



**CITY OF NEWPORT BEACH
NEWPORT BEACH PUBLIC FACILITIES CORPORATION AGENDA**

ANNUAL MEETING

AUGUST 26, 2025

COUNCIL CHAMBERS - 100 CIVIC CENTER DRIVE, NEWPORT BEACH, CA 92660

**Joe Stapleton
Lauren Kleiman
Michelle Barto
Noah Blom
Robyn Grant
Sara J. Weber
Erik Weigand**

NOTICE TO THE PUBLIC

The Newport Beach Public Facilities Corporation meeting is subject to the Ralph M. Brown Act. Among other things, the Brown Act requires that the Newport Beach Public Facilities Corporation's agenda be posted at least 72 hours in advance of each meeting and that the public be allowed to comment on agenda items before the Newport Beach Public Facilities Corporation and items not on the agenda but are within the subject matter jurisdiction of the Newport Beach Public Facilities Corporation. The Newport Beach Public Facilities Corporation may limit public comments to a reasonable amount of time, generally 3 minutes per person.

The Newport Beach Public Facilities Corporation's goal is to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, we will attempt to accommodate you in every reasonable manner. Please contact Leilani Brown, Corporation Secretary, prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible (949-644-3005 or cityclerk@newportbeachca.gov).

NOTICE REGARDING PRESENTATIONS REQUIRING USE OF CITY EQUIPMENT

Any presentation requiring the use of the City of Newport Beach's equipment must be submitted to the Corporation Secretary 24 hours prior to the scheduled meeting.

**NEWPORT BEACH NEWPORT BEACH PUBLIC FACILITIES CORPORATION
COUNCIL CHAMBERS - 100 CIVIC CENTER DRIVE, NEWPORT BEACH, CA
92660
AUGUST 26, 2025**

I. ROLL CALL

II. PUBLIC COMMENTS

Public comments are invited on agenda and non-agenda items. Speakers must limit comments to three (3) minutes. Before speaking, please state your name for the record. The Newport Beach Public Facilities Corporation has the discretion to extend or shorten the time limit on agenda or non-agenda items.

III. ELECTION OF OFFICERS

- **Mayor Joe Stapleton to serve as the Chair of the Corporation**
- **Mayor Pro Tem Lauren Kleiman to serve as the Vice Chair of the Corporation**
- **Councilmembers to serve as the Corporation Board of Directors**

IV. CONSENT CALENDAR

All matters listed under CONSENT CALENDAR are considered to be routine and will all be enacted by one motion in the form listed below. Newport Beach Public Facilities Corporation Members have received detailed staff reports on each of the items recommending an action. There will be no separate discussion of these items prior to the time the Newport Beach Public Facilities Corporation votes on the motion unless members of the Newport Beach Public Facilities Corporation request specific items to be discussed and/or removed from the Consent Calendar for separate action. Members of the public who wish to discuss a Consent Calendar item should come forward to the lectern upon invitation by the Chair.

1. Minutes for the August 27, 2024 Newport Beach Public Facilities Corporation Meeting

Waive reading of subject minutes, approve as written, and order filed.

[Minutes](#)

2. Amendments to the Newport Beach Public Facilities Corporation Bylaws

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve amended bylaws for the Newport Beach Public Facilities Corporation.

[Staff Report](#)

[Attachment A - Amended Bylaws Redlined](#)

[Attachment B - Clean Version of Proposed Amended Bylaws](#)

[Written Comments](#)

3. Review of Annual Financial Statements

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA

Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and

b) Receive and file the annual financial statements for the year ended June 30, 2025.

[Staff Report](#)

[Attachment A - Financial Statements](#)

V. ADJOURNMENT

PLEASE TURN CELL PHONES OFF OR SET IN SILENT MODE.

CITY OF NEWPORT BEACH

**Newport Beach Public Facilities Corporation
Annual Meeting
August 27, 2024**

I. ROLL CALL - 4:00 p.m.

Present: Chair Noah Blom, Vice Chair Will O'Neill, Director Brad Avery, Director Robyn Grant, Director Lauren Kleiman, Director Joe Stapleton, Director Erik Weigand

II. PUBLIC COMMENTS

Jim Mosher thanked the Corporation for their hard work and inquired if the Directors had any concern that the Franchise Tax Board has suspended the Newport Beach Public Facilities Corporation's status and that the Secretary of State shows the Corporation as inactive.

City Manager Leung indicated that the inactive status is due to missed filings that have since been rectified, explained that the Franchise Tax Board is backlogged by about six months, emphasized that the Corporation is in good standing, and indicated that its financial advisor has been made aware of the matter.

III. ELECTION OF OFFICERS

Motion by Director Blom, seconded by Director O'Neill, to elect Mayor Will O'Neill as Chair of the Newport Beach Public Facilities Corporation (NBPFC), Mayor Pro Tem Joe Stapleton as the Vice Chair of the NBPFC, and the Councilmembers as the NBPFC's Board of Directors for the 2024-2025 fiscal year.

The motion carried unanimously.

IV. CONSENT CALENDAR

1. Minutes for the August 22, 2023 Newport Beach Public Facilities Corporation Meeting
Waive reading of subject minutes, approve as written, and order filed.

