



To: BSA Board of Directors
Fr: Josiah Stevenson, President
Re: BSA Board Meeting Agenda
Date: Thursday, November 16, 2017

Please note this meeting will convene at **BSA Space, 290 Congress Street, Boston at 12:00 (noon) on Thursday, November 16.**

- 12:00 pm Call to Order
- Approval of minutes
- 12:05 pm BSA budget review, amend and recommendation
[Vote] to recommend the budget for approval at the annual meeting
- 1:05 pm ABX update
- ABX/Greenbuild & Informa
 - TMS
- 1:15 pm Board self-evaluation
- 1:30 pm Other business
- Proposed policy principles
 - Membership assessment
 - Dates for 2018 Board meetings
- 1:45 pm Executive Session
- Recommendations for the Executive Director's evaluation
- 2:00 pm Adjourn

Enclosures:

2017 Board Member List	p.02
Board Meeting Dates	p.03
Board Team Assignments	p.04
President & Executive Director Report	p.05
Minutes from October and Special Board Meetings	p.07
Budget summary and detail	p.09
Proposed policy principles	p.39
Board assessment	p.42
Executive Director evaluation	p.43

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2017 BSA Board Meetings

Thursday, January 19	6-8p	Joint Board Reception
Friday, January 20	9a-3p	Board Planning Workshop Goulston & Storrs, 400 Atlantic Ave.
Thursday, March 16	12p-2p	
Wednesday, April 12	12p-2p	BSA & BSA Foundation Board Mtg.
Thursday, May 11	12p-2p	
Thursday, June 22	12p-2p	
Tuesday, September 12	12p-2p	
Thursday, October 19	12p-2p	
Friday, November 3	9a-10a	Special Meeting of the Board
Thursday, November 16	12p-2p	Budget Meeting
Thursday, December 14	6-8p	Annual Meeting & Reception

All meetings/events will be held at BSA Space unless otherwise noted.

Dear BSA Board Members:

At the January 20th Board Planning Workshop, board members participated in breakout sessions centering on four themes: (1) Architecture Boston; (2) Architecture Schools; (3) BSA & BSA Foundation Business Plan; (4) Future Practice Models.

Teams agreed to meet and present their findings at future board meetings in May, June, September and November (see chart below).

ArchitectureBoston May	BSA & BSA Foundation Business Plan - June	Future Practice Models September	Architecture Schools November
Carol Burns	Rebecca Berry	Greg Bialecki	William O'Brien, Jr.
Jean Carroon	Jim Collins	Jeffry Burchard	David Fannon
Amy Korté	Rick Dimino	Christine Dunn	Kelly Hutzell
Peter Kuttner	David Fannon	Natasha Espada	Glen LeRoy
Malia Lazu	Tamara Roy	Blake Jackson	Patricia Seitz
Elizabeth Minnis		Mary Anne Ocampo	Josiah Stevenson
		Shauna Gillies-Smith	
		Jay Wickersham	

Please email Kristin Lewandowski klewandowski@architects.org with any questions you may have.



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To: BSA Board of Directors
From: Josiah Stevenson FAIA, President and Eric White, Executive Director
Re: Executive Director's Report
Date: November 16, 2017

Administrative

The sale of ABX is completed. Billy, Ben and Eric are also working with attorneys on the TMS arbitration hearings that will occur in December.

Financials

The draft of the 2018 budget is prepared and attached. (see budget report)

Membership & Committees

The *Committee on Resilient Environments* and *Committee on the Environment* teamed up to hold a well-attended workshop, *Climate Ready Boston: Rise Up!* Feedback from the workshop will be shared with the City of Boston for using in shaping resiliency strategies.

Marketing Wizards and chair, Abby Gillispie, welcome BSA Sr. Marketing and Communications Manager, Maria Salvatierra, as co-chair.

As of November 2, 28 BSA grassroots committee chairs have signed up to hold open office hours at *BSA Space @ ABX*. We're looking forward to showcasing BSA's very active professional community.

Professional Programs, Exhibitions & related programming

Professional Programs continues to support individual and legacy programs. In late September and early October, we hosted a pair of programs on the new AIA contract documents—one covering owner-architect agreements with local legal and insurance representatives (Noble, Wickersham & Heart and Poole Professional), and one covering owner-contractor agreements and the online AIA contact platform with representatives from AIA National. Other programs included: a BPDA Bootcamp, which focused on development review, included BPDA staff and a panel of legal, development, and design professionals, and drew over 100 attendees; an ethics event focusing on the AIA Code of Ethics and human rights, which a number of former and current BSA Ethics Committee members attended; and the kickoff of Women in Design's inaugural Mid-Career Mentorship program, in which more than 60 women design professionals will participate. Design Awards work continues; the 2017 BSA Design Awards winners will be recognized in physical and digital displays on the ABX/Greenbuild exhibit hall floor, and 2018 BSA Design Awards calls for entries are being developed, along with the new online submission platform.

Public Programs (BSA Foundation)

Highlights of public programming from last month include successful partnerships with the Mary Baker Eddy Library for a family program during Fenway Opening Our Doors festival and with walkBoston with whom we cohosted a talk by artist Geert Vermeire titled 'Made of Walking'.

Civic Initiatives (Joint BSA and BSA Foundation)

Housing Innovation:

The winner of the Housing Innovation Competition has been announced to be the DREAM Collaborative. The BSA is working with the Housing Innovation Lab to promote the competition and the winner through press and social media.

Sumner Elementary School:

Work has been taken over by the Public Facilities Department; designs will be finalized by spring 2018 and construction will be complete by fall 2018.

