The AIA Board of Directors, in collaboration with our communications team, is aware of and working to respond to recent media developments. As we move forward, we'll keep you updated with responses or pertinent information that you can have at your disposal. If a media outlet contacts you regarding these or other AIA HQ issues, we ask that you please direct them to the AIA media team:

- Frank Scanlan: frankscanlan@aia.org
- Katie Jacobs: katiejacobs@aia.org

We can best manage the media impact and protect AIA's brand if we approach our response in a coordinated and centralized way. We have updated the talking points to help you respond verbally to AIA chapter volunteer leaders and members. Currently, these updated talking points are not intended to be shared or sent directly to all members or posted to any public-facing site. The updated talking points are available for download here. In addition, the AIA Board-directed external review is ongoing, demonstrating our commitment to transparency and accountability. Once the review is completed, the Board will communicate further information and clarifications about the issues raised.

Next, in case you missed it, the Board of Directors has finalized the Annual Business Meeting summary. You can download it by clicking here.

Please let me or Jen Schlueter know if you have any questions. We appreciate your time and effort in leading your chapters and being a part of the AIA community.

Thanks, and talk to you soon.

Kevin D. Watkins, CAE (he/him)

Memorandum

Date: May 24, 2024 (UPDATED 6/10/24)
To: Component Executive Directors

Subject: FAQs

The below is to provide information to chapter leaders regarding questions they and their members may have. Please do not distribute this document as it will be updated on this page regularly as new information becomes available—including new information from the external review from an independent firm. Please check this site frequently to see the latest.

As AIA corrects information, we appreciate your support. Feel free to verbally share this information with members, and send all press inquiries to AIA national media leads Katie Jacobs and Frank Scanlan.

Sale of Contract Documents - 13.5 Million Dollar Budget Reduction

Why did we sell it? Who decided? Etc.

• The decision to sell contract documents was made by a previous board and past staff leadership, therefore we do not have insight into the conversation surrounding that discussion other than they believed it was in the best interest of AIA at the time. Additionally, an NDA was signed which protects additional details of the sale.

How much revenue did AIA lose? Is this a one-time loss or is it in perpetuity? Is AIA financially healthy?

• AIA is financially healthy and has received a clean audit for the past three budget cycles. The board and staff are planning for the 2025 budget, which is 13.5 million dollars less than the 2024 budgeted amount. This new budgeted amount will carry forward for every year thereafter or until new revenue streams are realized.

Staff Contact: Terri Stewart
Volunteer Contact: Heather Philip-O'Neal, AIA Treasurer
Refer them to the May 15 Focused Q&A recording

Building Renovation

Why are we renovating? Who decided? When? Etc.

• The decision to renovate the building and the loan amount was made by a previous board and past staff leadership, therefore we do not have insight into the conversation surrounding that discussion other than they believed it was in the best interest of AIA at the time and the building was in need of an update.

Why didn't AIA pursue a historic tax credit for the building project?

• The Historic Tax Credit program is applicable to certified historic buildings or neighborhoods. The AIA HQ is neither of those. The project started in 2019 and was not eligible at the time. It became eligible in 2023 due to its age but early in the development of the project, previous AIA leadership decided not to pursue historic designation.

• Recognizing that it would be eligible at some point in the future, the designers evaluated the property, designated various preservation zones in the building, and designed their work to protect these spaces. This will enable it to be certified at a later date.

Architect Magazine

Why did Architect magazine disappear? Why weren't members notified?

• Zonda, publisher of *Architect* magazine, decided to cease physical publication of the magazine, thus ending its contract with AIA. AIA did not produce the magazine, rather maintained a licensing and content agreement with Zonda. This was explained in an email to members on December 19, 2023. AIA has since launched AIA Architect, an online content hub aligned with its member newsletter**.**
www.aia.org/aia-architect

Membership Categories (Updated 6/10/24.)

During the AIA 2024 Annual Business Meeting, there were four motions to change AIA Bylaws related to membership. Delegates rejected motions that would have incorporated a new definition of Associate AIA status and expanded Associate AIA statuses to include senior associate, and international members, as well as modernizing benefits for allied members, honorary fellows and honorary members. Members also rejected a motion to extend AIA membership to internationally licensed architectural professionals and to amend bylaws to expand AIA membership to academic and student members.

