



**AMERICAN LEGION NEWPORT HARBOR POST 291
EXECUTIVE BOARD MINUTES
THURSDAY, OCTOBER 3, 2019**

SILENCE CELL PHONES

CALL TO ORDER: 1805 HRS

INVOCATION: Ken Wilson

PLEDGE OF ALLEGIANCE: Commander Jon Reynolds

ROLL CALL:

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> Jon Reynolds, Commander | <input checked="" type="checkbox"/> Burt McChesney, Judge Advocate | <input checked="" type="checkbox"/> Rich Whitlinger, M.a.L. |
| <input checked="" type="checkbox"/> Bob Brennen, 1 st Vice | <input checked="" type="checkbox"/> Bob Wine, Finance Officer | <input checked="" type="checkbox"/> Robert Wright, M.a.L. |
| <input checked="" type="checkbox"/> Anthony Morales, 2 nd Vice | <input type="checkbox"/> Bob Grundmeyer, Sgt-at-Arms | <input checked="" type="checkbox"/> Kevin Van Otterloo, M.a.L. |
| <input checked="" type="checkbox"/> Jim Updike, 3 rd Vice | <input checked="" type="checkbox"/> Chase Wickersham, Service Officer | <input checked="" type="checkbox"/> Wayne Zippi, M.a.L. |
| <input checked="" type="checkbox"/> Doug Nye, Jr. Past Comm | <input checked="" type="checkbox"/> Ken Wilson, Chaplain | <input checked="" type="checkbox"/> Eric Schroeder, M.a.L. |
| <input checked="" type="checkbox"/> Mike Berdine, Adjutant | <input checked="" type="checkbox"/> Rich Frauentzimmer, Historian | <input type="checkbox"/> Nick Giordano, M.a.L. |

Excused: Bob Grundmeter, Nick Giordano

INTRODUCTION OF GUESTS & GUEST COMMENTS:

Guests: 1. Rick Sundell 2. Gene Anderson 3. Anne Borren

Affiliates and Programs Reports:

- Auxiliary Unit 291 – Kedall Madsen, 1st Vice President – Membership renewals going well. October 14 is the blood drive. Kids Halloween Party is October 26. Troop shipping is planned for November 16.
- SAL Squadron 291 – Tim Sullivan, Commander – Last fishing trip of the year was today. Total giving for the year to date is \$56,000. Plan to spend \$100,000 on veterans programs this year. All going to directly benefit veterans in various amounts. Boat Parade planning in progress.
- ALYC – Bruce Batcheller, Commodore – Currently have 813 members. Working on transfer of Vet291YC members to ALYC. New ALYC model yacht club. The Cruise to Emerald Bay was September 6-8. ALYC Opening Day Dinner was a success. Raft-up is scheduled for November 9 to observe Veterans Day. Still planning other activities for that day. Financial report \$54,000 in bank accounts. The ALYC big event, SVI, will be Saturday, October 19.

Minutes Approval

- All Board members received copies of the September 5 Executive Board Minutes
 - The Commander asked for a motion to waive the reading of the Executive Board Minutes
 - M/S/C: The motion was approved.

 - The Commander asked for a motion to approve the September 11 [sic: September 5] Executive Board Minutes
 - M/S/C: The motion was approved.

Correspondence

- Commander asked the Adjutant if there was any correspondence
- No correspondence to report

Committee Reports

- Finance Committee – Bob Wine
 - Meeting held September 18
 - Upcoming responsibilities discussed
 - Post financial audit report to Department
 - Completed and submitted
 - Will start working on budget
 - To be completed Nov. 1

Commander Comments:

- Per PowerPoint slides

Post 291 Committees

- **Standing Cmtes**
 - Finance
 - House
 - SAL
 - Judicial
- **Other Committees**
 - Donations
 - Post 291 Family Veterans Assistance
 - Audit
 - Yacht Clubs
 - Election
 - Constitution and Bylaws

 - Rules, Regulations, and Policies
 - Capital Budgeting
 - Parking Lot Policies and Rules
 - Public Relations, Media, and Comm
 - Facilities Development

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Post 291 Standing Committees