2. Amendments to the Newport Beach Public Facilities Corporation Bylaws
Continue the item to the next meeting.

3. Review of Annual Financial Statements

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Receive and file the annual financial statements for the year ended June 30, 2024.

Motion by Chair O'Neill, seconded by Vice Chair Stapleton, to approve the Consent Calendar; and noting the continuance of Item 2.

The motion carried unanimously.

V. ADJOURNMENT - 4:06 p.m.

The agenda was posted on the City's website and on the City Hall electronic bulletin board located in the entrance of the City Council Chambers at 100 Civic Center Drive on August 22, 2024, at 4:00 p.m.

Chair

Secretary



CITY OF

NEWPORT BEACH

PUBLIC FACILITIES CORPORATION STAFF REPORT

August 26, 2025
Agenda Item No. 2

TO: HONORABLE CHAIRPERSON AND MEMBERS OF THE BOARD OF DIRECTORS

FROM: Jason Al-Imam, Finance Director/Treasurer – 949-644-3126
jalimam@newportbeachca.gov

PREPARED BY: Jason Al-Imam, Finance Director/Treasurer

TITLE: Amendment to the Newport Beach Public Facilities Corporation Bylaws

ABSTRACT:

The bylaws of the Newport Beach Public Facilities Corporation (Corporation) have not been amended since 2015. It is recommended that the bylaws be amended to clarify the selection, term and vacancies for members of its board of directors; to change the date and time of the annual meeting; to define who shall serve as chairperson and vice chairperson of the Corporation; and to incorporate other minor updates.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve amended bylaws for the Newport Beach Public Facilities Corporation.

DISCUSSION:

The Corporation was created on March 9, 1992, by the City of Newport Beach under the authority of California law. The Newport Beach City Council serves as the board of directors of the Corporation. The current bylaws of the Corporation have not been amended since 2015. In reviewing the bylaws, staff identified the following proposed amendments in order to clarify the selection, term and vacancies of directors; change the date and time of the annual meeting; define who shall serve as chairperson and vice chairperson of the Corporation; and to incorporate other minor updates. A majority vote of the Newport Beach Facility Corporation Board of Directors (Board) is required to amend the bylaws.

- Section 3.03 and Section 3.04 – The bylaws currently state that directors shall be members of the City Council, or a person designated and confirmed by the City Council, and shall hold office for the same term as the nominating member on the City Council. Any director may resign by providing written notice to the

president, secretary or Board. The proposed bylaws aim to clarify that the directors shall be the members of City Council and their terms on the Board are concurrent with their terms on the City Council. Therefore, any vacancies on the Board will occur when there is a corresponding vacancy on the City Council and will be filled simultaneously with the filing of the vacancy on the City Council.

- Section 3.05 – The bylaws currently state that the annual meetings of the Board shall be held on the second Tuesday of August at 4 p.m., local time. The proposed bylaws indicate that the annual meetings shall be held on the same date and start time as the first City Council meeting in August, as set forth in an adopted resolution of the City Council.
- Section 4.02 – The bylaws currently provide for an annual election of the chairperson and vice chairperson. The proposed bylaws indicate that the mayor of the City of Newport Beach shall be the chairperson of the Board, and the mayor pro tem of the City of Newport Beach shall be the vice chairperson of the Board.
- Other minor changes are proposed as outlined in Attachment A.

It is recommended that the Board amend the bylaws of the Corporation as outlined in Attachment A.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL REVIEW:

Staff recommends that the Newport Beach Facility Corporation Board of Directors finds this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Amended Bylaws Redlined
Attachment B – Clean Version of Proposed Amended Bylaws

ATTACHMENT A

BYLAWS OF CITY OF NEWPORT BEACH PUBLIC FACILITIES CORPORATION

ARTICLE I.

Name, Organization, Purpose and Principal Office

Section 1.01. Name. The name of this corporation is CITY OF NEWPORT BEACH PUBLIC FACILITIES CORPORATION (hereinafter referred to as the “Corporation”).

Section 1.02. Organization, Purpose and Use of Funds. The Corporation is a nonprofit public benefit corporation organized under the California Corporations Code, or any successor statute, to ~~provide assistance to aid~~ the City of Newport Beach, California, by, among other methods, acquiring, leasing, constructing or financing various public facilities, land, equipment and other improvements and property for the use, benefit and enjoyment of the public (herein referred to as “public improvements”). The activities of the Corporation shall be limited to the activities described in its Articles of Incorporation. No gains, profits or dividends shall be distributed to any of the members of the Corporation; no part of the net earnings, funds or assets of the eCorporation shall inure to the benefit of any member, shareholder, individual person, firm or corporation, excepting only the City of Newport Beach.

Section 1.03. Principal Office. The principal office of the Corporation is hereby fixed and located at 100 Civic Center Drive, Newport Beach, California 92660, City Manager’s Office. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in the City of Newport Beach. Any such change shall be noted by the Secretary opposite this section, but shall not be considered an amendment to these Bylaws.

ARTICLE II.

