

**COMMUNITY BOATING, INCORPORATED
ANNUAL MEETING OF THE CORPORATION
OCTOBER 19, 2019**

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

Mr. Bates thanked the Recruitment Committee, especially Pam Harvey, for its work. He announced the names of the new corporation members; Nick Afshartous, Trina Arpin, Farida Arvi, Adam Bickelman, Matt Bilotti, Kathryn Commons, Rick Evans, J.R. Hardenburgh, Kyle Liolios, Weiyun Liu, Trevor McMinn, Caroline Meeks, Fiona O'Conner, Nicholas Rampone, Molly Rogers, Evan Sutherland, Amy Van Aarle, Eric Weinstein, and Susan Winterberg.

The membership of the Board of Directors was also announced: John Bates (President), Brian McManus (Vice President), Clifford Gaysunas (Treasurer), Scott Kline (Secretary), Dana Robinson, Catie O'Sullivan, Deb Boudreau, Barbara Chrenko and Chris Yu.

APPROVAL OF MINUTES

The minutes of the annual meeting held on October 15, 2018 were approved as amended.

REPORTS

Treasurer

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

Operating Results

- In 2018, CBI generated revenue of \$1,677k, down from \$1,771k in 2016. The decrease in revenue was due primarily to a one-time VA Grant of \$65k in 2017 and a \$36k decrease in In-Kind Contributions (Boat and Other Misc) from 2017 to 2018.
- Membership Revenue was up from \$1,126k to \$1,141k, with a \$20k decrease in Junior member revenue more than offset by increases in Adult member revenue and Rental revenue.
- Other Operating Revenue was down slightly from \$247k to \$241k.
- Payroll & Benefits expense increased from \$1,154k (65.1% of Operating Revenue) to \$1,191k (71.0% of Operating Revenue).
- Total Cash Operating Expenses (excl. depreciation) increased from \$1,631K in 2017 (92.1% of Operating Revenue) to \$1,693k (101.0% of Operating Revenue).
- Cash from Operations (defined as Operating Income before Depreciation Expense) decreased from \$139.7k in 2017 to a loss of \$16.1k in 2018.

Financial Condition

- At 12/31/18 CBI reported Cash on hand of \$378k (\$309k unrestricted) down slightly from \$340k (\$298k unrestricted) at 12/31/17.
- In 2018, CBI's Fixed Assets decreased from \$515k to \$501k as depreciation exceeded purchases of property and equipment.
- At 12/31/18 CBI reported net assets of \$2,112k, down \$131k from \$2,243k at 12/31/17 due primarily to a \$94k decrease in investment assets and a \$49k increase in Deferred Member Revenue, partly offset by a \$39k increase in cash.

Endowment

- In 2018, CBI received Endowment Contributions of \$96.4k and released \$58.5 from the Endowment.
- In 2018, the Endowment decreased \$66k from \$1,670k to \$1,604k, due to Investment losses of \$104k and net Contributions of \$38k.

Reporting and Oversight

- CBI's auditor, Melissa Gilroy, issued a clean opinion on the FYE 12/31/18 financials.
- CBI's annual reporting requirements, including the Audited Financial Statements, IRS Form 990 and Massachusetts Form PC, have been completed and are available to members of the Corporation and the public on the Massachusetts' Attorney General's website at Mass.gov under Public Charities Annual Filings.

YTD 2019 Operating Results

- CBI reported YTD 9/30/19 revenues of \$1,729k, up from Prior Year (PY) of \$1,580k, but behind Plan of \$1,771k.
 - The increase from Prior Year is due to an \$89k increase in membership revenues and a \$68k increase in contributions.
 - Adult membership revenue increased \$59k with an increase in pricing offset by a decrease in memberships. Junior Program revenue increased \$36k due to an increase in memberships and pricing.
 - Contribution revenue increased due primarily to an increase in July 4th contributions (up \$31k), a Cabot grant of \$10k and a successful Access for All campaign (\$11.6k).
 - The variance to Plan is due to lower-than-projected Adult (\$35k below plan) and Junior

(\$30k below plan) Membership Revenue and lower-than-projected 3rd Party Function revenue.

- YTD Total Cash Operating Expenses (excl. depreciation) of \$1,478k (85.5% of revenue) were \$124k above Prior Year (\$1,351 or 85.5% of revenue), primarily due to increased payroll and benefits expense (up \$114k) and \$54k above Plan (1,433k or 81% of revenue), primarily due to increased Fleet & Facility expenses (up \$23k).
- YTD 9/30/19 Cash Flow from Operations of \$251k was ahead of Prior Year (\$229k), but behind Plan (\$338k) for the reasons mentioned above.

YTD 2019 Financial Condition

- At 9/30/19, CBI held Cash of \$574k (\$550k unrestricted) compared with 534k (\$533k unrestricted) at 9/30/18.
- At 9/30/19, Unrestricted Cash included \$202k of Board Designated Funds available for “Watercraft Capital” (\$67k), “Emergency Reserves” (\$130k) and DCR Obligations (\$5k).
- At 9/30/19 Net Assets totaled \$3,804k compared with \$2,701k at 9/30/18 and plan of \$3,723k. The variance in Net Assets compared with Prior Year and Plan is due to changes in the Endowment and increases in the value of CBI’s Endowment investments.

