

August 26, 2025, Public Facilities Corp. Agenda Comments

The following comments on items on the Newport Beach [Public Facilities Corp. agenda](#) are submitted by:
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Item III. ELECTION OF OFFICERS

As noted in [my comments last year](#), this item would seem rendered unnecessary if the Bylaws amendments of agenda Item 2, were considered and approved first, as it would automatically fill the officer positions.

Item 2. Amendments to the Newport Beach Public Facilities Corporation Bylaws

Since the Bylaws being amended refer to, and seem dependent upon, the [Articles of Incorporation](#), I continue to think it would be useful for those Articles to be posted on the City's [Public Facilities Corporation](#) page. That said, the proposed changes in the designation of the directors appear to be consistent with Article VI:

VI.

The number of directors of this corporation may be fixed by its bylaws. The persons who are directors of this corporation, from time to time, shall be its only members, and upon ceasing to be a director of this corporation any such person shall cease to be a member thereof. The members and directors of this corporation shall have no liability for dues or assessments.

Beyond that, I have these comments on the proposed changes:

1. It seems to me that **Section 3.02** (Number and Qualifications of Directors) could be deleted in its entirety, and the title of **Section 3.03** changed to "**Number, Qualifications, Selection and Term of Office of Directors.**" This is because saying the Directors are the currently-serving City Council members, as Section 3.03 is proposed to say, automatically establishes their number and qualifications.
2. If Section 3.02 is retained, the final phrase (" ..., *until changed by amendment of the Articles of Incorporation or by amendment of these Bylaws.*") should be deleted. This because the words that precede this set the number of directors equal to the number of elective officers of the City as specified in [City Charter Section 400](#). It is self-evident, and does not need to be stated, that this provision of the Bylaws could later be amended (as is currently being proposed). But continuing to include the phrase (which made sense when the section specified an exact number, and was apparently intended to emphasize that number could not be changed by some other action of the board) now implies that amending the Bylaws could amend the number of elective officers specified in the Charter, which it cannot. So, the phrase is both superfluous and misleading. But again, the entire Section 3.02 could be deleted and its title combined with that of the proposed Section 3.03.

3. **Section 4.05.** (Vice President) should probably read “Section 4.05. (Vice Presidents).”
4. **Section 4.07** continues to state that “*The Chief Financial Officer shall deposit all moneys of the Corporation with such depositories as are designated by the Board of Directors.*” Has the Board made such a designation? Does it need to?
5. **Section 4.08** continues to refer to “Subordinate Officers.” Who are these? And who designates them? I can find no explanation.