<ul style="list-style-type: none"> • Finance <ul style="list-style-type: none"> ○ Bob Wine, Finance Officer, Chair ○ Mike <u>Berdine</u>, Adjutant ○ Burt <u>McChesney</u>, Judge Advocate ○ Jim Updike ○ Bob <u>Carolan</u> ○ Dan Ferrari ○ Jon Reynolds, Ex Officio • Judicial <ul style="list-style-type: none"> ○ Burt <u>McChesney</u>, JA, Chair ○ Bill <u>Badenoch</u> ○ Jim <u>DeClerck</u> ○ Bob <u>Gaido</u> ○ Doug Green 	<ul style="list-style-type: none"> • House <ul style="list-style-type: none"> ○ Mike <u>Berdine</u>, Adjutant, Chair ○ Bob Wine, Finance Officer ○ John Lindgren ○ Jim Updike ○ Nick Giordano ○ Eric Schroeder ○ Doug Nye ○ Jon Reynolds, Ex Officio • SAL <ul style="list-style-type: none"> ○ Bob Brennan, 1st Vice, Chair ○ Anthony Morales, 2nd Vice ○ Brian Fleming, Honor Guard ○ Nick Giordano, <u>MaL</u>
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- **Fin**
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- **Jud**
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Commander Comments - continued

Post 291 — Other Committees

- **Donations**
 - Chase Wickersham, Chair
 - Ken Wilson
 - Nick Giordano
 - Cory Vigil
 - Gary Barnhill
 - Ray Wallis
 - Burt McChesney
- **Family Veterans Assistance**
 - Chase Wickersham, Chair
 - Ken Wilson
 - Nick Giordano
 - Cory Vigil
 - Gary Barnhill
 - Ray Wallis
 - Burt McChesney
 - Debbie Schubert Aux
 - Erica Linden Aux
 - Tim Sullivan SAL
 - John Long SAL
 - Bill Badenoch ALYC
 - Bob Duff ALYC

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Post 291 — Other Committees (cont)

- **Audit**
 - Sverre Thomassen, Chair
 - Eric Schroeder
 - Chase Wickersham
- **Election**
 - John Lindgren, Chair
 - Dan Ferrari
 - Bob Carolan
- **Rules, Regulations, Policies**
- **Capital Budgeting**
- **Prkg Lot Policies and Rules**
- **Public Relations and Media**
- **Facilities Development**
- **Constitution and Bylaws**
 - Mike Berdine, Adjutant, Chair
 - Mike Lipscombe
 - John Lindgren
 - Dan Ferrari
 - Jim Updike
- **Yacht Clubs**
 - Frank Reinhart, Chair
 - Angelina Garcia
 - Sverre Thomassen
 - Rich Reyna
 - Ken Wilson
 - Mike Berdine
 - Jim Updike

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Yacht Clubs Committee Recommendations — Implementation Underway

1. Individuals who joined both clubs will be given full refund of V291YC dues
2. V291YC members may transfer to ALYC at no additional cost
 - a. Complete a special application
 - b. Prorated portion of dues will be transferred from V291YC to ALYC
3. V291YC members who do not wish to transfer to ALYC will receive prorated dues refund

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Commander Comments – continued

Other Topics / Reminders

- **Donations Committee** has fundraising campaign underway to support military veterans in need in Orange County area
 - Make donations online at the Post 291 website: www.al291.com
- **Audit Committee** conducting comprehensive review of Insurance Coverages
 - D&O Insurance Travelers
 - General Liability Mercury
 - Marina Chubb
 - — Proposed changes in coverages to be presented to E-Board on Thursday 7 November
- **Constitution and Bylaws Committee** reviewing and updating the documents
 - Proposed Amendments to be presented to Post Membership in December and January General Membership meetings
- **Next GMM:** 1900 Wednesday 9 October
- **Next E-Board Meeting:** 1800 Thursday 7 November
- **Veterans Day Ceremony:** 1100 Monday 11 November

Other Topics

- **Bank Signatories — Still in work**
- **Constitution and Bylaws Committee**
- **District 29 Meeting:** 1000 Sun 6 Oct
- **Disability Claim Hearing scheduled:** 1330 Mon 7 Oct
- **dB Meters — Calibration and Standard**