YTD 2019 Endowment

- At 9/30/19 CBI’s Endowment was \$2,782k, including investments of \$2,758k and restricted cash of \$24k. This compares with a balance in the Endowment of \$1,710k at 9/30/18. The increase in the Endowment was due primarily to a \$1.0MM donation by the Priebatsch family.
- BUFCOM reviews the Endowment investment portfolio periodically and rebalances the portfolio as necessary to ensure targeted asset allocations are met. BUFCOM may vote to change CBI’s targeted asset allocation, within approved ranges.
- Excluding funds held in cash, the Endowment investment portfolio is currently invested in the following Vanguard Exchange Traded Funds (ETFs): VTI (56%), VXUS (24%), BND (15%), BNDX (5%).

Mr. Gaysunas cautioned that operating expenses were rising faster than member revenues, and that 2018 was the first year adult membership revenues did not significantly exceed expenses. The Corporation's current bright financial condition is due largely to the Priebatsch family donation, and corporate and institutional partnerships.

A motion was made to approve the Treasurer's report, Seconded, and Approved.

President

We have enjoyed a year of important new developments across our organization and our programs, a year in which we have seen new levels of energy and engagement in our membership.

In June, after 18 months of negotiations, we concluded a new 10-year license agreement with the Commonwealth Department of Conservation and Recreation (DCR). This agreement acknowledges our historic presence as a vital and integral part of the Esplanade environment, reinforcing our position here and providing us with certainty in our forward planning.

This year also saw CBI honored with the largest philanthropic gift we have ever received, from members of the Priebatsch family. The family's combined \$1 million gift, honoring the memory of our former Board member Norman Priebatsch, is being used for installation of a permanent dockside pavilion, for support of the windsurfing program, and – the greatest part – for enrichment of our Junior Program through STEM offerings and leadership development.

We also concluded a new five-year partnership agreement with EF Education First, bringing significant financial and in-kind support to our Universal Access Program. EF and CBI were publicly honored in September by *Boston Business Journal* as “2019 Partners of the Year”, recognizing the city's most effective corporate-nonprofit partnerships. We received support, too, from other longstanding corporate partners, Sanofi Genzyme and Polar Beverages, from foundations including Highland Street Foundation, Cambridge Community Foundation, and Cabot Foundation, and from the generosity of individual members and friends.

We have this year seen many fine examples of individual and group initiatives from within our organization, initiatives that have enriched and added value to our programming – the Women's Racing group potluck and movie night, the MS Adaptive Sailing Day, the “Access for All” fundraiser, and our water quality research and STEM programming – are just four illustrative examples of such initiatives.

Through active outreach by our Recruitment Committee, including our first-ever Spring Fling Corporation meeting, we have enlisted 20 new Corporation members in the past year, a record number at least in recent years, and we look forward to their contributions to the life of CBI.

We know we have important challenges facing us in the coming years – among them, balancing the economics and affordability of our programs, advocating for our Charles River sailing environment, and continuing to build a representative and fully engaged governance structure. From everything I have seen in my past year as Board President, I have full confidence that we will rise to meet those challenges through the talent, efforts, and commitment of our management and staff, our Board and committee members, and you, the members of our Corporation.

Respectfully,
John Bates

Executive Director

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

Mr. Zechel presented a comprehensive overview of CBI programs and activities over the past year. This included: adult program; junior program; team regatta; high school racing; hosted Special Olympics; dock parties; Access for all fundraiser; fleet and facilities; status of storage facility; community / social media relations / website; front office enhancements.

Mr. Zechel recognized Tony Ng as Volunteer of the Year and Fred Brustman as Ed Long Outstanding Volunteer. He asked Corporation members to send him proposed nominees for next year's awards.

Mr. Zechel congratulated Dwayne Farrar, and his sailing partner Barbara Belinsky, for winning the Blind World Championship again this year.

Mr. Zechel also pointed out upcoming work parties, boat naming opportunities (a CBI fundraising initiative), as well as the opportunity for Corporation members to join the Joe Lee Society.

This was followed by questions from members, including one member who suggested that CBI's flag protocol be amended to include the state flag. This member offered to pay for the state flag.

SPECIAL ORDERS

Election of Directors

As there were only three candidates to fill the three Board positions, a motion was made and passed to use a voice vote over ballots.

Additionally, a motion was made and passed to approve the slate of three candidates for the three vacant Board positions.

John Bates, Chip Gaysunas, and Pam Harvey were elected to 3-year terms on the Board of Directors.

NEW BUSINESS

Motion to amend the Community Boating Bylaws, Article VI, ADMINISTRATION AND COMMITTEES, Sections 2 and 3:

Resolved that, the by-laws of Community Boating Inc. be amended by adopting the following wording.

- **Modify the last sentence of Article VI, Section 2, COMMITTEES, as follows (addition underlined):**

"Members of such committees need not be Members of the Corporation except for members of the Budget and Finance Committee, all of whom shall be Members of the Corporation, as required in Section 3 of this Article."

- **Modify the first sentence of Article VI, Section 3, BUDGET AND FINANCE COMMITTEE, as follows (change underlined):**

"The Budget and Finance Committee shall consist of the Treasurer as Chairman and at least four other Members of the Corporation appointed by the Board of Directors."

ADJOURNMENT

The meeting was adjourned at 8:40 PM.

Submitted: Scott Kline