

COUNCILOR TALKING POINTS
SUMMARY OF GOVERNANCE ACTIONS/REPORTS

AMERICAN CHEMICAL SOCIETY
237th ACS NATIONAL MEETING
SALT LAKE CITY, UT
MARCH 22-26, 2009

The following summary is provided to help Councilors report to their local sections and divisions on key actions of the ACS Council and Board of Directors at the 2009 spring national meeting.

ACTIONS OF THE COUNCIL

Election Results

- The Committee on Nominations and Elections presented to the Council the following nominees for selection as candidates for President-Elect, 2010: Berkeley W. Cue, Jr., Nancy B. Jackson, Cheryl A. Martin, and Dorothy J. Phillips. By electronic ballot, the Council selected Nancy B. Jackson and Cheryl A. Martin as candidates for 2010 President-Elect. These two candidates, along with any candidates selected via petitions, will stand for election in the Fall National Election.
- The Committee on Nominations and Elections announced the results of the election to select candidates from the list of nominees to represent District I and District V on the Board of Directors for the term 2010-2012. Nominees for District I included: D. Richard Cobb, Neil D. Jespersen, Wayne E. Jones, and James L. Kallmerten. Nominees for District V included Thomas J. Barton, Judith L. Benham, Peter K. Dorhout, and John W. Moore. By mail ballot, the Councilors from these districts selected D. Richard Cobb and Neil D. Jespersen as District I candidates; and as District V candidates, Judith L. Benham and Peter K. Dorhout. Ballots will be mailed on or before October 10 to all members in District I and District V for election of a Director from each District.

Candidates for Directors-at-Large

- The Committee on Nominations and Elections announced the selection of the following candidates for Directors-at-Large for a 2010-2012 term: Dennis Chamot, H. N. Cheng, Ray A. Dickie, and Valerie J. Kuck. The election of two Directors-at-Large will be conducted in the fall. Ballots will be mailed to the Council on or before October 10.

Committee Elections

- The Committee on Nominations and Elections presented Roger F. Bartholomew and Roland F. Hirsch to Council as candidates for election to the Committee on Committees (ConC) to fill a vacancy created by a committee member's resignation. By written ballot, the Council elected Roland F. Hirsch.
- Candidates Carol B. Libby and Robert A. Pribush were presented to Council for election to the Committee on Nominations and Elections (N&E) to fill a vacancy created by a committee member's resignation. By written ballot, the Council elected Robert A. Pribush.

Petition to Amend Bylaws

(For Consideration)

- The Council received one petition for consideration: the Petition on Election Timelines 2009. According to the proposing committee, this petition presents election procedure refinements that are intended to provide a fair, consistent, and equitable process, which balances the concerns and needs of participants, as requested by Councilors and candidates. Action is expected on the petition at the fall Council meeting.

Change in Committee Charge

- The Council VOTED to permit the Committee on Chemistry and Public Affairs to amend a portion of its charge from: “a. Identify and analyze legislative, regulatory, research and other science policy issues that impact upon the chemical sciences and technologies” to “a. Identify and analyze legislative; regulatory; research; Science, Technology, Engineering, and Math (STEM) education funding; and other science policy issues that impact upon the chemical sciences and technologies.”

The Society’s Finances

- The Council and Board of Directors received extensive briefings on the Society’s finances, which showed that in spite of the economic challenges faced in 2008, the Society’s operating performance held up well. Total revenue was approximately \$450 million, up just over 3% from 2007. The Society’s Net from Operations was \$9.7 million, and \$560,000 favorable to budget. This is the fifth consecutive year of positive operating results.

However, in 2008 ACS was adversely impacted by the historic collapse in the capital markets, which resulted in a sharp decline in the Society’s unrestricted net assets from \$212 million at December 31, 2007, to \$60 million at December 31, 2008. There were two factors driving this decrease, both related to the poor performance in the capital markets. These are substantial investment losses and a sizable increase in pension liability from the Society’s Defined Benefit Pension Plan. For this and other reasons, action was taken in 2007 to close the Defined Benefit Pension Plan, and, in 2008, to freeze benefit accruals for all Defined Benefit Pension Plan participants in 2009.