Members

Section 2.01. Members. Pursuant to Section 5310 of the California Corporations Code, or any successor statute, the bylaws of a nonprofit corporation may provide that the corporation shall have no members. The Corporation shall have no members other than the Directors as specified by Article VI of the Articles of Incorporation and Article III of these Bylaws.

ARTICLE III.

Directors

Section 3.01. Powers. Subject to limitation of the Articles of Incorporation, or the Bylaws, and of the California Corporations Code, or any successor statute, and subject to the duties of Directors as prescribed by the Bylaws, all powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. No Director shall be responsible for any error in judgment or for anything that he or she may do or refrain from doing in good faith. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have all of the powers permitted by law, including, but not limited to, the following powers, to wit:

First – To select and remove all the other officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law or the Articles of Incorporation or Bylaws, fix their compensation and require from them security for faithful service;

Second – To conduct, manage and control the affairs and business of the Corporation and to make such rules and regulations therefor not inconsistent with law or the Articles of Incorporation or Bylaws, as they may deem best;

Third – To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the name of the Corporation, promissory notes, bonds, debentures, deeds of

trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefor; and

Fourth – To purchase, rent or otherwise acquire, hold, maintain, lease, sell or otherwise dispose any real or personal property for the purposes of the Corporation.

Section 3.02. Number and Qualifications of Directors. The authorized number of Directors shall be ~~seven (7)~~ the same as the number of persons authorized to hold office as a member of the City Council of the City of Newport Beach, as set forth in Section 400 of the City Charter of the City of Newport Beach, which is incorporated herein by this reference, until changed by amendment of the Articles of Incorporation or by amendment of the ~~se~~ Bylaws.

Section 3.03. Selection and Term of Office. Directors of the Corporation shall be the persons then-currently serving as members of the City Council of the City of Newport Beach. ~~or a person(s) designated nominated by a Council Member and confirmed by the City Council, City Council~~ and no person shall be eligible to serve as a Director of the Corporation except a person initially approved by a resolution of the City Council. Unless a vacancy in the office occurs as herein provided, e ~~Each confirmed~~ Director shall hold office for the same term as for the duration of their term as a member of the City Council of the City of Newport Beach. ~~nominating that Director or until a successor has been designated and has accepted the office. The member of the City Council of the City of Newport Beach nominating a Director of the corporation may, with or without cause, remove that Director or a majority of the City Council may, with or without cause, remove any Director of the corporation from office. A Director shall be automatically removed from the Board at such time that the person is replaced, resigns, removed, or is otherwise no longer a member of the City Council of the City of Newport Beach.~~

Section 3.04. Vacancies. Subject to the provisions of Section 5226 of the California Corporations Code, or any successor statute, ~~any Director may resign effective upon giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.~~

~~—The Board of Directors may remove a Director for failing to attend three (3) consecutive meetings of the Board of Directors.~~

~~—A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of death, resignation, or removal of any Director, or if the authorized number of Directors is increased.~~

~~—Vvacancies in/on the Board shall occur when there is a corresponding vacancy on the City Council, and shall be filled automatically by the filling of a vacancy on the City Council.~~in the same manner as the Director whose office is vacant was selected, or in the event of an increase in membership the vacancy shall be filled in the same manner as the existing Directors. Each Director so selected shall hold office until the expiration of the term of the replaced Director and until a successor has been selected and has accepted the office.~~~~

Section 3.05. Organization and Annual Meeting. The Board of Directors shall hold an annual meeting for the purpose of organization, selection of ~~Directors and~~ officers, and the transaction of other business. Annual meetings of the Board shall be held on the same date and start time as the first City Council meeting in August, as set forth in an adopted resolution of the City Council, which is incorporated herein by this reference~~the second Tuesday of August at 4:00 p.m., local time~~, or such other time or date as may be noticed by the Board; provided, however, should any said day fall upon a holiday observed by the Corporation at its principal office, then said meeting shall be held at the same time on the next day thereafter ensuing which is a full business day.

Section 3.06. Regular Meetings. The Board of Directors by resolution may provide for the holding of regular meetings and may fix the time and place of holding such meetings. Notice of regular meetings shall be given as required by the Ralph M. Brown Act.

Section 3.07. Special Meetings, ~~Notice Waiver~~. A special meeting of the Board of Directors shall be held whenever called by the President, or by a majority of the Directors. Written notice of each ~~such special~~ meeting shall be delivered personally or by ~~mail~~electronic transmission, as defined in Corporations Code Section 20, to each Director and to each local newspaper of general circulation and radio or television station requesting notice in writing pursuant to Government Code Section 54956, or any

successor statute, to be received at least twenty-four (24) hours before the time of such meeting. The call and notice shall be posted at least twenty-four (24) hours prior to the special meeting in a location that is freely accessible to ~~the~~ members of the public. ~~Notice shall also be given to the City Council of the City of Newport Beach if the Directors or any of them are not members of the City Council. All Directors and members of the City Council agree to accept notice of special meetings via E-mail.~~ The call and notice shall signify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at such meetings by the Board of Directors. Notice of Adjournment of a meeting need not be given to absent Directors if the time and place are fixed at the meeting adjourned. The transactions ~~of~~ at any meeting of the Board of Directors, however called and noticed and wherever held, shall be ~~as~~ valid as though had at a meeting held after regular call and notice, provided that if a quorum be present, and that ; provided, however, that at or prior to commencement of such meeting, before the meeting, each ~~of the~~ Directors who did not receive notice not present signs a written waiver of notice and files said ~~written waiver of notice~~ with the Secretary, or attends the meeting without protesting lack of notice and provided further, that notice be given to each local newspaper of general circulation, radio or television station requesting notice in writing pursuant to Government Code Section 54956, or any successor statute. All waivers and consents, shall be filed with the corporate records and or made a part of the minutes of the meeting.

