To: CBC Voting Members  
From: Jon Grant, President  
Date: March 6, 2017

Letter from the President

Dear CBC Members,

There seems to be some misinformation and confusion concerning two specific issues. Proxy voting and the club’s 501(c)(7) versus 501(c)(3) tax status are both significant issues that members feel strongly about, and which deserve dedicated time and consideration. We have chosen to focus on these two issues at a Special Meeting on April 29 so that normal business can be conducted at the Annual Meeting on March 29 and we can focus appropriate attention on the important work of our many committees.

First, proxy voting and CBC’s tax status are two separate issues. Some have suggested that you cannot support one without also supporting the other. Please understand that this is not true.

Proxy Voting
Historically, the club’s by-laws have prohibited proxy voting. The current by-laws require a quorum of 25 voting members and a vote of three-quarters of those present to amend the by-laws. In fact, many years, we do not significantly exceed the 25 voting members required to constitute a quorum at the Annual Meeting. While in recent years, we have seen attendance grow to 60-70 members, Cambridge Boat Club currently has 538 voting members. We are not, therefore, running CBC based on the voice and vote of our full voting membership. The technology now exists to easily allow all members to vote, even if they cannot attend an annual or special meeting.

With proxy voting, each voting member would have the ability to register a secure,
traceable, and verifiable vote with the club president and secretary for issues up for consideration at an annual or special meeting. Thus, every voting member would be able to participate in the governance of the club regardless of whether they have a work commitment, a family commitment, are out of town, live miles away, or are otherwise unable to attend a club meeting in person. CBC would evolve based on the votes of a broader number of members. We each would have an equal vote and increased ability to exercise it. As a board, we believe this provides more democratic governance of the club.

**CBC Tax Status: 501(c)(3) versus 501(c)(7)**
The board first brought this issue forward two years ago. Since then, we have conducted three Town Hall meetings, circulated detailed information on the issue, and surveyed members for their opinions. After receiving 84% of responses in favor of conversion in our informal survey this past November, we decided to put the issue up for a formal vote. We recognize that this represents a significant shift in thinking for CBC and have attempted to be as transparent and open as possible. I encourage members to read the information posted on the website to gain more clarity as to why the board is recommending this change. (Use the link provided or log on to the CBC website and look under About / Board of Directors / Proposed 501(c)(3) conversion.) You are also welcome to ask questions of any of us.

Because there is confusion about these issues and how they are related, I think it’s important to address some specific concerns below.

1. If I support one issue, does that mean I need to support both?
   A small group of members is asking you to vote NO on proxy voting in an attempt to link these two issues together. These are two separate decisions and should be considered as such. You can absolutely oppose the change in tax status and still support proxy voting. Please don’t be misled that proxy voting is a ruse to allow IRS designation of CBC as a non-profit. Consider instead whether you believe that CBC is a stronger and better club based on the votes of 50-60 members or the votes of our broader membership.

2. If I support proxy voting does this mean that the club is more likely to convert from a 501(c)(7) to a 501(c)(3)?
   NO, it does not. To make this change, Massachusetts law requires an affirmative vote of two-thirds of the club’s voting members. So two-thirds of the 538 voting CBC members would need to vote “yes” on the question of conversion. The board will only apply for 501(c)(3) non-profit status if we receive the required number of
votes on that specific issue. A few members have insinuated that allowing proxy voting ensures a conversion. Proxy voting does not ensure that 358 members vote yes; it ensures that 538 members can vote.

3. There is some additional misinformation regarding non-resident members and the distance required to be a non-resident member. Let me state quite clearly that this has absolutely nothing to do with proxy voting. The voting members of CBC include:

- Regular Members;
- Non-Resident Members;
- Senior Members;
- Senior Non-Resident Members;
- Honorary members granted voting rights.

Moving between any of those membership categories does not result in the loss of voting privileges or modify them. This has been true for many decades.

4. There has also been a misleading statement that the board wants to change the club’s IRS designation in order to make the club more competitive in rowing, and less social. This is simply not true.

We have been clear from the start that the proposed tax change would provide CBC additional opportunities to remain financially stable and sustainable over time, and to weather potential hardships without added dues increases or one-time assessments. This affects all members equally, no matter whether you are primarily a rowing or social member, a resident on non-resident member, senior or non-senior member. This board has increased the size of the social committee, social calendar, and social budget more than any board in the past. This board has not made any changes to the rowing program or budget that would elevate rowing over social events in any way. We have worked to ensure that rowing opportunities at CBC reflect the desires of our membership based on trends in CBC rowing activity. This is easy to track through the logbook and race reports and is the same process that has been followed at CBC since the electronic logbook was implemented in the early 2000s.

A few members would have you believe that there is a right and a wrong answer to both of these questions, and that the board is “wrong.” There are many different paths forward for
CBC and none of us know the future with certainty. The board has worked hard over the last few years to understand the issues the club currently faces and has identified potential future issues through our work with other organizations on the Charles River and talking with you. We have made our recommendations after considerable debate, legal advice and consideration. Now we defer to the membership at large to decide.

A quick personal reflection. What I know is that the 10 members of the current CBC board have devoted a significant portion of their lives and time to running the club and making it stronger and healthier than it was before they took office. They care as deeply about the club and its membership as previous boards. For any member or past president to demean their intentions and efforts and impugn their integrity is truly disappointing. CBC is a diverse collection of individuals who adore this club. That should be celebrated rather than vilified. Please consider all of the above before you accept the campaign of rhetoric that would have you believe the board has ulterior motives regarding rowing or social changes at CBC.

Sincerely

Jon Grant
President