

**COMMUNITY BOATING, INCORPORATED
ANNUAL MEETING OF THE CORPORATION
OCTOBER 16, 2017**

MINUTES

The meeting was called to order at 7:00 PM in the Wolfson Room at the boathouse.

MOMENT OF SILENCE

A moment of silence was held to remember members, family, and friends who had passed away since the previous meeting.

ROLL CALL

A motion was made and passed to skip the calling of the roll and rely on the sign-in sheets for attendance.

PRESENTATION OF NEW MEMBERS AND BOARD OF DIRECTORS

Ms. Brudnicki announced the name of the new corporation member; Hugh Dougherty.

The membership of the Board of Directors was also announced: Karyn Brudnicki (President), Brian McManus (Vice President), Clifford Gaysunas (Treasurer), Scott Kline (Secretary), Larun Graber, Jay Kronfeld, Gus Simiao, John Bates and Andrew Griesinger.

APPROVAL OF MINUTES

The minutes of the annual meeting held on October 17, 2016 were approved as submitted.

REPORTS

Treasurer

Mr. Gaysunas began his report by thanking BUFCOM and the Investment subcommittee for their service during the past year.

Operating Results

In 2016, CBI generated revenues of \$1,736k, up from \$1,722k in 2015. Increases in

Membership

Revenue (\$25k) and Other Operating Revenue (\$9k) were partly offset by a decrease in Contributions (\$20k).

Operating Expenses (excl. depreciation) remained stable at 94.6% of Total Operating Revenues. Payroll & Benefits increased to 66.6% of Total Operating Revenues, up from 63.6% in 2015. CBI reported Cash flow from Operations of \$93k, up slightly from \$92k in 2015.

Financial Condition

Cash on hand decreased from \$429k (\$368k unrestricted) at 12/31/15 to \$343k (\$311k unrestricted). The decrease in Cash is due in large part to a \$88.6k deposit made in December 2016 for the purchase of new boats (420's and RS Venture Connects).

Net Assets increased \$204k, from \$1,661k at 12/31/15 to \$1,865k at 12/31/16, due primarily to an increase in the value of CBI's endowment investments.

Endowment

In 2016, CBI received Endowment contributions of \$55k, down slightly from \$59k in 2015. CBI's Board approved a \$56k release from the Endowment, up from \$51k in 2015.

The endowment increased in value from \$1,268k at 12/31/15 to \$1,401k at 12/31/16 due to investment earnings of \$135k, partly offset by net distributions of \$1k

Reporting and Oversight

CBI's auditor, Melissa Gilroy, issued a clean opinion on the FYE 12/31/16 financials.

CBI's annual reporting requirements, including the Audited Financial Statements, IRS Form 990 and Form PC, have been completed and are available to members of the Corporation and the public on the Attorney General's website at Mass.gov under [Public Charities Annual Filings](#).

2017 Operating Results

YTD 9/30/17 revenues of \$1,612k are slightly ahead of Prior Year (\$1,610k), but \$162k behind Plan (\$1,774k). The variance to Plan is due primarily to the following:

Adult Program membership revenue - \$75k below plan

July 4th Sailabration revenue -\$60k below plan

Monetary Contributions (excl. July 4th) - \$30k below plan.

§elow budget revenue was partly offset by lower than budgeted cash expenses (\$115k below plan), due primarily to lower than budgeted payroll and benefits expense (\$97k below plan).

YTD Cash Flow from Operations of \$310k is \$46K ahead of Prior Year, but \$46k below plan, for the reasons mentioned above.

2017 Financial Condition

At 9/30/17, CBI held Cash of \$479k (\$477k unrestricted), compared with \$603k (\$603k unrestricted) at 9/30/16. The decrease in cash is due to significant investments in the fleet.

In 2017 CBI invested over \$140k in the fleet, primarily for new 420s. This amount does not include a \$40k investment in RS Venture Connects, which was funded with VA Grant money.

At 9/30/17, Unrestricted Cash included \$63k designated by the board for future investment in "Watercraft Capital" and \$130k designated as "Emergency Reserve" funds.

Net Assets totaled \$2,535k at 9/30/17, \$316k ahead of Prior Year due primarily to a \$204k increase in the Endowment. Net Assets at 9/30/17 were \$83k ahead of plan, also due to an

increase in the Endowment.

2017 Endowment

CBI's Endowment was \$1,554k at 9/30/17, compared with \$1,401k at 12/31/16 and \$1,348k at 9/30/16.

BUFCOM reviews the Endowment investment portfolio periodically and rebalances the portfolio as necessary to ensure that targeted asset allocations are met. BUFCOM may vote to change targeted asset allocation percentages, within approved ranges.

In 2017, BUFCOM voted to increase its investment in foreign stocks (VXUS) from 20% to 25% and to decrease its investment in US stocks (VTI) from 60% to 55%.

The Endowment investment portfolio currently includes the following ETFs: VTI (55%), VXUS (25%), BND (15%), BNDX (5%).