It is in this context that the Board received a detailed briefing from management at this meeting on the framework of the 2009 Contingency Plan. In 2006, the Society had the foresight to develop a robust Contingency Plan that contemplated potential threats from many different sources, their probability of occurrence, likely duration and financial impact. The updated 2009 Plan covers all operating and administrative units as well as member programs, and identifies new and emerging threats. ACS management has also updated the mitigation strategies to respond to the threats and ensure the Society’s long-term financial sustainability.

Society management and the Board of Directors are closely monitoring financial performance versus the budget. In addition, significant reductions in discretionary spending have already been implemented and additional cost control measures are under consideration. However,

despite the adverse impact of the economic downturn, the Society remains highly liquid with more than \$275 million in cash and investments, and limited debt of \$30 million.

2010 Member Dues

- After a lengthy discussion and rejection of two amendments, the Council VOTED to set the member dues for 2010 at the fully escalated rate of \$145. This rate is established pursuant to an inflation-adjustment formula in the ACS Constitution and Bylaws. The vote was 348 to 70.

Member Statistics

- At the close of 2008, Society membership totaled 154,024, compared to 160,052 for year-end 2007. In 2008, ACS completed the transition of its 15 year-old membership fulfillment system to a new, more robust system. The year-end 2008 membership numbers reflect a drop in membership of approximately 2% due to the economy and a correction to the counts of 2,589 Emeritus members whom ACS has not been able to reach for many years. Compared to its sister societies, ACS experienced a smaller loss of members in 2008.

Special Discussion Item

- A special discussion item was again put on the Council agenda for this meeting. ACS President Thomas H. Lane invited the Chair of the Committee on Membership Affairs to present the results of a Councilor survey as a preface to the discussion on what can ACS do to attract new members while better serving our membership during these challenging economic times. Following the presentation, President Lane led Councilors in a lively discussion that focused on the value of ACS membership and on growth opportunities among students, international scientists, high school teachers, technicians, diverse ethnic groups and others.

Attendance Report

- As of March 25, 2009, the ACS spring national meeting had attracted 10,668 registrants as follows: Regular attendees 5,781; Students 3,439; Exhibitors 780; Exposition only 411; and Guests 257.

Professional Employment Guidelines

- The Council VOTED to approve the Professional Employment Guidelines, as submitted by the Committee on Economic and Professional Affairs. These guidelines offer a broad spectrum of recommended practices in employment for professional scientists and their employers.

ACTIONS OF THE BOARD OF DIRECTORS

Committee Actions

- The Board received reports from its Executive Committee, Committees on Grants and Awards (G&A), Committee on Planning, and the Committee on Professional and Member Relations (P&MR).

On the recommendation of the Committee on Grants and Awards, the Board VOTED to delegate oversight authority for the new ACS Fellows Program to G&A. G&A also presented the Board with a screened list of nominees for the 2010 Priestley Medal and the Volunteer Service Award. The Board VOTED to accept the committee's lists and agreed to announce the winners of the 2010 Priestley Medal and the Volunteer Service Award after its June meeting.

On the recommendation of the Committee on Professional and Member Relations, the Board VOTED to amend its Regulations to reflect P&MR's responsibility to review and approve requests for international alliances under delegated authority from the Board. The Board also VOTED to eliminate the requirement that an individual have a Pubs/CAS subscription authentication in order to be eligible for participation in the Network as an ACS global partner.

The Executive Director/CEO Report

- The Executive Director/CEO, along with several of her direct reports, updated the Board on the activities of Chemical Abstracts Service, the Publications Division, and the Society's General Counsel. The Board VOTED to approve a co-editor appointment and two reappointments of journal editors.

Compensation of Society Staff

- On the recommendation of the Committee on Executive Compensation, the Board VOTED to approve several actions relative to compensation for the Society's executive staff. The compensation of the Society's executive staff receives regular review from the Board.

Other Society Issues

- The Board was briefed by its working group monitoring the 2009 Plan for Continuous Improvement. This plan, which currently includes four broad topic areas and subtopics, is designed to enhance overall Board effectiveness.