National Park Service:

A kickoff interdisciplinary professional workshop was held on September 20, 2017 with over 60 attendees. Work shifts now to holding similar conversations with the neighborhoods and stakeholder groups identified as priorities by the National Park Service.

Exhibitions

Construction is completed and we're now getting ready to fill the gallery with dozens of gingerbread creations in December. The BSA Design Awards exhibition is under development.

Communications

Communications has focused on promoting ABX through print and web collateral, including the ABX ad over I-93 on the NERCC media wall. Driving ABX attendance and election participation continues to be a major focus for web, email, print, and social media communications.

Nearly 20 interviews and a membership-wide online survey have been conducted by Mil Niepold of the Mara Partners. This project is meant to help us understand what members currently value. By January, the project will be concluded, reported to the board, and available for broad distribution among research participants. Initial survey results were presented at the October 27 VP Roundtable.

The "FAB" winter issue of *ArchitectureBoston* magazine was developed and printed and will be available at ABX.

Standard communications channels include architects.org; Currents newsletter; targeted eBlasts; Twitter; Facebook; LinkedIn; Instagram; *ArchitectureBoston* magazine; *The Homeowners Project Handbook*; [WGBH Forum Network](#); [Boston Architecture Diary](#); and [The AIA Guide to Boston iPhone app](#).

Recent press (for both)

- Downtown View: What Makes Good Public Art? ([beaconhilltimes.com](#))
- BSA teaming up with Greenbuild for new ABX2017 to be held Nov. 6 to 10 ([nerej.com](#))
- Kubik of Finegold Alexander Architects spearheads formation of disaster response network with support of BSA ([nerej.com](#))
- Building for Good: Construction Boston 2017 ([northendwaterfront.com](#))



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November 3rd, 2017 Minutes of the Special BSA Board Meeting

BSA Board Present (In Person): Greg Bialecki Esq., James Collins FAIA, David Fannon AIA, Eric Blake Jackson AIA, Tamara Roy AIA, Josiah Stevenson FAIA

BSA Board Present (via Phone): Rebecca Berry AIA, Jean Carroon FAIA, Christine Dunn AIA, Shauna Gillies-Smith ASLA, Peter Kuttner FAIA, Glen LeRoy FAIA, Elizabeth Minnis AIA, Patricia Seitz AIA, Jay Wickersham FAIA

Staff: Ben Cohen, Billy Craig, Kristin Lewandowski, Victoria McKay, Pamela de Oliveira-Smith, Eric White

Goulston & Storrs: Andrew Ferren

Absent: Jeffry Burchard AIA, Carol Burns FAIA, Rick Dimino, Natasha Espada AIA, Kelly Hutzell AIA, Amy Korté AIA, Malia Lazu, William O'Brien Jr., Mary Anne Ocampo AIA

Call to order: Noting the presence of a quorum, President Stevenson called the meeting to order at 9:05 am with second by Collins.

ABX: White discussed the details of the sale of ABX to Informa.

Vote: Upon a motion by President Stevenson, Jim Collins seconded, it was VOTED to approve the sale of ABX to Informa USA based upon the negotiated documents; Unanimous.

Adjourn: Upon a motion by Stevenson, seconded by Collins, it was VOTED to adjourn the meeting at 9:30 am; Unanimous.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rebecca Berry", written in a cursive style.

Rebecca Berry AIA
Secretary



Strategic Focus –
Architecture
Schools Forum

Stevenson discussed Architecture schools strategic conversation and next steps. There were six schools that participated on the recent panel. It was substantial enough that it could be talked about further. The main topics included: 1) What's happening in schools 2) What's happening in the profession and 3) Where the practice is heading and how it is facing other issues. How do we create more of an exchange? What's the best mechanism for addressing these issues? LeRoy suggests reserving a session at ABX for this roundtable. Burchard says it's too late for this year's ABX, but next year is a possibility. Students would gain from seeing the exchange between faculty members and professional practice. The constraints of NAAB put restraints on how faculty members actually teach. They have to contort themselves. LeRoy mentioned the misunderstanding between what faculty actually do in the classroom – what architectural education actually looks like. Misunderstanding between what schools produce and what the profession needs. Are you producing people who are ready? Recent graduates are just at the starting line. Dunn mentioned the importance of mentors and apprenticeships. Students get lost at larger firms when there is no guidance. Firms have a responsibility to continue that student's learning. Everyone has to recognize that learning is a lifelong process. Everyone has a role to play. That includes firms, practitioners and schools.

Strategic Focus -
Design Excellence:

Stevenson discussed how to continue moving Design X forward.

ABX Update:

White discussed the three areas: 1) Greenbuild 2) The deal the BSA has been working on 3) Status with TMS. Craig discussed Informa and TMS. We are less than three weeks away. The financial numbers are going to be lower than they have ever been because we are sharing a lot (customers, attendees). The registration numbers are still coming in. Sharing has reduced our revenue. ABX is good at connection buyers and sellers. This whole process has helped us to understand our business better. Attendance numbers are at 12-13k so far. The projected number is 25k. Informa negotiations are still going on. The three keys areas: 1) If ownership pressured our non-profit status clause – they pushed back 2) Our financial due diligence because Informa is an international company-they pushed back 3) Non-compete, caps - they pushed back. Limits, it's a language issue - BSA language and Informa language are different. It's a 25 year deal so we are being very careful. 4) The bottom line price is dropping. Craig mentioned we have a plan B. The best case scenario is 7 million 250k the worst case scenario subtract 350k, less than 7 million. White said between 6.5 and 7 million. White mentioned status with TMS. We are still in arbitration with them. We walked away with settlement with them. We will be going into arbitration with them next month (Craig, White will be deposed; possibly Ann, Margaret or Bob). Arbitration is binding. There is no appeal.