Section 3.08. Adjourned Meetings, Notice of Adjournment. The Board of Directors may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within twentyfour (24) hours after the time of adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

Section 3.09. Quorum. A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision

done or made by a majority of the Directors present at a meeting duly held at which a quorum is present, shall be regarded as the act of the Board of Directors unless a greater number ~~beis~~ required by law or by the Articles of Incorporation.

Section 3.10. Fees and Compensation. Directors shall receive no compensation or expenses for their services as Directors.

Section 3.11. Ralph M. Brown Act. Notwithstanding any of the provisions of these Bylaws to the contrary, all meetings of Directors shall be subject to the Ralph M. Brown Act, commencing at Section 54940 of the Government Code of the State of California.

Section 3.12. Conduct of Meetings. The Chairperson, or, in ~~his/her~~their absence, the Vice Chairperson, or a Chairperson chosen by a majority of the Directors present, shall preside.

ARTICLE IV.

Officers

Section 4.01. Officers. The officers of the Corporation shall be the Chairperson of the Board, a Vice Chairperson, a President, Vice President, a Secretary, and a Chief Financial Officer. The Corporation may also have, at the discretion of the Board of Directors, ~~one (1) or more Vice Presidents~~, one (1) or more Assistant Secretaries, one (1) or more Assistant Financial Officers, and such other officers as may be appointed by the Board of Directors. One (1) person may hold two (2) or more offices, except that the offices of President and Secretary or President and Chief Financial Officer may not be combined.

Section 4.02. ~~Election~~Chairperson and Vice Chairperson. The Mayor of the City of Newport Beach shall be the Chairperson of the Board, and the Mayor Pro Tem of the City of Newport Beach shall be the Vice Chairperson of the Board. ~~shall be chosen annually by the Board of Directors and e~~Each shall hold office on the Board concurrently with their corresponding office on the City Council~~until the officer shall resign, be removed, or otherwise disqualified to serve, or the officer's successor shall be elected and qualified.~~

Section 4.03. ~~Removal and Resignation~~Vacancies in Office. A Vice Presidents may resign, or may be removed, with or without cause, by the Board of Directors at any

~~time. Vacancy in any office~~es caused by death, resignation, ~~or removal, disqualification,~~ or any other cause shall be filled in the manner provided by these Bylaws, and if none ~~provided of any Vice Presidents,~~ may be filled by appointment by the Board of Directors, or by the President until such appointment by the Board of Directors.

Section 4.04. President. The City Manager of the City of Newport Beach shall be the President of the Corporation, and, subject to the control of the Board of Directors, shall be responsible for the management, supervision, direction and control of the affairs of the Corporation. In the absence or disability of the President, the Manager Pro Tempore of the City of Newport Beach shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.

Section 4.05. Vice President. ~~The Every~~ Assistant City Manager of the City of Newport Beach shall be a Vice President of the Corporation. ~~In the absence or disability of the President, the Vice Presidents in order of their rank as fixed by the Board of Directors or, if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The A~~ Vice President shall have such ~~other~~ powers and perform such ~~other~~ duties as from time to time may be prescribed ~~for them respectively~~ by the Board of Directors or by the Bylaws.

Section 4.06. Secretary. The Secretary shall be the City Clerk of the City of Newport Beach. The Secretary shall keep at the principal office of the Corporation a book of minutes of all meetings of Directors ~~and members~~, with the time and place of holding, how called or authorized, the notice thereof given, the names of those present ~~or represented~~ at ~~member's~~ meetings, and the proceedings thereof.

Section 4.07. Chief Financial Officer. The Chief Financial Officer shall be the City Finance Director of the City of Newport Beach. The Chief Financial Officer shall keep and maintain adequate and correct books of account showing the receipts and disbursements of the Corporation, and an account of its cash and other assets, if any. Such books of account shall at all reasonable times be open to inspection by any ~~member~~ ~~or~~ Director.

—The Chief Financial Officer shall deposit all moneys of the Corporation with such depositories as are designated by the Board of Directors, and shall disburse the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President or the Board of Directors, upon request, statements of the financial condition of the eCorporation.

Section 4.08. Subordinate Officers. Subordinate officers shall perform such duties as shall be prescribed from time to time by the Board of Directors or the President.

Section 4.09. Interim and Acting Officers. A person serving as an interim or acting officer of the City of Newport Beach whose office is designated by these Bylaws as a corresponding office of the Corporation shall be automatically appointed to the corresponding office within the Corporation and when so acting shall have all the powers of, and be subject to all the restrictions of, said office within the Corporation.

