

**AMENDMENT ONE TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE SIGNAL HILL COMMUNITY FOUNDATION AND THE CITY OF SIGNAL HILL**

THIS FIRST AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING (“Amendment One”) is made effective as of this _____ day of March 2023, by and between the City of Signal Hill, a California municipal corporation (“City”) and the Signal Hill Community Foundation (“Foundation”), a nonprofit organization. City and Foundation may each be individually referred to herein as “Party” and collectively referred to as “Parties” herein.

RECITALS

WHEREAS, the Foundation is a nonprofit organization with the public purpose as stated in Article III of the Foundation’s Bylaws (“Bylaws”), to support the City in providing funding through grants, donations and corporate support for charitable, cultural, recreational and educational purposes to benefit the community within the present and future boundaries of the City; and

WHEREAS, on April 10, 2018, the City and Foundation entered into a Memorandum of Understanding (“MOU” or “Agreement”) whereby the City designated the Foundation as a partner in providing opportunities and programs that contribute to the quality of leisure activities in the community, including but not limited to summer concerts in City park facilities and other community activities as determined by the Parties; and

WHEREAS, in exchange of the foregoing, and pursuant to the Agreement, the Foundation granted the City the authority to monitor Foundation budgets, funds, fundraising, spending and all Foundation activities, to require quarterly reports and audits of same and to provide input and comments to Foundation’s Board of Directors on same, in order to ensure Foundation’s funds are used for the public purposes described in the Agreement and in the Foundation’s Bylaws; and

WHEREAS, pursuant to Section 6.1 of the Agreement, the Agreement shall terminate on April 10, 2023—five years from the date of the Agreement; and

WHEREAS, also pursuant to Section 6.1 of the Agreement, the term of the Agreement may be extended for two (2) additional periods of five (5) years, provided that Foundation give notice to the City thirty (30) days prior to the end of the term of the Agreement; and

WHEREAS, the Foundation notified the City of its desire to extend the term of the Agreement for a period of five (5) years on March 8, 2023; and

WHEREAS, pursuant to Section 7.8 of the Agreement, the Agreement may be amended at any time by the mutual consent of the Parties in writing; and

WHEREAS, in this Amendment One, the Parties desire to extend the term of the Agreement by five (5) years, and amend several provisions of the Agreement specified below.

TERMS

NOW THEREFORE, in consideration of the foregoing recitals, mutual understandings, and other good, valuable and sufficient consideration, the City and Foundation agree as follows:

1. Incorporation of Recitals. The City and Foundation acknowledge that the above recitals are true and correct, and incorporate those recitals by reference into this Amendment One.
2. Section 1.1.4 of the Agreement is amended to read in full as follows:
 - 1.1.4. The Board is made up of not less than five (5) and not more than eleven (11) directors, one (1) of whom is Signal Hill Parks and Recreation Commissioner, one (1) of whom is a Signal Hill Council member, and nine (9) of whom are owners or employees of businesses doing business with or benefiting the City of Signal Hill and/or its residents, or Signal Hill city residents at large, as required by Article VII, Section 2 of the Bylaws. The Foundation Board shall vote to appoint 1 representative each from City Council and Parks and Recreation Commission to sit on the Board.
3. Section 2.1.1 of the Agreement is amended to read in full as follows:
 - 2.1.1 Subject to approval from the City's Parks and Recreational Commission, the City shall waive facility use fees for FOUNDATION's use of City parks and buildings ("City Facilities") to conduct programs and activities open for the general community. Subject to approval from the City Council, the City shall waive staff fees associated with Foundation's use of the City Facilities.
4. Section 2.2 of the Agreement is amended to read in full as follows:
 - 2.2 Bricks/Tributes. City shall allow FOUNDATION to raise funds through sales of memorial bricks located at Hilltop Park, the Signal Hill Dog Park, and other areas as agreed upon by both Parties. FOUNDATION fundraising bricks shall be located in an area approved by the City Council. FOUNDATION shall use funds raised through sale of bricks for Signal Hill Public Library capital improvements and program support, and for other cultural, recreational, and educational purposes to benefit the community within the present and future boundaries of the City of Signal Hill, unless upon mutual agreement between FOUNDATION and City Council, additional uses are authorized, or unless Internal Revenue Service regulations provide otherwise.
5. Section 2.9.2 of the Agreement is amended to read in full as follows:
 - 2.9.2 City shall be obligated to provide City staff assistance and City equipment to an extent that is reasonable in City's sole discretion. City represents that a reasonable amount of City staff assistance is approximately ten (10) staff person-hours per month, but may be more or fewer hours under the particular circumstances.