Other Business:

White discussed another break-in at the BSA Space. It looks like the same person. Security changes including possible changes to the alarm system are. Next month's meeting is the annual budget meeting.

Adjourn:

Upon a motion by Stevenson, seconded by Wickersham, it was VOTED to adjourn the meeting; Unanimous.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rebecca Berry', is written over a light blue horizontal line.

Rebecca Berry AIA
Secretary

To: BSA Board
Fr: Eric White
Re: 2018 Budget & 2017 Reforecast
Dt: November 16, 2017

2017 has been an incredibly busy year with the 150th celebration as well as our anniversaries of KidsBuild (20 years), AB (20), and BSA Space (5). More significantly financially is the sale of ABX and the combined show with Greenbuild, as well as the unresolved situation with TMS.

2018 is an important year to set the stage for the future of the BSA and BSA Foundation. With the sale of ABX, our work tasks and financial structure is radically altered. Our proposed BSA 2018 budget requires some important conversations. The “old way of business” will no longer be appropriate. We have already begun investing in new revenue streams which we anticipate seeing some good returns. We will also need to reduce our expenses. We anticipate that our revenue stream will drop from \$5.7M to \$3.7M while our expenses will be reduced from \$5.7M to \$4M. This amount of annual deficit cannot be sustainable. Our reserves do offer some opportunities for investing in new, entrepreneurial activities that we will want to explore.

As the joint BSA and BSA Foundation Board Meeting noted, the future of these two organizations is intertwined. In a joint meeting of the BSA and BSA Foundation executive committees, it is strongly recommended that planning the financial future should involve representatives of both organizations and one unified business plan that also identified the independent action of each. We will want to begin examining what are the critical services, programs and activities performed by the BSA and Foundation as well as the future opportunities we should invest in. It may be that part of our plan is to continue shifting some of the current BSA operations to the Foundation with support for the goals of increasing public awareness and civic and community impact. There is a symbiotic relationship between the two organizations as a successful and thriving BSA Foundation benefits the BSA and a thriving BSA is also critical to the growth of the Foundation.

Before diving into 2018, we will focus on 2017’s performance. Attached is the BSA’s reforecast for 2017 (along with the proposed 2018 budget). Overall 2017 appears to be close to our original budget forecast, though it is radically affected by the sale of ABX.

2017 Reforecast

Regrettably we ended 2016 with an operating deficit of \$451K which was the result of the bad debt owed by TMS. For 2017 we anticipate a small deficit or possibly a breakeven year. The following notable items affect the 2017 reforecast:

ABX revenue is no longer factored into either the sale or our operating budget for 2017, but it does impact our reforecast. The sale is based upon the 2016 ABX EBITDA (\$1,000,309) x 7.25 (sale multiple) x 72% and comes to \$5,221,612. The remaining 28% will be based upon the 2018 ABX EBITDA which we estimate will be about \$2M. From the 2017 sale amount \$1M was dedicated to the operating budget for this year. The remaining \$4.2M will be invested for the time being.

Membership revenue is down slightly, mostly from firm and corporate affiliate categories. Professional membership continues to be strong with slight growth each year.

Professional programming net is roughly on target to budget.

ArchitectureBoston advertising revenue continues to be down and there is no sign that advertising will pick up. Expenses are down as our commissions on advertising are significantly lower.

Design Awards Gala finished slightly ahead of target and **Design Awards** close to target.

Homeowners Project Handbook finished close to breakeven.

Committees as a whole continue to be very frugal and will be significantly below their budgets.

Room rentals are forecasted down as we have not been able to devote as much staff attention to sales. We have negotiated an agreement with an outside vendor to manage our room rentals and anticipate an increase next year as the vendors have ability to increase weekend events.

Staff compensation is on target.

Investments have increased significantly, though we are cautious not to forecast too significant an increase.

2018 Budget Analysis

The 2018 budget is radically different from 2017 and we forecast a significant deficit for the year as we transition away from ownership of ABX and shift to a new financial model. We anticipate that 2018 will be an important year for investing in new revenue streams and planning to reduce expenses. This will mean devoting some time to very difficult decisions on where we are putting our resources.

In preparing this year's budget we did some analysis of not just the 2016 financials, but also looked back at financials for every other year from 2008.

Comparing our budget to 2016 actuals to the 2018 budget reveals we are undergoing tremendous changes in five categories –

1. Decreased revenues and expenses in ABX (after the sale is finalized);
2. Decreased revenues from AB advertising;
3. Increased revenue from investments due to increased reserves/endowment; and
4. Increased revenue from room rentals.
5. Increased expenses in compensation.

In 2016, 79% of our revenue came from two revenue sources – ABX and Membership, while staffing and ABX account for nearly 60% of BSA expenses. For 2018 membership projects to account for 52% of revenue and staffing to account for 46% of the BSA expenses. Longer-term our goal for membership should be closer to 30-35%. We will also look to bring staffing expenses closer to 35-40%, while also shifting more staff to concentrating to generating revenue.

As we prepared the 2018 budget we also looked back at our financial numbers for every other year from 2006. It goes without saying that we are a completely different organization and the economic world is very different from those earlier years, however, we see some interesting points:

- a. Our revenue from membership has been consistently level since 2006. Membership revenue peaked in 2008 (the year of the AIA convention), but generally has been steady between \$1.9 and \$2M.

