

MRV LOT – MOU draft 7/25/19

Agreement to Create a Tri-Town Local Option Tax Memorandum of Understanding

An Agreement by and between: Town of Fayston, Town of Waitsfield and Town of Warren, Vermont.

WHEREAS, the Towns of Fayston, Waitsfield and Warren, hereafter references as MRV Towns, Vermont share a common interest in investing for the future of the Mad River Valley; and

WHEREAS, the MRV Towns share an area wide watershed, roadway network, commercial center and recreation industry; and

WHEREAS, the MRV Towns have allotted funds to participate in an area wide planning program since 1979; and

WHEREAS, there has been determined via numerous studies that there are many needs of the community that are going unmet and that there are challenges facing the Mad River Valley community and its residents, they are:

- Climate change impacts
- Our aging population
 - The Valley's average age is higher than VT and VT is the 2nd oldest population in the country.
- Shortage of affordable workforce housing
- Insufficient affordable, quality, childcare
- Limited employment opportunities, yet not enough service-industry employees
- Local businesses struggling with seasonal visitation swings
- A shrinking school population
- Inadequate public transportation

The common missing element to all of these challenges as well as others is resources both fiscal and human.

WHEREAS, the MRV Towns joined together in a Memorandum of Understanding (hereinafter MOU) with other parties in 1983 to monitor major development in the Mad River Valley; and

WHEREAS, 24 VSA Chapter 121, Section 4901 and 4902 provides that municipalities may form an interlocal agreement for cooperation in providing services and facilities in a manner and under a form of organization that best accords with the needs of the municipalities;

NOW, THEREFORE, it is agreed to create a tri-town municipal fund, which will be funded by a MRV Towns Local Option Tax (hereinafter LOT) collected by each town, which MRV Towns agree to implement simultaneously on retail sales, room sales, meal sales, and alcohol sales per 24 VSA Chapter 138 to benefit The Mad River Valley. Each town upon receiving their payment of LOT tax will deposit said funds into a unique bank account controlled by this document.

ARTICLE I PURPOSE

The purpose of the MRV Towns Local Option Tax (hereinafter MRV LOT) is to provide a sustainable source of funds to invest in the future of the Mad River Valley. The investment program shall be directed toward the physical, social, economic, fiscal, environmental, cultural and aesthetic wellbeing of the member towns and their inhabitants.

ARTICLE II DURATION

The MRV LOT shall be ongoing unless terminated in accordance with Article IX within.

ARTICLE III ORGANIZATION

The organization of the MRV LOT shall be as follows:

MRVLOT Commission: Each member Town shall be represented on the MRV LOT Commission by two commissioners. In addition, the Mad River Valley Planning District (hereinafter MRVPD) shall nominate the chair of the MRV LOT Commission, who must be resident from one of the MRV Towns and full-time resident of said town.

A. Appointment: The Selectboard of each member Town shall appoint two residents, each being a registered voter of the town, from their respective Towns to the MRV LOT Commission. The Chair shall be nominated by the sitting municipal members of the MRVPD Steering Committee and be ratified by the appointed commissioners. The nominee for the Chair must be a registered voter of one of the member towns. Town representatives shall serve at the pleasure of their respective Selectboards. The Chair shall serve at the pleasure of the MRVPD Steering Committee, its assigns or successors, and may be removed, for cause, by a majority of the Commission present and voting, with at least one commission member of each town voting in the affirmative.

B. Term of Office: Each town will have a commissioner with a two-year term and another with a three-year term. Initial terms of office shall commence immediately upon appointment. Subsequent terms shall begin on April 1. Commissioners may serve for two successive terms. The Chair term is three years and may serve three successive terms.