- **Next E-Board meeting:** 1800 Thursday 7 November

Committee Reports - continued

- House Committee – Mike Berdine

House Committee Update

<ul style="list-style-type: none">• Point of Sale (POS)<ul style="list-style-type: none">• Need to update this, and other systems• Windows 7 support stopping• Two vendors presented• Still evaluating• Alarm system<ul style="list-style-type: none">• Three WiFi based zone disabled• Evaluating repair and upgrade• Kitchen/Bar/Restaurant<ul style="list-style-type: none">• Staffing – No issue• Very busy September• Facility and Grounds<ul style="list-style-type: none">• Replacement gate arms• Gate repair	<ul style="list-style-type: none">• Marina and Dry Storage<ul style="list-style-type: none">• Crane area piling replacement<ul style="list-style-type: none">• South Mooring bid• \$8,174• City contribution to dock replacement<ul style="list-style-type: none">• In progress• Dock “No Swimming” signs<ul style="list-style-type: none">• On order• Public Relations / Communications<ul style="list-style-type: none">• SeaBreeze<ul style="list-style-type: none">• Planning restart• Post Events<ul style="list-style-type: none">• Halloween• Planning
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Committee Reports - continued

- SAL Committee – Bob Brennen
 - No report
- Judicial Committee – Burt McChesney
 - No report
- Donations Committee – Chase Wickersham
 - Monthly update per attached notes
 - Possible accounting changes
 - Veterans Emergency Assistance Fund launched
 - Meeting held September 17
 - Some potential contributors do not understand 501 (c)(19)
 - Refer to IRS document 557
 - May find publication of descriptive booklet beneficial
 - Donations Committee does not give cash
 - Pays creditors/vendors and make recommendations for change
 - Veterans Emergency Assistance Fund communications plan outlined
- Yacht Club Committee
 - Brief update – On plan
- Audit Committee – Eric Schroeder
 - Presentation and discussion per PowerPoint

Audit Committee Findings

- **Mailing address for Post 291 needs to be consistent — and correct.**
- **Post 291 needs to be listed as Additional Insured on all policies held by Post 291 Family organizations.**
- **All policies and related documents need to be scanned and maintained in a central file.**
- **Appraisal needed to determine proper valuation of building and property to enable adequate adjustment of Property Insurance.**
- **Business Interruption Insurance insufficient for current cash flow needs if event occurs causing a claim.**
- **D&O and EPL insurance limits should be examined for increase.**
- **Current insurance carriers should inspect Post and make suggestions.**
- **Risk exposure related to comprehensive marine insurance liability policy should be reviewed on an ongoing basis.**
- **Duties of OD as stated on Post website could put OD and Post at risk.**
- **Program of “Sailing Vets / Patriotic Outreach” apparently not currently covered. — Need appropriate endorsement / rider for this activity.**

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- No updates for several years
- Will have specific recommendations for next meeting(s)
- Exposure from website OD statement
 - Motion made to remove OD page from website
 - M/S/C to remove OD page
- Exposure from Sailing Vets flyer and web pages
 - Motion made to remove Sailing Vets page (Post sponsorship) from website and bulletin boards
 - M/S/C to remove Sailing Vets page
 - Also, until proper oversight is established, will advise Mr. Bercovitz not to reference Newport Harbor Post 291 of the American on Sailing Vet materials
- Audit committee also evaluating processes, policies and procedures of Post 291
- Any changes in coverage planned to be done through current insurance carriers

Committee Reports – continued

- Constitution and Bylaws Committee – Mike Berdine
- Documents distributed

OFFICERS' REPORTS

COMMANDER – Jon Reynolds

- On June 20, 2019 a transmittal letter with a cashier's check for \$100,000 drawn from Post 291's Union Bank account was sent to the Duarte and Associates law firm. The letter stated the funds were sent as a retainer to defend 2018/2019 officers and executive board members from civil actions brought any of them for any claims while they were serving Post 291. Post 291 already has Directors and Officers insurance. Per Commander Reynolds, an agreement was reach with Jr. Past Commander Doug Nye to return those funds.
- A discussion ensued about the history and concerns of the past officers and executive board members

ADJUTANT – Mike Berdine

- No report

1ST VICE COMMANDER – Bob Brennen– Membership

- No report

2ND VICE COMMANDER – Anthony Morales - Speaking about upcoming events and bands.