Article V.

Miscellaneous

Section 5.01. Execution of Documents. The Board of Directors may authorize any officer, agent or both to enter into any contract or execute any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances; unless so authorized by the Board of Directors, no officer, agent or other person shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 5.02. Inspection of Bylaws. The Corporation shall keep in its principal office the original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection ~~by the members~~ at all reasonable times during office hours.

Section 5.03. Annual Report. The annual report referred to in Section 6321 of the California Corporations Code, or any successor statute, is expressly dispensed with.

Section 5.04. Fiscal Year. The fiscal year of the Corporation shall begin July 1 and end June 30 of each year, ~~except the first fiscal year which shall run from the date of incorporation to June 30, 1992.~~

Section 5.05. Dissolution. In the event of dissolution of the Corporation in any manner and for any cause, after the payment or adequate provision for the payment of all of its debts and liabilities, all of the remaining funds, assets and properties of the Corporation shall be paid or distributed to the City of Newport Beach, California.

Section 5.06. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California Corporations Code, or any successor statute, shall govern the construction of these Bylaws. If any section, subsection, sentence, clause or phrase of these Bylaws, or the application thereof, is contrary to the California Corporations Code, or any successor statute, the provisions of that law shall prevail. Without limiting the generality of the foregoing the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person.

ARTICLE VI.

Amendments

Section 6.01. Power of Directors. New Bylaws may be adopted or these Bylaws may be amended or repealed by a majority vote of the Board of Directors.

* * *

The foregoing is a true and correct copy of the Bylaws of the Newport Beach Public Facilities Corporation, approved by majority vote of the Board on August 27, 2025.

Leilani I. BrownMolly Perry
Interim Secretary of Newport Beach Public
Facilities Corporation

Adopted – March 9, 1992 (City Council Resolution No. 92-21)

Amended – August 11, 2015

Amended – August 276, 2025

ATTACHMENT B

BYLAWS OF CITY OF NEWPORT BEACH PUBLIC FACILITIES CORPORATION

ARTICLE I.

Name, Organization, Purpose and Principal Office

Section 1.01. Name. The name of this corporation is CITY OF NEWPORT BEACH PUBLIC FACILITIES CORPORATION (hereinafter referred to as the "Corporation").

Section 1.02. Organization, Purpose and Use of Funds. The Corporation is a nonprofit public benefit corporation organized under the California Corporations Code, or any successor statute, to aid the City of Newport Beach, California, by, among other methods, acquiring, leasing, constructing or financing various public facilities, land, equipment and other improvements and property for the use, benefit and enjoyment of the public (herein referred to as "public improvements"). The activities of the Corporation shall be limited to the activities described in its Articles of Incorporation. No gains, profits or dividends shall be distributed to any of the members of the Corporation; no part of the net earnings, funds or assets of the Corporation shall inure to the benefit of any member, shareholder, individual person, firm or corporation, excepting only the City of Newport Beach.

Section 1.03. Principal Office. The principal office of the Corporation is hereby fixed and located at 100 Civic Center Drive, Newport Beach, California 92660, City Manager's Office. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in the City of Newport Beach. Any such change shall be noted by the Secretary opposite this section, but shall not be considered an amendment to these Bylaws.

ARTICLE II.

Members

Section 2.01. Members. Pursuant to Section 5310 of the California Corporations Code, or any successor statute, the bylaws of a nonprofit corporation may provide that the corporation shall have no members. The Corporation shall have no members other

than the Directors as specified by Article VI of the Articles of Incorporation and Article III of these Bylaws.

ARTICLE III.

Directors

Section 3.01. Powers. Subject to limitation of the Articles of Incorporation, or the Bylaws, and of the California Corporations Code, or any successor statute, and subject to the duties of Directors as prescribed by the Bylaws, all powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. No Director shall be responsible for any error in judgment or for anything that he or she may do or refrain from doing in good faith. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have all of the powers permitted by law, including, but not limited to, the following powers, to wit:

First – To select and remove all the other officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law or the Articles of Incorporation or Bylaws, fix their compensation and require from them security for faithful service;

Second – To conduct, manage and control the affairs and business of the Corporation and to make such rules and regulations therefor not inconsistent with law or the Articles of Incorporation or Bylaws, as they may deem best;

Third – To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the name of the Corporation, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefor; and

Fourth – To purchase, rent or otherwise acquire, hold, maintain, lease, sell or otherwise dispose any real or personal property for the purposes of the Corporation.

Section 3.02. Number and Qualifications of Directors. The authorized number of Directors shall be the same as the number of persons authorized to hold office as a member of the City Council of the City of Newport Beach, as set forth in Section 400 of the City Charter of the City of Newport Beach, which is incorporated herein by this reference, until changed by amendment of the Articles of Incorporation or by amendment of these Bylaws.

Section 3.03. Selection and Term of Office. Directors of the Corporation shall be the persons then-currently serving as members of the City Council of the City of Newport Beach. Each Director shall hold office for the duration of their term as a member of the City Council of the City of Newport Beach. A Director shall be automatically removed from the Board at such time that the person is replaced, resigns, removed, or is otherwise no longer a member of the City Council of the City of Newport Beach.