- b. Staff compensation expenses has nearly doubled (includes Foundation staff) since 2006 from just over \$1M to \$2M annually. Some increase comes from higher salaries and benefits. The majority comes from adding 2 AB staff, 2 front desk staff and weekend coverage, a Policy Director, 1 communications staff, a gallery director (1/2 Foundation), public programs director (Foundation), 2 Development staff (Foundation), and a Community Design director (Foundation).
- c. Revenue from the Web comes mostly from Jobs page and fluctuates dramatically based upon the economy. When firms are hiring, revenue is high. When firms aren't hiring, revenue drops.
- d. Our net revenue from awards is now significantly less than 2009, and expenses have increased. In 2009 we changed to a three-year cycle and also increased marketing award winners through Boston Magazine. We are recommending changes for 2018.
- e. We have significantly lower expense and revenue from professional programs. This is one area we should examine more closely for potential increased revenue and engagement.
- f. As expected our cash outlay for the building is 270% higher today than at 52 Broad.
- g. Beginning in 2010 we are spending 40% more on AIA MA, as we hired an E.D. and separated the state chapter staff from BSA.
- h. Accounting expenses are significantly higher – up 102%. The majority of this is due to an annual audit and significantly higher credit card fees.
- i. AB publishing/ mailing expenses have decreased (fewer issues) while revenue has decreased more dramatically.
- j. Technology expenses have increased particularly in the data and networking categories.

BSA Compared to Other Chapters

As with last year, we reviewed the BSA financials with other AIA Chapters. The sale of ABX brings BSA operations more closely in line with AIA NY. AIA NY and BSA are the only two chapters with revenues over \$2.5M and have comparable programs and services. AIANY is also two organizations with the AIA chapter and Center (their Foundation) having an annual budget of roughly \$4M. A direct comparison between 2016 Actuals for BSA/BSA Foundation and AIA New York/Center for Architecture and 2018 BSA/Foundation budget (not including the revenue from the sale of ABX) is below:

Revenue	AIA NY/Center 2016	BSA/BSAF 2016	BSA/BSAF 2018
Total	\$4M	\$6.5 M	\$4.25M
Fundraising events	\$1.4M	\$200K	\$250K
Membership	\$1.3M	\$2M	\$2M
Professional programs	\$650K	\$2.6M	\$190K
Publications	\$254K	\$420K	\$400K
Committees	\$200K	\$ 25K	\$ 5K
Design Awards	\$105K	\$165K	\$155K
Investment	\$ 55K	\$179K	\$325K
Expenses			
Total	\$3.9M	\$6.5M	\$4.3M
Compensation/benefits	\$1.75M	\$1.9M	\$2M

Building	\$513K	\$491K	\$497K
Programs	\$586K	\$166K	\$118K
Committees	\$136K	\$ 30K	\$ 30K
Publications	\$107K	\$435K	\$325K
Design Awards	\$ 55K	\$164K	\$100K

AIANY’s largest revenue stream comes from their fundraising awards event and membership. BSA has been ABX (identified in programs) and membership. We plan to spend more time looking at and talking with AIA NY about their revenue streams.

Oddly, ABX has enabled the BSA to operate without a strategic plan. We’ve had the flexibility to invest or divest where and when we want. The sale will require us to clarify our goals and the means to best achieve these directions. Our operations will be running at a deficit, but we have significantly more money in the bank to invest in rethinking our operations. We should begin to rethink how we are best achieving the goals of the organization.

One place to start with our planning is reviewing and deciding if our 2014 goals are still relevant:

- Provide resources and services supporting the full range of practice models and share best practices
- Promote professional excellence with deep, informative programming.
- Advance the BSA learning network to serve as an AEC thought leader and aggregator of design research.
- Promote, protect and advance the interests of architects
- Enhance the value of membership and grow new revenue streams
- Ensure effective communication reaching the profession
- Deepen public appreciation for design by engaging communities, inspiring vision and provoking positive change (through the work of the BSA Foundation).
- Build better communities through design (in partnership with the BSA Foundation).

We will want to focus on building a new business model. Where should we devote our attention and resources? And if we aren’t an expert at something, do we need to become one? Can we contract it out to someone who is? Who else is an expert? Are there areas we are/should be become an expert, and is there a business model for us to build on? Are we:

Accounting company?	A Research Organization?
Forum for building industry professionals?	Network/database experts?
Professional program experts?	Exhibition experts?
Marketing PR experts?	Policy experts?
Public programming experts?	Civic design experts?
Web experts?	Publishing/Magazine experts?
Social media experts?	Fundraising, grant, development experts?

In building the business model how do we integrate the BSA Foundation? What type of business do we want to be?

- “Tiffany’s” – high priced, low volume, generally elite and perceived high value
- “Walmart” – low priced, high volume, generally mass impact and lesser value
- Neighborhood Specialty – mixed price, mixed volume, often specialized service,

These are questions we will want to dive into to create the next business path.

2018 Budget Proposal

We are beginning the conversation with a 2018 operating deficit of \$446K and requests for over \$200K in capital expenditures. This is an unusually large deficit for a BSA budget but also expected given the circumstances as we move to a financial picture with little ABX revenue. However, we cannot do this for very long. It is critical that we move forward on planning to reduce expenses and build new revenue streams. We point out that there are several areas that we will focus on to either raise revenue or decrease expenses. At the same time, we are also making investments in two new staff to advance the goals of the BSA and BSA Foundation (not part of this budget) in policy and community design work.