President

Community Boating, Inc. once again delivered quality programming this season and improved our fleet with the replacement of eighteen 420s, donation of another Ideal 18, and grant funded purchase of two adaptive sailboats. We implemented the second of two mandated minimum wage increases, while keeping close to budget. Adult memberships, donations, and event revenue were slightly down this year, however, this was offset in part by decreased expenses.

Recognizing his many accomplishments, Andrew Alletag was promoted to Director of Operations, assuming responsibility for CBI's programs, front office, and marketing and community relations. Under his direction, CBI continued to strengthen its programming. The Adult Program hosted the Boston Sailors' Championship, piloted a Robosail class, added two advanced windsurfing classes, and offered a new sighted guide training through a partnership with Boston United Blind Sailors. The Junior Program adopted a team sailing model, encouraging greater participation outside of formal classes, with more open sailing hours. It also expanded environmental education classes and held two clean regattas earning a silver rating from Sailors for the Sea. The Universal Access Program doubled its membership, grew the co-abled racing program, and hosted the largest Special Olympics Massachusetts Regatta to date, fielding 14 CBI sailors. CBI also continues to expand its programming beyond sailing, offering talks, ocean themed movie nights, and dock parties.

With the Executive Director, a few members of the Board are examining the declining trend in memberships to address and reverse it.

CBI sailors excel beyond the banks of the Charles River. Team Wind Whisperers, including longtime Adult Program member and blind sailor Duane Farrar, and sighted guides Andrew Alletag and former Junior Program member Denis Bell, successfully defended their title, winning gold at the Blind World Sailing Championships.

The \$65,000 grant from the Veteran's Administration (VA) funded the purchase of two adaptive sailboats, an outboard motor, and programming (basic to advanced racing) for veterans this

year. We were also awarded a second grant of \$15,000 from the VA for next season. The Board established the Fred Brustman Endowment Fund to support the Adult and Junior Programs.

The Board implemented the Fleet Plan, purchasing eighteen new 420s. DCR replaced an outboard motor they purchased for us in 2007, which along with our own fleet investments has resulted in two 25HP motors, two 50HP motors, and one inboard engine this year.

At the last annual meeting, the Corporation authorized a bylaw change to move limitations on check signing from the bylaws to the Board of Directors. The Board authorized the Executive Director to sign checks up to \$5,000 (unless payable to the Executive Director), and required reporting on all checks over \$1,000. The Executive Director is further authorized to sign checks for health care contributions up to \$7,500.

This spring we were greatly saddened by the passing of Ed Long, a dedicated volunteer. In recognition of his longstanding service, leadership, and commitment to volunteerism at CBI, the Board established the Ed Long Outstanding Volunteer Award. This award recognizes individuals who have volunteered at CBI for over 10 years. The first recipient, Ikay Iwobi, was honored at the Ed Long Memorial Regatta on October 7th.

We hope you enjoyed the Corporation spring informal meeting and night sail this year. We plan to continue to offer these activities to connect with Corporation Members. We welcome your ideas for events and topics of future meetings.

CBI could not provide sailing for all, without the support of the staff, volunteers, and Corporation Members. Thank you for making CBI a success.

Respectfully,
Karyn Brudnicki

Executive Director

Mr. Zechel began his report by thanking the Board, his program directors and support staff. He also thanked all the volunteers who have helped out at CBI throughout the year.

Adult Program Highlights

First Sail helped over 600 new sailors plan ahead with a volunteer instructor to experience sailing in an unintimidating way.

Held night sails in June, July and August.

Kicked off the summer with the Sunrise Sunset Summer Solstice Sailing Spectacular and Open House.

Hosted dock parties in August and October.

Developed windsurfing curriculum with lesson plans that align with the rest of Adult Program.

Featured a popular windsurfing racing talk and cookout attended by nearly 50 members.

Junior Program Highlights

Environmental Education Classes

Harbor Islands Field Trips

Kayak Adventures

Robo Sail learn to code classes

Save the Harbor Save the Bay Partnership

Received 2 Silver Level awards from Sailors for the Sea for clean regattas

Universal Access Program

Program growth- 370 members in 2017 vs. 185 in 2016

Utilization of AP and JP staff to increase appointment offerings

Co-able racing saw 5-6 boats weekly competing in Sonars and Ideal 18

Blind racing program development with BUBS and Olin College of Engineering

VA partnership and new adaptive RS sailboats

CBI to be honored at United Cerebral Palsy Greater Boston gala for work with adaptive sailing

Partners: Spaulding Rehab, Special Olympics, BUBS, United Cerebral Palsy, VA, Homebase

Veterans Sailing Program

New adaptive RS Venture sailboats

VA grant funding and partnership

Homebase Adventure and Intensive Clinical Program

Blind veterans group

VA grant for 2018 season awarded

SPECIAL ORDERS

Election of Directors

Catie O'Sullivan, Dana Robinson, and Scott Kline were elected to 3-year terms on the Board of Directors.

Motion to destroy the ballots was approved by the Corporation. Mr. Kline shredded the ballots.

ADJOURNMENT

The meeting was adjourned at 9:52 PM.

Submitted: Scott Kline