Section 3.04. Vacancies. Subject to the provisions of Section 5226 of the California Corporations Code, or any successor statute, vacancies on the Board shall occur when there is a corresponding vacancy on the City Council, and shall be filled automatically by the filling of a vacancy on the City Council.

Section 3.05. Organization and Annual Meeting. The Board of Directors shall hold an annual meeting for the purpose of organization, selection of officers, and the transaction of other business. Annual meetings of the Board shall be held on the same date and start time as the first City Council meeting in August, as set forth in an adopted resolution of the City Council, which is incorporated herein by this reference, or such other time or date as may be noticed by the Board; provided, however, should any said day fall upon a holiday observed by the Corporation at its principal office, then said meeting shall be held at the same time on the next day thereafter ensuing which is a full business day.

Section 3.06. Regular Meetings. The Board of Directors by resolution may provide for the holding of regular meetings and may fix the time and place of holding such meetings. Notice of regular meetings shall be given as required by the Ralph M. Brown Act.

Section 3.07. Special Meetings, Notice Waiver. A special meeting of the Board of Directors shall be held whenever called by the President or by a majority of the Directors. Written notice of each special meeting shall be delivered personally or by electronic

transmission, as defined in Corporations Code Section 20, to each Director and to each local newspaper of general circulation and radio or television station requesting notice in writing pursuant to Government Code Section 54956, or any successor statute, to be received at least twenty-four (24) hours before the time of such meeting. The call and notice shall be posted at least twenty-four (24) hours prior to the special meeting in a location that is freely accessible to members of the public. The call and notice shall signify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at such meetings by the Board of Directors. Notice of Adjournment of a meeting need not be given to absent Directors if the time and place are fixed at the meeting adjourned. The transactions at any meeting of the Board of Directors, however called and noticed and wherever held, shall be valid as though had at a meeting held after regular call and notice, provided that a quorum be present, and that at or prior to commencement of such meeting, each Director who did not receive notice signs a written waiver of notice and files said waiver with the Secretary, or attends the meeting without protesting lack of notice. All waivers and consents shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 3.08. Adjourned Meetings, Notice of Adjournment. The Board of Directors may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within twenty-four (24) hours after the time of adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

Section 3.09. Quorum. A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present, shall be regarded as the act of the Board of Directors unless a greater number is required by law or by the Articles of Incorporation.

Section 3.10. Fees and Compensation. Directors shall receive no compensation or expenses for their services as Directors.

Section 3.11. Ralph M. Brown Act. Notwithstanding any of the provisions of these Bylaws to the contrary, all meetings of Directors shall be subject to the Ralph M. Brown Act, commencing at Section 54940 of the Government Code of the State of California.

Section 3.12. Conduct of Meetings. The Chairperson, or in their absence, the Vice Chairperson, or a Chairperson chosen by a majority of the Directors present, shall preside.

ARTICLE IV.

Officers

Section 4.01. Officers. The officers of the Corporation shall be the Chairperson of the Board, a Vice Chairperson, a President, Vice President, a Secretary, and a Chief Financial Officer. The Corporation may also have, at the discretion of the Board of Directors, one (1) or more Assistant Secretaries, one (1) or more Assistant Financial Officers, and such other officers as may be appointed by the Board of Directors. One (1) person may hold two (2) or more offices, except that the offices of President and Secretary or President and Chief Financial Officer may not be combined.

Section 4.02. Chairperson and Vice Chairperson. The Mayor of the City of Newport Beach shall be the Chairperson of the Board, and the Mayor Pro Tem of the City of Newport Beach shall be the Vice Chairperson of the Board. Each shall hold office on the Board concurrently with their corresponding office on the City Council.

Section 4.03. Vacancies in Office. A vacancy in any office caused by death, resignation, removal, disqualification, or any other cause shall be filled in the manner provided by these Bylaws, and if none provided, may be filled by appointment by the Board of Directors, or by the President until such appointment by the Board of Directors.

Section 4.04. President. The City Manager of the City of Newport Beach shall be the President of the Corporation, and subject to the control of the Board of Directors, shall be responsible for the management, supervision, direction and control of the affairs of the Corporation. In the absence or disability of the President, the Manager Pro Tempore of the City of Newport Beach shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.

Section 4.05. Vice President. Every Assistant City Manager of the City of Newport Beach shall be a Vice President of the Corporation. A Vice President shall have such powers and perform such duties as from time to time may be prescribed by the Board of Directors or by the Bylaws.

Section 4.06. Secretary. The Secretary shall be the City Clerk of the City of Newport Beach. The Secretary shall keep at the principal office of the Corporation a book of minutes of all meetings of Directors, with the time and place of holding, how called or authorized, the notice thereof given, the names of those present at meetings, and the proceedings thereof.