The most likely areas for revenue growth are:

- Increasing development revenue (grants, donations, major gifts, etc.) and continuing to have the Foundation cover more expenses. We have moved forward on this option
- BSA Space rentals – we have moved forward on this option
- Professional education program fees
- Sponsorships / advertising – though experience is this is limited
- Affiliate membership – though experience is this is limited
- Galas for awards, etc.

As we look at areas of expenses to reduce there are only a few categories that we have control over that will make a significant difference in lowering our expenses:

- Staffing
- Foundation support
- *ArchitectureBoston*

Below is an outline of the specific budget areas of attention. We have been conservative in our projections for revenue and expenditures, while recognizing that 2017 budgeting is entering an entirely different territory.

Knowledge/Practice

National Revenue Share is now a consistent number to estimate as it is built upon member numbers and delivery of services. In 2018 we will again be going through national accreditation (don't anticipate any expenses related to this).

- We've also had conversations with national about supporting our work investigating future practice models. We've discussed linking with a university and the possibility of money from National to support our efforts. This is still in the formative stages.

Website revenues are tied mostly to the Jobs web page and advertising. Web advertising is still steady, though often dependent upon the economic fluctuations.

- We delayed the web upgrade that was recommended for this year and so we will look to do this in 2018. This will be a capital expense that we estimate at about \$125K though we are also exploring options that could lower this significantly.

ABX is radically different and we have based the budget on a sale. If we do not sell, our contingency plan is to hire a new team. We will need to invest an additional \$300-\$400K in staff. The most significant impacts to the budget would be to the ABX line (net \$700K), staffing (additional \$400K), reduction in interest (less \$275K), The changes mean that our budget bottom line would be net neutral.

Professional Programming is one of the areas we may want to look to invest greater resources to grow revenue. This area has steadily declined in revenue over the last 10 years.

Advocacy/Civic

ArchitectureBoston revenue continues to decline and much more quickly than our declining expenses. We interviewed 7 firms that manage magazine publishing and advertising sales and none find our model to be profitable or have interest in working with us on either function. We are not alone – this is true for other AIA chapter magazines and many have shifted to other models. The amount we spend on the magazine is now 18% of the BSA budget (up from 14%).

We are recommending investing in some new approaches in 2018 and experimenting with new ideas. We recommend reducing our free distribution from 10,000 copies to 5,000 and encouraging others to become subscribers. This means keeping our distribution to all BSA members and a very select number of others, mostly local “influencers.” We will encourage all others to buy a subscription including all AIA New England members who are not in the BSA. This saves about \$20K in postage alone. We do not anticipate these impacting the advertising as most advertisers are interested in reaching BSA members who will still receive the magazine. We recommend using these savings to invest in testing new approaches such as on-line for an issue; possibly a podcast interview format; or even a radio series. We are working with the AB subcommittee to offer some alternative ideas in the coming months.

Civic Programs are shared with the Foundation. The two most significant changes we are investing in will be a new Policy Director (paid through BSA) and a Community Design Director (paid through Foundation). We will seek grants and other means through the Foundation to support portions of our advocacy (education) and community work.

We again reduced **Miscellaneous Contributions** which have often gone to support fellow non-profit start up opportunities and initiatives including the Black in Design symposium, and Green conference.

Membership/Collaboration

Currents sponsorships are down and we are working with the ad team to review this trend. We are conservatively budgeting next year’s advertising, though we look to improve our performance.

Membership dues (AIA and Associate) are calculated on the new structure. We continue to see modest growth in the professional categories though declines in the corporate and firm categories. While we anticipate continued declines in firm memberships (acquisitions, more national/international firms not supporting firm membership) we will focus our attention on corporate opportunities.

Awards Gala move to BSA Space led to lower costs and ticket prices, and increased engagement by participants. It also led to a modest surplus. We are planning a similar event this year. While we had hoped to move the Gala to December (and had originally planned to do so this year, thus the higher budget), we realized this was not feasible given the demands of ABX, the annual meeting and the Foundation’s fundraising breakfast. We are planning the Gala again for January, 2018.

Awards are shifting back to the two year cycle (currently three-year). We are also adding a new category – “Hospitality” – which we have heard from many architects that they wanted to see. Additionally we will be hosting the AIA New England Design Awards which rotate between the New England chapters and we lead once every eight years. After several years of working with Boston Magazine to print the award recipients, we

are exploring other options and looking to invest some of this promotional money back into radio (specifically WBUR).

Foundation support is principally going to support exhibitions, public awareness of design, and a significant portion of our work with urban communities and the role of architects. This began three-years ago and financial support continues to grow. The endowment has grown from \$1.4M to \$2M and 2017 we anticipate finishing breakeven. The new strategic plan, development staff and some good prospects on the horizon we continue to believe that this is one area in five years will be taking on even more of the BSA's expenses to help support the bottom line. The question, however, is how much support can the BSA sustain for the Foundation.

To answer that question you could look at either each organization "fending for themselves" or creating a "unified" approach. We recommend the two Boards to work together. Using this approach the Boards identify and coordinate priorities and appropriate funding to support as well as coordinating areas to reduce expenses. By coordinating priorities we can decide which areas we are investing in and which we divest from to best serve the membership and communities.

AIA New England will redistribute some of their reserves in 2017 or 2018, though we have not included this in the budget as it is still unclear when this will happen.

Committees continue to be highly frugal with their budgets.

- Our investment in committees, a primary door to the BSA is only 1% of the budget (and seems to be working well).

Communication

Homeowners Project Handbook continues to breakeven. We are also considering a second book on commercial projects and will explore the feasibility of this idea.

