

RESOLUTION NO. 5325

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, APPROVING THE BYLAWS OF THE CHANDLER MUSEUM FOUNDATION.

WHEREAS, the City of Chandler opened its new Chandler Museum on December 8, 2018;

WHEREAS, the City desires to promote the long-term success of the Museum by cooperating with individuals and organizations in the community that wish to support the mission and purpose of the Chandler Museum;

WHEREAS, the Chandler Museum Foundation is a 501(c)(3) non-profit organization that was formed by the City for the purpose of raising money for the Museum, promoting Museum programming and activities, and raising awareness among members of the community;

WHEREAS, the bylaws of the Chandler Museum Foundation provide for a board of directors to govern the Foundation but give the City Council the sole authority to name directors to the Foundation's Board of Directors and to amend the bylaws;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chandler, Arizona, as follows:

Section 1. Approves the bylaws of the Chandler Museum Foundation, a copy of which is attached as Exhibit A to this resolution.

PASSED AND ADOPTED by the Mayor and City Council of the City of Chandler, Arizona, this 7th day of November, 2019.

ATTEST:


CITY CLERK


MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 5325 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the 7th day of November 2019, and that a quorum was present thereat.


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY



BYLAWS
OF
CHANDLER MUSEUM FOUNDATION

ARTICLE I

NAME AND PURPOSE

- 1.1 **Name.** The name of the corporation is Chandler Museum Foundation.
- 1.2 **Purpose.** The character of the business that the corporation intends to conduct in the State of Arizona and the purposes for which the corporation is organized are to receive grants, gifts, contributions, bequests, and other public support in the form of money and other property and to expend and use such funds and property to promote and carry on the following educational and charitable purposes which are authorized for the organizations qualified as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code of 1986 and the regulations promulgated thereunder as they now exist or as they may be amended:
 - (1) To establish an endowment fund for the benefit of the Chandler Museum;
 - (2) To focus public attention on the Museum;
 - (3) To supplement the administrative and operational costs of the Chandler Museum;
 - (4) To promote use of Museum facilities, collections, and services;
 - (5) To support and cooperate with the Museum in developing Museum services for the benefit of the Museum;
 - (6) To seek funding and earn revenue for the benefit of the Museum; and
 - (7) To perform tasks and raise funds which further the above purposes.

ARTICLE 2

CITY OF CHANDLER

- 2.1 **Rights of the City.** The Chandler City Council is vested with the sole authority to appoint the directors of the corporation, amend the articles of incorporation and these bylaws, approve the annual operating and capital budgets of the corporation, and approve any debt obligation not included in the approved annual operating and capital budget of the corporation. The Chandler City Council may exercise this authority at any regular or special council meeting.

ARTICLE 3

BOARD OF DIRECTORS

- 3.1 **Number, Qualifications, Tenure.**
- (a) **Number.** Except as otherwise provided in these bylaws, the direction and management of the affairs of the corporation and the control and disposition of its assets are vested in a board of directors (the "Board of Directors") which consists of 11 persons appointed by the Chandler City Council.
 - (b) **Qualifications.** It is expected that there will be broad-based community representation on the Board of Directors, and that such representation will include members with familiarity in charitable fundraising, cultural and historical preservation, visual arts and/or that meet the core competencies needed to advance the mission of the Museum. A person must be a resident of Chandler to be eligible to serve as a director. The Board of Directors will include up to four directors who are also on the board of directors of the Chandler Historical Society. All persons who desire to be on the Board of Directors must submit an

application to the City of Chandler for consideration. The Chandler City Council will make all final decisions regarding naming directors to the Board.

- (c) **Tenure.** Each director will serve for his or her term of office and until his or her successor has been duly appointed and qualified. The terms of office for directors is three years except that when the board is first created, four directors will serve an initial term of three years, four directors will serve an initial term of two years, and three directors will serve an initial term of one year. Thereafter their successors will serve a full term.
- (d) **Resignation.** Any director may resign at any time by giving written notice thereof to the Mayor of the City of Chandler, Arizona. Unless otherwise specified in the notice, the resignation will take effect upon receipt thereof, and acceptance of the resignation is not necessary to make it effective.
- (e) **Removal.** Any director appointed by the Chandler City Council may be removed at any time by a majority vote of the City Council with or without cause; provided that removal without cause may not prejudice the contract rights, if any, of such director.