Section 4.07. Chief Financial Officer. The Chief Financial Officer shall be the City Finance Director of the City of Newport Beach. The Chief Financial Officer shall keep and maintain adequate and correct books of account showing the receipts and disbursements of the Corporation, and an account of its cash and other assets, if any. Such books of account shall at all reasonable times be open to inspection by any Director. The Chief Financial Officer shall deposit all moneys of the Corporation with such depositories as are designated by the Board of Directors and shall disburse the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President or the Board of Directors, upon request, statements of the financial condition of the Corporation.

Section 4.08. Subordinate Officers. Subordinate officers shall perform such duties as shall be prescribed from time to time by the Board of Directors or the President.

Section 4.09. Interim and Acting Officers. A person serving as an interim or acting officer of the City of Newport Beach whose office is designated by these Bylaws as a corresponding office of the Corporation shall be automatically appointed to the corresponding office within the Corporation and when so acting shall have all the powers of, and be subject to all the restrictions of, said office within the Corporation.

Article V.

Miscellaneous

Section 5.01. Execution of Documents. The Board of Directors may authorize any officer, agent or both to enter into any contract or execute any instrument in the name of

and on behalf of the Corporation and such authority may be general or confined to specific instances; unless so authorized by the Board of Directors, no officer, agent or other person shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 5.02. Inspection of Bylaws. The Corporation shall keep in its principal office the original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection at all reasonable times during office hours.

Section 5.03. Annual Report. The annual report referred to in Section 6321 of the California Corporations Code, or any successor statute, is expressly dispensed with.

Section 5.04. Fiscal Year. The fiscal year of the Corporation shall begin July 1 and end June 30 of each year.

Section 5.05. Dissolution. In the event of dissolution of the Corporation in any manner and for any cause, after the payment or adequate provision for the payment of all of its debts and liabilities, all of the remaining funds, assets and properties of the Corporation shall be paid or distributed to the City of Newport Beach, California.

Section 5.06. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California Corporations Code, or any successor statute, shall govern the construction of these Bylaws. If any section, subsection, sentence, clause or phrase of these Bylaws, or the application thereof, is contrary to the California Corporations Code, or any successor statute, the provisions of that law shall prevail. Without limiting the generality of the foregoing the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person.

ARTICLE VI.

Amendments

Section 6.01. Power of Directors. New Bylaws may be adopted or these Bylaws may be amended or repealed by a majority vote of the Board of Directors.

* * *

The foregoing is a true and correct copy of the Bylaws of the Newport Beach Public Facilities Corporation, approved by majority vote of the Board on August 26, 2025.

Molly Perry
Interim Secretary of Newport Beach Public
Facilities Corporation

Adopted – March 9, 1992 (City Council Resolution No. 92-21)

Amended – August 11, 2015

Amended – August 26, 2025

August 26, 2025, Public Facilities Corp. Agenda Comments

The following comments on items on the Newport Beach [Public Facilities Corp. agenda](#) are submitted by:
Jim Mosher (jimmosher@yahoo.com), 2210 Private Road, Newport Beach 92660 (949-548-6229)

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.



CITY OF

NEWPORT BEACH

PUBLIC FACILITIES CORPORATION STAFF REPORT

August 26, 2025
Agenda Item No.3

TO: HONORABLE CHAIRPERSON AND MEMBERS OF THE BOARD OF DIRECTORS

FROM: Jason Al-Imam, Finance Director/Treasurer - 949-644-3126
jalimam@newportbeachca.gov

PREPARED BY: Trevor Power, Accounting Manager - 949-644-3125
tpower@newportbeachca.gov

TITLE: Review of Annual Financial Statements

ABSTRACT:

The bylaws of the Newport Beach Public Facilities Corporation (Corporation) call for an annual meeting of its board of directors. The bylaws also specify that the chief financial officer shall maintain adequate financial records concerning the receipts and disbursements of the Corporation and the board of directors is entitled to inspect the associated financial records upon request. The attached financial statements represent the financial position and financial activities of the Corporation for the year ended June 30, 2025.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Receive and file the annual financial statements for the year ended June 30, 2025.

DISCUSSION:

The Corporation was created on March 9, 1992, by the City of Newport Beach under the authority of California law. The purpose of the Corporation is to assist the City in the financing of public improvements. This type of nonprofit corporation is utilized to facilitate the issuance of public financing instruments called Certificates of Participation (COPs). COPs are a common California public financing instrument utilized for the acquisition or construction of public facilities and/or equipment. They are structured as a type of lease purchase that requires a third party, the Corporation, as a party to the lease transaction along with the City. The Corporation assigns all of the rights, obligations and financial transactions associated with the COPs' issuance to a trustee bank to facilitate the debt issuance.

The Corporation is governed by a board of directors which has historically been comprised of the seven members of the Newport Beach City Council. Normally, the mayor serves as the board chairperson, with the mayor pro tem serving as vice chairperson. Under the Corporation's bylaws, the city manager serves the Corporation as president, the city clerk serves as secretary, and the finance director serves as chief financial officer.

