



**AMERICAN LEGION NEWPORT HARBOR POST 291
EXECUTIVE BOARD MINUTES
SPECIAL MEETING- POST LEASE AMENDMENT
MONDAY, 21 OCT. 2024**

CALL TO ORDER: Appx. 1817 HRS
INVOCATION: Barry Butzoff, Chaplain
PLEDGE OF ALLEGIANCE: Commander Brian Fleming Jr.

ROLL CALL:

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Brian Fleming Jr., Commander | <input type="checkbox"/> Vacant, Judge Advocate | <input checked="" type="checkbox"/> Jon Reynolds, M.a.L. |
| <input checked="" type="checkbox"/> Ernest Alonso., 1 st Vice | <input checked="" type="checkbox"/> Bob Wine, Finance Officer | <input checked="" type="checkbox"/> Walter Roberts, M.a.L. |
| <input checked="" type="checkbox"/> Ray Richard, 2 nd Vice | <input type="checkbox"/> Mike Mailman, Sgt-at-Arms | <input checked="" type="checkbox"/> Mike Berdine, M.a.L. |
| <input checked="" type="checkbox"/> David Heinle, 3 rd Vice | <input checked="" type="checkbox"/> Cory Vigil, Service Officer | <input type="checkbox"/> Mike Schubert, M.a.L. |
| <input type="checkbox"/> Evin Planto, Jr. Past Comm | <input checked="" type="checkbox"/> Barry Butzoff, Chaplain | <input type="checkbox"/> Nick Giordano, M.a.L. |
| <input checked="" type="checkbox"/> David Zamudio, Adjutant | <input type="checkbox"/> Johnny Arganda, Historian | <input checked="" type="checkbox"/> David Zamudio, M.a.L. |

Excused: Mike Mailman / Mike Schubert / Nick Giordano

Unexcused: Evin Planto / Johnny Arganda

QUORUM HELD

INTRODUCTION OF GUESTS & GUEST COMMENTS:

Doug Nye- Past Commander / Lease Committee Member- gives brief discussion on amendment and give his recommendation to approve the amendment terms.

Jess Lawson- Past Commander / Lease Committee Member- give recommendation that the Executive Committee approve the amendment.

Commander Fleming states to the committee that in accordance with Bylaws 8.6.3 and 8.6.4, we are having a special Executive Committee meeting, with a notification that was put out with 72 hours in advance, and the information that is specified that we will discuss is review of the Amendment to the Lease with the City. We will then be voting on the approval of the Amendment.

UNFINISHED BUSINESS

- Commander Fleming gives the floor to the Lease Committee Chair, Bob Wine (Finance Officer) to discuss the agreed upon terms to the amendment between Post 291 and the City of Newport Beach.
- Lease Committee Chair gives slide presentation on the Lease Amendment.

Recap of Terms of Negotiation



**Negotiating Team
Report 5**

Amendment No. 1
To the Lease Between Post 291
And City of Newport Beach

October 21, 2024

1. Elimination of Davis Farr audit claim of \$223,796.
2. Elimination of percentage rent.
3. Establishment of new base rent.
4. Elimination of Paragraphs 4.2, 4.4 and 4.5 of the Lease.
5. All other terms of the Lease to remain the same.

Lease Committee Chair Presentation (cont.)

Terms of Amendment No. 1

Terms of Amendment No. 1 (Cont'd)

1. Eliminates the \$223,796 said by City to be owed by Post, and states that this elimination will not be considered forgiveness of debt.
2. Eliminates all percentage rent. Further, will not challenge Post's payments of rent for periods prior to 2024 beyond what has already been paid.
3. Establishes new base rent of \$18,000 per month, with increases based on the same terms and schedule as the old base rent.
4. Does not eliminate Paragraphs 4.2, 4.4 and 4.5 of the Lease, but amends them to eliminate percentage rent.

5. Adds new Section 9.8 regarding bonds, amends Sections 10.1 and 10.2 regarding repairs and maintenance by the City, amends Section 19 to add a new Section 19.2 regarding amplified sound, and adds new insurance requirements as describe in Exhibit G of Amendment No. 1.

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- Lease Committee Chair reviews the rent calculations using Davis Farr Method vs. \$18k Base Rent of Amendment

Post 291 Rent Calculations Using Davis Farr Method vs. \$18,000 Base Rent			
Description	2022	2023	2024 (9 Months)
Marina slip rents	\$ 287,330.00	\$ 281,904.00	\$ 243,202.00
Marina dry storage rents	19,599.00	1,608.00	9,558.00
Hall rentals	172,720.00	158,903.00	116,205.00
Banquet revenue	489,416.00	506,829.00	401,682.00
Totals	\$ 969,065.00	\$ 949,244.00	\$ 770,647.00
Percentage Rents:			
40% of slip rents	\$ 114,932.00	\$ 112,761.60	\$ 97,280.80
50% of dry storage rents	9,799.50	804.00	4,779.00
20% of Hall rents	34,544.00	31,780.60	23,241.00
20% of Banquet Revenue	97,883.20	101,365.80	80,336.40
Total % Rents Under Davis Farr Method	\$ 257,158.70	\$ 246,712.00	\$ 205,637.20
Base Rent at \$18,000 per month	216,000.00	216,000.00	162,000.00
Total over Base Rent	\$ 41,158.70	\$ 30,712.00	\$ 43,637.20

- Executive Committee agrees that the base rent of the amendment is financially beneficial to the Post 291.
- Lease Committee Chair informs the Executive Committee that if the Amendment is approved this evening, it will be on the Newport Beach City Council meeting agenda on 12 Nov. 2024 to be voted on.
- Executive Committee Members (Ernest Alonso / Walter Roberts / Dave Hienle) ask questions to the Lease Committee Chair concerning language and understanding of the Amendment.
 - Lease Committee Chair address all questions.
 - No further discussion on the Amendment.
- Lease Committee Chair, Bob Wine presents a **MOTION**:
 - "I move that the Executive Committee vote to approve Post 291 Lease Amendment Number 1, as presented, and instruct Commander Brian Fleming Jr. and Finance Officer Robert Wine to sign the Amendment and forward it to the City of Newport Beach."
 - **Seconded**: Mike Berdine- Member at Large
 - No Further Discussion
 - Move To Vote: **M/S/No D/ MC- Motion carries unanimously**
 - Ayes- 9
 - Abstentions- 0

CLOSING PRAYER- Chaplain Barry Butzoff
ADJOURNED: Approximately 1956 hours.