3.2 **Election.** Members of the Board of Directors may be appointed at regular or special meetings of the Chandler City Council, upon the expiration of a director's term or vacancy in any seat.

3.3 **Annual Meeting.** The annual meeting of the Board of Directors will be held at such time and place as the Board of Directors will from time to time determine, for the transaction of such business as may lawfully come before the meeting.

- 3.4 **Regular Meetings.** Regular meetings of the Board of Directors will be held on such dates and at such times and places as the Board of Directors shall from time to time determine, for the transaction of such business as may lawfully come before each meeting. Regular meetings of the Board of Directors must be held at least six times per year. Each director will use his or her best efforts to attend during each calendar year at least 75% of the total number of regular meetings held during each year.
- 3.5 **Special Meetings.** Special meetings of the Board of Directors may be held whenever called by the president or upon request of any four directors. It is the duty of the president to give sufficient public notice of the date, time, and place of each such special meeting.
- 3.6 **Quorum for Meetings.** The presence of a majority of the number of directors fixed by these bylaws as constituting the Board of Directors is a quorum for the transaction of business at all meetings convened according to these bylaws.
- 3.7 **Voting.** The affirmative vote of a majority of the directors present at a meeting at which a quorum is present is an official act of the Board of Directors, except as may be otherwise specifically provided by law or these bylaws.
- 3.8 **Authority.** The officers and directors of the Chandler Museum Foundation will limit all acts to those areas authorized by guidelines provided by the Chandler City Council. The City Council may update the guidelines, in the form of written operating policies, as deemed necessary in the sole discretion of the City Council.

ARTICLE 4

NOTICES

- 4.1 **Form of Notice.** Whenever under the provisions of these bylaws, notice is required to be given to any officer, director, or special committee member, and no provision

is made as to how such notice is to be given, such notice is considered given if in writing, by e-mail, sent to such officer, director, or special committee member at such e-mail address as is listed on the books of the corporation. Notice may alternatively be given in writing by mail at the street address listed on the books of the corporation. Any notice permitted to be given by mail is deemed to be given at the time when the same is thus deposited, postage prepaid, in the United States mail.

- 4.2 **Open Meetings.** All meetings of the corporation are open to the public. Notice of all meetings must be published according to the requirements of Title 38, Chapter 3, Article 3.1 of the Arizona Revised Statutes.

ARTICLE 5

GENERAL OFFICERS

5.1 **Election and Term.**

- (a) The officers of this corporation consist of a chair and vice chair of the Board of Directors, a president, and a treasurer.
- (b) The chair, vice chair, and treasurer may only be chosen from the members of the Board of Directors. The president will be a City of Chandler employee designated by the City Manager or City Manager's designee.
- (c) Officers will serve for a term of two years. Any officer may resign at any time by giving written notice thereof to the Board of Directors, with the exception of the president, who may resign by giving written notice thereof to the City Manager. Unless otherwise specified in the notice, the resignation will take effect upon receipt thereof.

- (d) Any officer appointed by the Board of Directors may be removed at any time by a majority vote of the Board of Directors with or without cause.

5.2 **Duties.** The principal duties of the several officers are as follows:

- (a) **Chair.** The chair is the principal officer of the Board of Directors and presides at all meetings of the Board of Directors. The chair may perform such other duties as may be assigned to him or her by the Board of Directors, so long as such duties are consistent with these bylaws and City Council policies and directives.
- (b) **Vice Chair.** The vice chair will discharge the duties of the chair in the event of the chair's absence, and will perform such additional duties as may be prescribed from time to time by the Board of Directors.
- (c) **President.** The president will have general charge and supervision of the administration of the activities and affairs of the corporation, seeing that all orders and resolutions of the Board of Directors are carried into effect. The president signs and executes all legal documents and instruments in the name of the corporation when authorized so to do by the Board of Directors. The president prepares an annual budget showing expected receipts and expenditures for consideration by the Board of Directors, and performs such other duties prescribed from time to time by the Board of Directors. The president will be the custodian of all funds and securities of the corporation and will insure the deposit of the same in such banks or depositories as the Board of Directors designates. The president will keep proper books of account and other books showing at all times the amount of the funds and other property belonging to the corporation, all of which books will be open at all times to the inspection of the Board of Directors. All contractual and budgetary duties of the

