in March and is positively impacting the culture across CAS. The best performers in sales were recognized at the global sales meeting dinner.

New Business

Dr. Confalone led a discussion of the format used for the Board’s Regular (open) sessions, which makes use of speakers to attract a large audience but which provides little opportunity for input to the Board. The individual comments that followed included: Add some opportunity to tell the Board things; we have good speakers but the vast majority of the Board’s work is done behind closed doors and we appear to be isolated; have a topic with several speakers and emphasize Q&A; we need to interact more with the audience; let the audience write questions for the speakers; have speakers only at one of the meetings; we need to change the room set-up (u-shaped table) for the regular meeting and do more to inform the caucuses and others about what the Board does; and allow breakout sessions with directors.

Dr. Confalone reviewed in a “Wrap-up” document (attached) the key action items and next steps arising from this meeting of the Board.

As there was no additional business, the Board Executive Session was adjourned at 5:26 p.m. (March 12).