The majority of **Exhibitions** expenses are part of the Foundation budget, but we have included one exhibit in the BSA budget – the 2018 BSA Design Awards recipients which would be installed in November. We are also investigating a potential partner to take on sales on the first floor space.

Room Rentals continue to have a high demand that we are not able to keep up with yet cannot justify having a dedicated paid staff person. We have negotiated a one-year deal with BG Catering who will manage our rentals. The deal means the BSA receives 95% of the room rental rate and 5% of the catering revenue while BG becomes our exclusive food vendor (BG gets 5% of room rental rate and 95% of catering rate).

General/Administrative

Salaries totals are growing again as we are looking to add a Policy Director and now make up 40% of the BSA/Foundation expense budget. We anticipate the need to discuss reducing our staffing as we move into a post ABX owned era. We are recommending a modest 1-2% increase for staff.

Accounting continues to be a significant expense. We can reduce our accounting expenses by roughly \$10K by switching to an audit review and only hold a full audit on years there are significant leadership changes.

Technology also remains a high expense as we rely on consultants to manage many of our systems. We've explored changing the database, but strongly believe it would be an error to switch to National's. This would

save a small amount of money but we would still need to maintain a separate database for all our “non-architect” relationships and makes managing two databases more difficult.

Investment Revenue significantly increases with the sale of ABX. We’ve calculated a 4% return on the portfolio.

Other Needs not addressed in the budget

Capital Expenses

- Website – our version of Drupal is no longer valid and we need to update the website.
- Technology – We look to replace 5-6 laptops in the BSA fleet each year as well as some improvements to our servers and backup systems.
- Conference Rooms & Office – we will need to replace some furniture that has worn out including some broken chairs and conference tables.

2018 BSA Budget



Process

- Staff prepare the budget
- Initial review with Executive Committee
- Highlight areas of expected change or specific challenges
- Make recommendations for Board consideration
- Budget approval at the Annual Meeting

Process

This year's assessment included review of:

- BSA actuals from 2016
- BSA actuals from 2006, 2008, 2010, 2012, and 2014
- Comparison to AIA New York's 2016 actuals

Comparisons

Takeaway from 2016 actual and 2018 budget on

- Decrease in revenues and expenses (ABX sale)
- Increased investment revenue
- Increased room rental revenue
- Increased compensation expenses
- Decreased *AB* advertising revenue & expense

Comparisons (cont.)

Revenue

- 2016 ABX & Membership 79% of revenue
- 2018 ABX & Membership 55% (all membership)

Expenses

- 2016 ABX & Compensation 52%
- 2018 ABX & Compensation 48% (all comp.)

Financial Trends 2006 - 2018

Takeaway from comparison to last 12 years:

- Membership revenue steady (btwn \$1.9 - \$2M)
- Compensation expenses doubled since 2006
- Web ad revenue fluctuates with economy
- Award revenue down, expenses up
- Revenue & expenses from prof. program down
- Building expenses 270% higher

2006 – 2018 (continued)

Takeaway from comparison to last 12 years:

- Expense on AIA MA/advocacy 40% more
- Accounting expenses up 102%
- AB expenses decreased, revenue down more
- External support the same (LBD, CDRC, etc. and Foundation)
- Technology expenses higher

Comparisons to AIA NY 2018

- Total budgets roughly the same
- NY highest revenue from fundraising, membership & professional programs
- BSA highest revenue from membership, advertising & investments

Comparisons to AIA NY 2018

- NY highest expenses in compensation, programs & building
- BSA highest expenses in compensation, building and publications

Highlights of 2017

- Sale of ABX
- Design Excellence
- Year of celebrations
- Relationship with the Foundation
 - Design Education
 - Community Design
 - Policy

2017 Reforecast

- ABX dominates financial picture
- Investment income up significantly
- Everything else roughly on target

ABX Sale & Future

2017 \$5,221,621 (already received \$500K)
 \$1M spent in 2017 budget

2017/19 \$2M (estimated – based upon 2018 ABX)

Annual income roughly \$100K

Plus reimbursement for Brian Keefe and decreasing
scale for support to Informa

2018 Priorities

- Business plan - Working with Foundation - new revenue streams and reducing deficit spending
- Focus on the future of architecture
- Support for advocacy agenda
- Some experimentation with AB?

2018 Factors

- Determining new revenue streams & expenses
- Impact of sale of ABX
- New Space rental agreement
- Shifted awards to biannual, reduced expenses

2018 Budget Organized

- Knowledge & Practice
- Advocacy & Civic
- Membership & Collaboration
- Communication & Public Outreach
- General & Administrative

2018 Knowledge / Practice

- ABX sale impact on operating budget
- Increased focus on professional programming
- Prep for accreditation (every 3 years)

Knowledge (\$000s)	2016 Actual	2017 Estimated	2018 Preliminary
Revenues	2,894	1,350	603
Expenses	1,577	292	163
Difference	1,317	1,058	440

2018 Advocacy / Civic

- *ArchitectureBoston* reduce free distribution and experiment with alternate formats
- Invest in Policy Director and focus on advocacy

Advocacy / Civic (\$000s)	2016 Actual	2017 Estimated	2018 Preliminary
Revenues	267	228	229
Expenses	380	306	279
Difference	(113)	(78)	(50)

2018 Membership / Collaboration

- No changes in dues. Focus on affiliates
- Increase the number of awards. Gala the same.
- Support for the Foundation is the same. Focus on building joint business plan w/assessment

Member/Collab. (\$000s)	2016 Actual	2017 Estimated	2018 Preliminary
Revenues	2181	2096	2131
Expenses	812	766	752
Difference	1369	1330	1379

2018 Communication

- Consider Commercial Projects Handbook
- Exhibition is the 2018 Design Awards
- Room rentals deal with BG Catering. BSA receives 95% room rental, 5% catering.