Automatic Elevation

- During the May 8, 2024, AIA Board of Directors meeting, the Board discussed the feedback and comments received from AIA members and chapters.
- The AIA Board of Directors voted in favor of amending the AIA Bylaws to automatically elevate eligible recipients of the Whitney M. Young, Jr. Award.
- The AIA Board of Directors voted to oppose the proposed amendments to 2.42 related to the automatic elevation of elected AIA officers.
- The AIA Board of Directors voted to form a task force to implement solutions on past findings and take action on the Honors and Awards equity assessment, taking into account previous efforts, and working in collaboration with COF, NOMA, and all necessary stakeholders.
- The Board and AIA staff will continue to look at the Institute's processes for amending the AIA Bylaws in the future. Going forward, we will seek to ensure transparency and more effective communications around our decision-making.
- A message went to all AIA members on May 8. That memo can be found on the Annual Business Meeting website at www.aia.org/2024-annual-meeting

Presidential Stipend

In July 2022, the board discussed introducing a stipend for the president and president-elect. In December 2022 the policy was approved to provide a stipend to the president and president-elect in compliance with the IRS code. Approved minutes are available at request by AIA members at archives@aia.org. AIA does not post minutes from the AIA Board meeting online under governance best practices.

General Counsel

AIA's General Counsel Terry Ona is no longer with AIA. As you may know, due to confidentiality concerns, we cannot comment on employee matters.

<u>Punta Cana</u> (UPDATED 6/10/24. Independent review complete. Response below from AIA Board of Directors with findings from external firm that conducted independent review, Miller & Chevalier.)

On April 4, 2024, the AIA Board of Directors received a letter from twenty-three former presidents setting forth concerns related to certain operational and financial matters. The AIA Board took swift action to review the concerns, including by engaging an external law firm to conduct an independent and legally privileged review of the issues and facts relating to the concerns raised. As a matter of urgency, the Board directed external counsel to review the planning and execution of the AIA Staff Learning Retreat that took place in March 2024. The review focused on the specific issues raised to the Board. That portion of the review has now concluded. The Board has reviewed the facts found and considers the concerns raised in the April 4 letter to have been addressed and that there is no action to be taken by the Board in connection to the staff retreat.

Specifically, we considered the following facts to be important:

- *The AIA Chief Executive Officer (CEO) worked with AIA's Marriott representative to identify the destination for the staff retreat and selected the ultimate destination (The Royalton Bavaro Resort in Punta Cana) from several options presented by the Marriott representative.*
    - *No other travel agency or events management company was involved in or received payment in connection with the planning or execution of the staff retreat.*
- *The CEO negotiated the contract with the Royalton Bavaro in consultation with the then-current General Counsel, who provided written edits to the contract that the CEO subsequently submitted to the Royalton Bavaro.*
- *The CEO later involved the Chief People Officer, the Senior Vice President of Sales, Events, & Exhibitions, the Chief Strategy Officer (CSO), and the Chief Financial Officer (CFO) in the planning and programming of the staff retreat.*
- *The CEO and the Chief Strategy Officer conducted a pre-retreat site visit. The accommodations costs associated with the site-visit were included in the contract reviewed by the CEO and the then-General Counsel.*
- *The value of the contract with the Royalton Bavaro fell within the CEO's approval authority.*
- *The staff retreat was funded through the 2024 budget, which the Board of Directors reviewed and approved.*
- *The CEO allocated the Marriott Bonvoy points accrued from the retreat to her personal Marriott Bonvoy account. The CEO did this in consultation with the CFO with the understanding that the points will be used for future AIA business.*

We understand that some of you may have questions, however, because other issues remain under review, and in order to protect the independence and integrity of the ongoing review, and to protect the attorney-client privilege of this external engagement, we will not be providing any details at this time.

<u>Staff Turnover</u>

The board isn't involved in staff decisions, and we haven't seen anything that would indicate a problem. AIA's current employee retention rate is 88.7% better than the US average in 2023, which according to consulting firm Mercer, was 82.7%. Additionally, earlier this year, AIA was certified a Great Place to Work®, based on a third-party survey of all AIA staff.

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