president are subject to review by the City Manager, or his or her designated representative(s), in addition to the Board of Directors. The president also has the power to appoint and remove subordinate employees within the personnel guidelines established by the City of Chandler. All such personnel are employees of the City of Chandler, and the president is responsible to the Chandler City Manager in this area. The president will submit to the Board of Directors plans and suggestions for the activities of the corporation, will direct its general correspondence and will present recommendations in each case to the Board of Directors for decision. The president will also submit a report of the activities and affairs of the corporation at each annual meeting of the Board of Directors and at other times when called upon so to do by the Board of Directors. The president serves ex officio and has no vote at board meetings. It is the duty of the president of the corporation to give public notice of the date, time, and place of all meetings of the corporation as required by Title 38, Chapter 3, Article 3.1 of the Arizona Revised Statutes. The president will have charge of the records and correspondence of the corporation and will be custodian of the seal of the corporation, if any. The president or their designee will take and keep true minutes of all meetings of the Board of Directors. The president will discharge such other duties as are prescribed from time to time by the Board of Directors.

- (d) **Treasurer.** The treasurer reviews reports of the accounts and financial condition of the corporation and advises on financial recommendations at meetings of the Board of Directors. The treasurer will serve on any special committees related to the foundation's finances.

ARTICLE 6

CONTRIBUTIONS AND GIFTS

6.1 **Contributions.** The Board of Directors will be encouraged to acquire gifts, endowments, and bequests for the benefit of the Chandler Museum Foundation. The directors both individually and collectively will be responsible for the accurate reporting of contributions as stated:

- (a) **Endowment.** Contributions given with the intent of supporting and expanding the endowment fund of the Chandler Museum Foundation will be duly recorded. Such funds will not be utilized for offsetting operational expenses, although the interest earned from said funds may be utilized for these purposes.
- (b) **Equipment.** Contributed funds provided with the intent of purchasing capital items will be utilized only for the donors' stated purposes.
- (c) **Programming.** Contributions provided for support of programs and projects by the Chandler Museum Foundation will be utilized only for the donors' stated purposes.
- (d) The Board of Directors and officers of the Chandler Museum Foundation may not solicit funds for other organizations in the name of the Chandler Museum or the Chandler Museum Foundation. The Chandler Museum Foundation will not provide grants to organizations or individuals, except in relation to programs and exhibitions to be sponsored at the Chandler Museum.

ARTICLE 7

SPECIAL COMMITTEES

- 7.1 **Special Committees.** The Board of Directors may designate one or more special committees as are necessary and which are not in conflict with other provisions of these bylaws, and the duties of any such special committees will be prescribed by the Board of Directors, who may, but need not be, limited to directors of the corporation. A special committee must limit its activities to the accomplishment of the tasks for which it is designated and will have no power to act except as specifically conferred by action of the Board of Directors. Upon the completion of the task for which it was designated, such special committee will dissolve. All special committee activities are open meetings subject to the requirements of Title 38, Chapter 3, Article 3.1 of the Arizona Revised Statutes and must have a City staff liaison attending if there will be three or more board members present at the special committee meeting.

ARTICLE 8

GENERAL PROVISIONS

- 8.1 **Fiscal Year.** The fiscal year of the corporation ends on the 30th day of June in each calendar year.
- 8.2 **Audit.** The financial records of the corporation must be audited not less than every two years by an independent Certified Public Accountant who will be appointed in accordance with City of Chandler policy. In the years where a formal audit is not performed, a Certified Public Accountant will conduct a review of the financial records of the corporation.
- 8.3 **Check-signing authority.** All checks must be signed by both the president and treasurer.

- 8.4 **Financial Policies.** The corporation will follow all financial policies adopted by the City of Chandler, including but not limited to the City's investment and capitalization policies.

ARTICLE 9

DISSOLUTION AND TERMINATION

9.1. **Dissolution.**

- (a) The Corporation shall be dissolved and its assets shall be liquidated:
- (1) upon the affirmative vote or written consent of the Board of Directors in accordance with applicable laws; or
 - (2) upon the sale of all or substantially all of the assets of the Corporation in accordance with applicable law and approval of the Board of Directors; provided, however, that the Corporation shall not terminate until its affairs have been wound up and its assets distributed as provided herein.