Public Outreach (\$000s)	2016 Actual	2017 Estimated	2018 Preliminary
Revenue	181	160	296
Expense	81	158	86
Difference	100	2	210

2018 General / Administrative

- Salaries growing with new Policy Director. Small raises – 1-2%.
- Investment income increase.

G&A (\$000s)	2016 Actual	2017 Estimated	2018 Preliminary
Revenues	200	151	262
Expenses	3,125	2,637	2,729
Difference	(2925)	(2486)	(2467)

2018 Summary

- Recommend focus on both strategic and business planning.

BSA (\$000s)	2016 Actual	2017 Estimated	2018 Preliminary
Revenues	5,722	3,984	3,521
Expenses	5,974	4,159	4,010
Operating profit	(252)	(175)	(489)
Depreciation	201	194	189
Surplus/(Deficit)	(453)	(369)	(678)

2018 Capital Expenses

- Website upgrade
- Technology – annually replace 6 (1/3rd) laptops each year
- Conference Rooms/furniture – replace worn furniture

BOSTON SOCIETY OF ARCHITECTS STATEMENT OF POLICY PRINCIPLES

Introduction

Public policy advocacy reflects our core values as architects. As professionals, we have a duty to behave in a thoughtful way. We are supposed to put the interests of our clients ahead of our own interests – but most of all, we are supposed to put the interests of the public ahead of both. The AIA code of ethics places certain key responsibilities on us:

- To respect and conserve our natural and cultural heritage, and strive to improve the environment and the quality of life within it [Ethical Standard 1.3].
- To uphold human rights in all of our professional endeavors [Ethical Standard 1.4].
- To use our professional knowledge and skill to design buildings and spaces that enhance human dignity and the public health, safety, and welfare [Ethical Standard 1.5].
- To act as stewards of the earth, by promoting sustainable design and development principles [Canon VI].

The need for clarity about our policy principles and agenda is especially pressing today. Major policy issues are facing the nation, Massachusetts, and Greater Boston. These include the implementation of Imagine Boston 2030 and Climate Ready Boston; and working on laws, regulations, and policies that will maintain Massachusetts' role as a national leader in climate change, affordable housing, mass transit, social equity, and other issues critical to our buildings and communities.

The following policy principles represent and articulate the BSA's positions and goals. They draw upon a range of documents, including the "Weave" (BSA / Foundation Strategic Plan), the Civic Task Force Statement of Principles, and consultation with current and past presidents, committee chairs, the executive director, and many other BSA members. They are intended to:

- Help the BSA become a more effective advocacy organization, so the outside world knows what we stand for.
- Provide clarity to BSA officers, board members, committee chairs, and staff in representing our positions. This will foster both continuity and innovation from year to year; as new leaders come on board, they will get the chance to revisit and reaffirm the principles, and set the next year's agenda.
- Prioritize the use of BSA resources, and help the BSA coordinate more effectively with its partners – the Foundation and AIA-Massachusetts.
- Provide understanding and "ownership" among BSA members about our advocacy and civic engagement work: what we stand for, and what we have accomplished.

BSA policy principles

Two over-arching principles inform all of the BSA's policy and advocacy activities:

1. **Design Excellence.** Common principles of excellent design include: a strong relationship to landscape and context; enlivening open spaces; details and materials that bring designs to life and scale them to the human body; and interiors shaped by the uses they accommodate and connecting to the surrounding community. Design excellence broadens our perceptions of personal and social possibilities, and it inspires our thinking about the world around us.
2. **Social Cohesion and Equity.** Our work aims to build communities that address needs for social cohesion and equity. It is clear how profoundly the built environment shapes the inequities we see throughout the region. Planning and design can help communities make informed choices that address those inequities. Design excellence in the service of social cohesion and equity creates flourishing spaces and flourishing people.

Informed by these over-arching principles, we commit to using our professional knowledge and skill to address the following challenges:

3. **Environment and Climate Change:** Meet the challenges of environmental degradation and global climate change, and radically reduce and ultimately eliminate the carbon emissions associated with building construction and operation.
4. **Resiliency:** Plan and design for environmental resiliency, especially the risks of flooding caused by climate change and sea level rise that threaten all coastal communities in greater Boston.
5. **Housing:** Increase housing supply and reduce housing costs in greater Boston, especially at affordable levels, and thereby address inequality and strengthen our region's economic future.
6. **City and regional planning:** Participate in replanning the physical form of the Greater Boston region for economic and social changes in the next 10 - 30 years, with emphasis on jobs housing, transportation, education, and the civic realm.
7. **Improving practice:** Help architects and firms navigate the changing nature of practice; remedy patterns of racial and gender inequality within the profession; and expand public interest / pro bono design services.

Implementation

Each year the incoming VP / President-elect, working with the VP for Advocacy and a small task force, will (1) review, update, and reaffirm the BSA's policy principles, (2) review progress against the previous year's policy agenda, and (3) define the BSA's policy agenda

for the following year. This will institutionalize the tradition of the BSA's "president's agenda," so that each agenda will have a continuing vitality, and it will embed that agenda within the organization's articulated policies.