In 1992, the City issued \$7.5 million of COPs to finance the construction of the Central Library and subsequently refinanced this obligation in 1998. In 2010, the City issued approximately \$126.7 million of new COPs. Of this financing, \$122.8 million was used for the Civic Center project and \$3.9 million was used to refinance the remaining balance of the Central Library COPs. In 2020, the City issued \$7.9 million of new COPs to finance the construction of Fire Station No. 2. The Corporation's financial data and transactions are included in the Debt Service Fund in the City's financial statements. The City's Debt Service Fund is used solely to account for the activities of the Corporation and contains no other City debt financing activities. Even though the Corporation is a separate legal entity, it is considered a component unit of the City and is included in the City's Annual Comprehensive Financial Report and its transactions are reviewed as part of the City's annual financial statement audit.

The main sources of revenues of the Corporation are lease payments from the City and Federal Build America Bond (BAB) interest subsidy payments for the Civic Center COPs, both of which are pledged exclusively to pay interest and principal on the outstanding COPs. The Corporation has assigned its rights to receive and collect these payments to a trustee bank who makes the semi-annual debt service payments to the bondholders. Therefore, the lease and BAB subsidy payments are received directly by the trustee bank. While the outstanding debt has been issued by the Corporation, ultimately it is an obligation of the City, not the Corporation. The City owns the properties that are encumbered through the COPs' lease transactions. They remain encumbered until such time as the outstanding debt has been repaid in full.

During the year, the trustee bank received lease payments from the City totaling \$8.6 million and Federal Build America Bond (BAB) interest subsidy payments totaling \$2.0 million. Together with investment earnings and any restricted funds already on hand with the trustee bank, there were sufficient resources available to satisfy the annual debt service payments totaling \$10.6 million. The following table illustrates the remaining combined debt service payment schedule and principal balance outstanding on the Civic Center and Fire Station No. 2 COPs:

Year Ending June 30	COP Debt Service			Total	Balance
	Principal	Interest	BAB Subsidy		
2026	\$ 4,430,000	\$ 6,074,260	\$ (1,954,507)	\$ 8,549,753	84,860,000
2027	4,635,000	5,777,615	(1,856,041)	8,556,574	80,225,000
2028	4,840,000	5,467,189	(1,764,147)	8,543,042	75,385,000
2029	5,060,000	5,142,526	(1,667,983)	8,534,543	70,325,000
2030	5,285,000	4,802,926	(1,567,317)	8,520,609	65,040,000
2031-2035	26,135,000	18,642,474	(6,146,908)	38,630,566	38,905,000
2036-2040	31,660,000	8,476,519	(2,797,675)	37,338,844	7,245,000
2041	7,245,000	259,661	(85,701)	7,418,960	-
	<u>\$ 89,290,000</u>	<u>\$ 54,643,170</u>	<u>\$ (17,840,279)</u>	<u>\$ 126,092,891</u>	

The combined outstanding principal of the obligations was \$89.3 million as of June 30, 2025. Of that amount, \$84.3 million was related to the 2010 COPs which are payable through 2041, and \$5.0 million was related to the 2020 COPs which are payable through 2031. The remaining interest of \$54.6 million does not yet reflect the remaining expected BAB subsidy of \$17.8 million, so the remaining interest net of the BAB subsidy totals \$36.8 million.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL REVIEW:

Staff recommends the Board of Directors of the Public Facilities Corporation find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Financial Statements

Attachment A

Financial Statements

NEWPORT BEACH PUBLIC FACILITIES CORPORATION
Comparative Balance Sheet
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash with fiscal agent	\$ 7,542,238	\$ 7,505,205
Intergovernmental receivable	<u>1,004,032</u>	<u>1,039,804</u>
 Total Assets	 <u><u>\$ 8,546,270</u></u>	 <u><u>\$ 8,545,009</u></u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
 Total Liabilities	 <u>-</u>	 <u>-</u>
 Fund balances:		
Nonspendable	-	-
Restricted for:		
Debt Service	8,546,270	8,545,009
Committed	-	-
Assigned	-	-
Unassigned	<u>-</u>	<u>-</u>
 Total fund balance	 <u><u>8,546,270</u></u>	 <u><u>8,545,009</u></u>
 Total liabilities and fund balance	 <u><u>\$ 8,546,270</u></u>	 <u><u>\$ 8,545,009</u></u>

NEWPORT BEACH PUBLIC FACILITIES CORPORATION
Comparative Statement of Revenues,
Expenditures and Changes in Fund Balances
For the Fiscal Years Ending June 30, 2025 and June 30, 2024

	<u>2025</u>	<u>2024</u>
Revenues:		
Lease revenues	\$ 8,550,719	\$ 8,550,011
Investment income	45,429	87,785
Federal interest subsidy	2,006,281	2,073,983
	<u>10,602,429</u>	<u>10,711,779</u>
Total revenues		
 Expenditures:		
Debt service:		
Principal	4,235,000	4,085,000
Interest and fiscal charges	6,366,168	6,615,252
	<u>10,601,168</u>	<u>10,700,252</u>
Total expenditures		
 Excess (deficiency) of revenues over expenditures	 <u>1,261</u>	 <u>11,527</u>
 Fund balance, beginning	 <u>8,545,009</u>	 <u>8,533,482</u>
 Fund balance, ending	 <u><u>\$ 8,546,270</u></u>	 <u><u>\$ 8,545,009</u></u>