- 9.2 **Appointment of Liquidating Trustee.** Upon the dissolution of the Corporation, if the Corporation's business is not continued pursuant to Section 9.1 of this ARTICLE, the Board of Directors (or their legal representatives, successors, or assigns) may, if they shall so desire, select a person or entity to wind up the affairs of the Corporation and distribute its assets (the "Liquidating Trustee"). Another person may be selected (in the same manner and for the same purpose) to succeed the person originally selected or any subsequently selected successor, whenever the person originally selected or any subsequently selected successor, as the case may be, fails for any reason to carry out such purpose. The person so selected and acting hereunder from time to time may be an individual, a corporation, or a general or limited partnership, shall be compensated for his or its services hereunder (as and to the extent

authorized by the Board of Directors), and shall proceed diligently to wind up the affairs of the Corporation and distribute its assets in the manner hereinafter provided.

9.3 **Distribution and Other Matters.** Promptly upon the dissolution of the Corporation, if the Corporation's business is not continued pursuant to Section 1 of this ARTICLE, the Board of Directors or the Liquidating Trustee, if one has been appointed, shall liquidate the assets of the Corporation and apply and distribute the proceeds of such liquidation as follows and in the following order of priority:

- (a) to the payment of the debts and liabilities of the Corporation (other than those to Board of Directors) in the order of priority provided in applicable law; provided that the Liquidating Trustee shall first pay, to the extent permitted by law, liabilities with respect to which the Board of Directors are or may be individually liable;
- (b) to the payment of the expenses of litigation of the Corporation in the order of priority provided by law, provided that the Board of Directors or the Liquidating Trustee, as the case may be, shall first pay, to the extent permitted by law, expenses with respect to which the Board of Directors are or may be individually liable;
- (c) to the setting up of such reserves as Board of Directors or the Liquidating Trustee, as the case may be, may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Corporation arising from or in connection with the Corporation's business; the Liquidating Trustee shall hold any such reserve for the purpose of disbursing such reserves in payment of any such liabilities or obligations and, at the expiration of such period as the Liquidating Trustee shall deem advisable; and

- (d) the balance shall be distributed thereafter remaining in accordance with applicable law, the Articles and these Bylaws.

9.4 Actions of the Board of Directors or Liquidating Trustee; Statements of Account.

- (a) During the period of liquidation (which will be such reasonable time as may be required for the orderly completion of liquidation and distribution as set forth above), the Board of Directors or the Liquidating Trustee, as trustee for the benefit of the Board of Directors to the extent permitted by law, shall take any and all actions necessary or appropriate to complete such liquidation and distribution as provided in this ARTICLE and shall have for such purpose all powers appropriate to accomplish the same.
- (b) If appointed, the Liquidating Trustee shall prepare a final statement of the accounts of the Corporation as of the date of termination, and, as promptly as possible thereafter, a copy thereof shall be furnished to the Board of Directors. Such statement shall set forth the actual or contemplated application and distribution of the assets of the Corporation. Upon completion of the distributions as required hereby, a further statement for the period of liquidation shall be prepared by the Liquidating Trustee and furnished to the Board of Directors.

9.5 Distribution for Exempt Purpose Only. Anything in these Bylaws to the contrary notwithstanding, upon the dissolution of the Corporation, whether such dissolution shall result from voluntary action of the Board of Directors, court order, or otherwise, the assets of the Corporation (after distribution in accordance with applicable law and these Articles) shall be disposed of exclusively for exempt purposes, within the meaning of Section 501(c)(3) of the Code. No part of the remaining assets of the Corporation shall inure to the benefit of or be

distributable to any private individual or entity, but the whole of such remaining assets shall be distributed in cash or in kind, in fee absolute, and without return consideration, direct or indirect, to such organizations as shall then qualify as exempt organizations under Section 501(c)(3) of the Code as the Board of Directors, the Liquidating Trustee or a court of competent jurisdiction may determine.

Adopted by the Board of Directors as of _____.

CHAIR

(Attest)

APPROVED AS TO FORM

PRESIDENT

CITY ATTORNEY TA