- All in order for upcoming events
- Question about documentation of suspended members

3RD VICE COMMANDER – Jim Updike - Speaking on Americanism, youth and children, Boys State, and the Oratorical Contest.

- No report

JR. PAST COMMANDER – Doug Nye

- No report

FINANCE OFFICER – Bob Wine

- Distributed current YTD P&L to all members (attached)
- Bank balances improving
- Budget planning in progress

HISTORIAN – Rich Frauenzimmer - Speaking on the pictorial history of the Post.

- Photos of Yacht Club opening day
- Not yet posted

SERGEANT AT ARMS - BOB GRUNDMEYER

- No report - excused

CHAPLAIN – Ken Wilson - Speaking on the spiritual welfare of Post members.

- Will send out flowers if he receives notice of those in need
- One non-veteran requested help
- Directed to other source

OFFICERS' REPORTS - continued

SERVICE OFFICER – Chase Wickersham - Speaking on the Post 291 veteran's assistance programs.

- Meeting with Ray Flores
- Asking for AL Baseball program support

JUDGE ADVOCATE – Burt McChesney - Speaking on the Post's Constitution, Bylaws, and Rules and Regulations.

- No report

MEMBERS AT LARGE –

- No report




UNFINISHED BUSINESS

- None

NEW BUSINESS

- Bob Wine – Piling replacement
 - Two bids submitted. The bid from Swift Slips does not include all engineering and permits at \$7,775. The bid from South Mooring includes all engineering and permits is \$8,174. Bob recommends accepting the South Mooring bid.
 - Urgency – Further damage and safety issues
 - Motion made to accept South Mooring bid
 - M/S/C to accept the South Mooring bid for \$8,174
- Jim Updike – Engagement of SheppardMullin
 - I move for the adoption of the following resolution:
WHEREAS, the Post 291 Constitution and Bylaws are currently under review with expected recommended amendments that will require compliance with Federal and State laws as well as conforming with National American Legion Rules, Regulations, and Policies, and:
WHEREAS, it is also anticipated that other issues will arise in which Post 291 may require professional legal assistance related to operation of a nonprofit mutual benefit corporation; and
WHEREAS, a suitable and acceptable engagement letter for professional legal services related to corporate matters has been presented by the highly regarded and respected law firm of Sheppard, Mullin, Richter & Hampton LLP.
NOW, THEREFORE, be it
RESOLVED, that on this date of Thursday 3 October 2019, the Executive Board of Newport Harbor Post 291 of The American Legion approves payment of \$15,000.00 to the law firm of Sheppard, Mullin, Richter & Hampton LLP for a retainer for future professional legal services for Post 291.
- Discussion per PowerPoint

Sheppard, Mullin, Richter & Hampton LLP

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NEW BUSINESS – SheppardMullin continued

Sheppard, Mullin, Richter & Hampton LLP

- **Highly respected and regarded law firm.**
- **Would provide professional legal assistance related to operation of nonprofit mutual benefit corporation.**
- **Would represent only Post 291 — and would not be representing any parent, subsidiary, or other affiliated entity nor any shareholder, partner, member, director, officer, employee, agent, or insurer of Post 291.**
- **Engagement Letter received for professional legal services.**
- **Fee Deposit for initial Retainer is \$15,000.00.**

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- M/S/C to engage the services of Sheppard, Mullen, Richter and Hampton for advice on Federal tax issues and corporate matters with a retainer payment of \$15,000.

GOOD OF THE LEGION

- Recommendation that 2nd Vice be present at all entertainment events to advise band on noise level
 - No action
- Discussion about age limits on dance floor
 - No action
- Discussion about members leaving car on lot and leaving facility
 - Rule in place
 - Can take parking card – can also turn off card in office

ADJOURNED: approximately 2040 hours.