6. Section 2.11 of the Agreement is amended to read in full as follows:

2.11 Assistance with Mailers and Fliers. City shall assist FOUNDATION with coordination of FOUNDATION fundraising mailers, flyers, and program creation as requested by FOUNDATION, and to an extent that is reasonable in City's sole discretion. All costs for printing and mailing such materials are to be paid by FOUNDATION. City represents that a reasonable amount of City staff assistance is approximately ten (10) staff person-hours per month, but may be more or fewer hours under the particular circumstances. City shall permit City's Mayor the City Council liaison to co-sign all FOUNDATION fundraising mailers, letters, and flyers.

7. Section 3.2.3 of the Agreement is amended to read in full as follows:

3.2.3 One fund category shall be for funds raised through the sale of bricks at designated City Facilities pursuant to Section 2.2 of this Agreement. All funds raised from such brick sales shall be placed in that fund category to be used for Signal Hill Public Library capital improvements and program support, and for other cultural, recreational, and educational purposes to benefit the community within the present and future boundaries of the City of Signal Hill, unless upon mutual agreement between FOUNDATION and City Council, additional uses are authorized, or unless Internal Revenue Service regulations provide otherwise. FOUNDATION shall maintain subsidiary detailed ledger records of revenues and expenditures resulting from brick sales at Hilltop Park, and shall provide a copy of those records annually to City.

8. Section 3.2.5 of the Agreement is amended to read in full as follows:

3.2.5 FOUNDATION shall ensure that that City receives at a minimum quarterly statements for the Foundation Account and that the filing of any taxes is completed in a timely manner and compliant with all applicable IRS regulations and deadlines.

9. Section 3.2.7 of the Agreement is amended to read in full as follows:

3.2.7 Not later than sixty (60) days prior to the close of each FOUNDATION calendar year (January-December), FOUNDATION shall prepare an annual FOUNDATION budget with anticipated expenditures and income for the upcoming calendar year and present the budget at a regular meeting of the Signal Hill Parks and Recreation Commission. The proposed budget shall contain all programs FOUNDATION expects to implement, the expected costs of all such programs, the schedule for carrying out such programs, all other expected costs, and all other spending FOUNDATION expects to occur in the fiscal year. FOUNDATION's presentation shall demonstrate how the budget meets the public purposes of FOUNDATION and the restrictions placed on FOUNDATION activities and expenditures under this MOU and the Bylaws. There shall be no requirement that the Parks and Recreation Commission or any other City person or entity approve the budget. City may submit written comments to FOUNDATION regarding the budget, and FOUNDATION shall in good faith consider City's

comments and may revise the budget accordingly prior to the beginning of the fiscal year.

10. Section 3.2.9 of the Agreement is amended to read in full as follows:

3.2.9 FOUNDATION shall permit City to address the Board at any time City wishes regarding any concerns or issues with FOUNDATION's budget, including submitting requests to the FOUNDATION for funding of programs, services, or offerings that meet the mission of the FOUNDATION.

11. Section 3.2.10 of the Agreement is amended to read in full as follows:

3.2.10 FOUNDATION shall obtain annual audits of FOUNDATION's funds, income, and expenditures, prepared by a local Certified Public Accountant. Not later than ninety (90) days after the close of each FOUNDATION calendar year, the completed audit shall be submitted to the City's Finance Department for review. The audit shall investigate and determine whether FOUNDATION's income and expenditures are consistent with the FOUNDATION budget and the restrictions placed on FOUNDATION activities and expenditures under this MOU and the Bylaws. There shall be no requirement that any City person or entity approve the audit. City may submit written comments to FOUNDATION regarding the audit, and FOUNDATION shall in good faith consider City's comments and may alter its practices accordingly.

12. Section 6.1 of the Agreement is amended to read in full as follows:

6.1 **Term.** Unless earlier terminated in accordance with Section 6.2 below, this Agreement shall continue in full force and effect for a period of ten (10) years from the date hereof. This Agreement may be extended for one (1) additional period of five (5) years by giving notice to City thirty (30) days prior to the end of the term or extension of term of FOUNDATION'S desire to extend.

13. No Further Amendments. Except as expressly stated herein, all other terms of the Agreement remain unchanged by this Amendment One.

IN WITNESS WHEREOF, the City and Foundation have executed this Amendment One as of the day and first year above written.

CITY OF SIGNAL HILL
a California municipal corporation

SIGNAL HILL COMMUNITY FOUNDATION
a nonprofit organization

By: _____
Carlo Tomaino
City Manager

By: _____

Attest:

Kimberly Boles
Senior Deputy City Clerk

Approved as to Form:

Matthew E. Richardson
City Attorney