The reviewed and confirmed policy principles and annual agenda will be submitted to the BSA Board for review and approval in the fall, to provide guidance for the incoming officers and board in the following year. The VP / President-elect and the VP for Advocacy will also be charged with coordinating the BSA's policy agenda with the agenda for the Foundation and the annual advocacy agenda of AIA-Massachusetts. There are three areas of activity in which public policy is put into action by the BSA and its partners, the Foundation and AIA-Massachusetts.

- **Advocacy:** Advocating for changes in government laws, regulations, programs, and policies, consistent with our core ethical values, within the nation, the state, and Greater Boston. ***BSA is the lead organization within Greater Boston; AIA-Mass is the lead organization state-wide, with the BSA playing a supportive role.***
- **Civic Engagement:** Convening groups, panels, talks, and competitions that show how design thinking can address the challenges facing the Greater Boston region. ***BSA and Foundation are the joint lead organizations.***
- **Community Projects:** Carrying out hands-on projects, charrettes, and workshops that apply design resources to assist the neighborhoods and communities of Greater Boston. ***Foundation is the lead organization, with the BSA playing a supportive role.***

During the course of each following year, the President, the VP for Advocacy, and the Executive Director will periodically evaluate the BSA's progress toward that year's policy agenda, and report to the Board.

Adopted by the BSA Board of Directors, November __, 2017



2017 BSA Board Assessment

As this is the last meeting of the 2017 BSA Board (other than the annual meeting) and some members will be transitioning off the Board and new members will be joining, we thought it would be useful to get your feedback on a few items including your experience on the Board, and thoughts on the future work of the BSA. Please complete the following survey questions:

The BSA Board, like most non-profit Boards, has three main responsibilities:

- Strategic – Set the organization direction
- Position & Policy – articulate the organization’s stance
- Fiduciary – Ensure the necessary resources
- Governance – Provide appropriate oversight

In assessing the BSA Board’s performance this year, consider the following questions:

1. Was my role as a BSA Board member clearly defined so I could contribute effectively?
2. Were BSA Board meetings productive to setting the future direction of the organization?
3. Was I sufficiently involved in the decision-making process?
4. Were the strategic priorities relevant to the organization?
5. Was the Board fully engaged in the development, planning and implementation of strategy?
6. Are BSA financial matters being properly overseen and managed?
7. What recommendations do I have to improve the process?
8. What was the BSA’s most significant accomplishment in 2017?
9. What is the most important area of concern the BSA should be attentive to for the future?
10. What recommendations do you have for 2018?

Process for evaluating the BSA and BSA Foundation Executive Director

1. The Executive Director review process will become a yearly process marked by the following milestones:
 - a. The January BSA and BSA Foundation Board packets will include the Executive Directors key areas of responsibility and the goals that have been agreed upon. The goals will be measurable and based upon the ED's primary areas of responsibility.
 - b. Throughout the year the BSA President and BSA Foundation Chair will provide feedback to share with the Executive Director.
 - c. The Executive Director will complete a self-evaluation to share with the two Boards for their October meeting.
 - d. At the October BSA and BSA Foundation Board meetings, the President and Chair will seek input from the Boards for the Executive Director's review.
 - e. In October/November the President and Chair will seek staff input for a 360 assessment.
 - f. The BSA President and President-elect, along with the BSA Foundation Chair and Vice-Chair will meet with the Executive Director to assess performance and set goals for the coming year.

2. Performance standards
 - a. Performance standards will be built upon two critical areas:
 - i. The goals set out from the previous year
 - ii. The six key areas of ED responsibility – delivery on mission, strategy and goals; administrative and HR oversight; Community relations; Financial/Legal management; Fundraising; and Governance.

3. Follow up
 - a. Copies of all written evaluations are given to the ED and to the Controller who maintains all personnel records.
 - b. Boards will discuss how/if salary increases/bonuses will be tied to the evaluation.
 - c. Process will be evaluated and improved upon through discussions between the Boards, Board leadership and ED.

Key areas for assessment of the Executive Director

Below are the key areas of responsibility for the BSA and BSA Foundation Executive Director. These responsibilities essentially cover strategy, external affairs, financial oversight, fundraising, staff and working with the Boards.

1. Development & Delivery (Mission, strategy, goals)

- a. Provide leadership in ensuring the delivery of the mission, strategy and goals.
- b. Meets or exceeds annual goals
- c. Provides analysis, evaluation and assessment of activities to achieve goals
- d. Maintains and utilizes a working knowledge of developments and trends in the field.
- e. Keeps the Boards informed of progress, concerns and needs related to mission, strategy and goals.

2. Administration and Human Resources management

- a. Establishes and uses an effective management team and system
- b. Ensures compliance with personnel policies and state/federal regulations.
- c. Provides clear work assignments, delegating appropriate levels of authority and encourages staff development.
- d. Attracts, keeps and motivates diverse and high quality staff.

3. Community relations

- a. Serves as an effective spokesperson for the organizations
- b. Establishes and builds good, cooperative working relationships with AEC and design community, civic and government leaders and related organizations.

4. Financial Management

- a. Assures adequate control and accounting of all financial systems
- b. Prepares a budget that is reasonable and realistic in coordination with staff and Boards
- c. Maintains, executes and ensures compliance with federal, state and local regulations and requirements including all necessary legal documents.

5. Fundraising

- a. Develops realistic, ambitious fundraising plans
- b. Meets or exceeds revenue goals ensuring that funds are available for the organization to carry out work.
- c. Establishes positive relationships with donors, funders, foundations and others involved in fundraising.

6. Governance

- a. Works well with the Boards providing appropriate, adequate and timely information.
- b. Provides support to Boards' committees
- c. Keeps the Boards informed on the condition of the organization.