C. Powers and Duties: In order to accomplish the purposes of the MRV LOT, as set forth in Article I of these Articles, the powers and duties of the MRV LOT Commission shall include taking receipt of the full amount of monies collected by each Town from the LOT, distributing the funds collected in the manner dictated by the Bylaws of the MRV LOT Commission (attached as Appendix A) to the following organizations and ensuring the funds are spent in accordance with requests for said funds as presented to the MRV LOT Commission by the following entities and organizations:

1. Mad River Valley Housing Coalition (MRVHC)
2. Mad River Valley Transportation Advisory Council (MRVTAC)
3. Mad River Valley Recreation District (MRVRD)
4. Mad River Valley Chamber of Commerce
5. MRV LOT Reserve Fund (defined with process in MRV LOT Bylaws)

The MRV LOT Commission shall adhere to the following guidelines in conjunction with the MRV LOT Bylaws:

- a) Member Towns may request funds by submitting grant requests that indicate the request provides a benefit to the broader MRV Towns community.
- b) Other entities may submit requests for funds to the MRV LOT Commission subject to the provisions of the MRV LOT Bylaws
- c) MRV LOT Commission shall adopt an annual action plan and budget
- d) MRV LOT Commission shall monitor all awards of funds.
- e) MRV LOT Commission shall conduct data collection and make recommendations
- f) MRV LOT Commission shall undertake any other activities necessary or desirable to carry out its mandate.

D. Officers: The MRV LOT Commission shall have a Chair, nominated by the MRV PD Steering Committee per Article III, A, who shall only vote in the instances of a tie vote. There shall also be a Secretary and a Treasurer, each elected by the MRV LOT Commission members, and any other officers the MRV LOT Commission considers necessary for the conduct of its business. The Chair shall call and preside over meetings of the MRV LOT Commission. The Secretary shall record the minutes of the meetings and shall be responsible for correspondence. The Treasurer shall keep the financial records and accounts of the MRV LOT.

E. Meetings of the MRV LOT Commission: The frequency and method of calling regular and special meetings of the MRV LOT Commission, procedures for the transaction of business and other necessary matters shall be in accordance with the Bylaws adopted by the MRV LOT Commission and Vermont Open Meeting Law.

F. Quorum and Voting: A quorum shall be necessary for the transaction of any business and shall consist of a majority of the MRV LOT Commission, including representation from all member Towns. The vote of a majority of a quorum of the

Commission shall be sufficient to take binding action, with at least one commission member of each town voting in the affirmative.

G. Annual Report: The MRV LOT Commission shall prepare an Annual Report for publication in the Town Report of each member town. The Annual Report shall account for the MRV LOT funds from the preceding calendar year.

H. Administration: Administrative support to the MRV LOT shall be provided by administration staff to manage the grant process, distribute grant funding as determined by the Commission, and audit accounts annually, in accordance with generally accepted accounting procedures.

ARTICLE IV POWERS AND DUTIES OF THE MRV LOT

The MRV LOT, acting through the MRV LOT Commission, shall possess powers and duties consistent with provisions of 24 VSA Chapter 121, Section 4901 and 4902, except the following paragraphs of 4902--subsections 4, 5, and 6.

ARTICLE V FINANCING

The MRV LOT Commission shall prepare an annual action plan and shall establish a budget to determine the allocation of funds on an annual basis. The MRV LOT shall not have the authority to require an assessment from its member Towns; rather, the budget shall be financed through the collection of the total LOT funds raised by member towns.

ARTICLE VI AMENDMENTS

These Articles may be amended, in whole or in part, in the following manner:

A. An amendment to these Articles may be proposed only by a 2/3-majority vote of the MRV LOT Commission with an affirmative vote to do so with at least one vote from each town.

B. A proposed amendment shall be adopted or rejected by the voters of each member Town by Australian ballot at a regular or special Town meeting, duly warned for the purpose of considering the proposed amendment. At least one public hearing shall be held in each member Town not less than five, nor more than 15 days prior to said Town meetings.

C. If approved by a majority of voters in each Town, the amendment shall become effective immediately upon the end of the appeal period.

ARTICLE VII ADDITION OF MEMBER MUNICIPALITIES

The MRV LOT Commission may authorize the inclusion of additional municipalities by amending these Articles as provided in Article VI. Any authorized municipality may act

to enter the MOU according to the approval procedures of 24 VSA, Chapter 121, Section 4901.

ARTICLE VIII WITHDRAWAL

Any member town may withdraw from the agreed interlocal agreement after seven years have elapsed since the Commission has become a body politic and corporate, from end of appeal period after ratification by Selectboard, in the following manner:

(a)(1) A member may vote to withdraw from this agreement in the same manner as it has voted to adopt the agreement, in accord with Section 4901 of Title 24.

(2) The membership of a withdrawing member shall terminate as of one year following a valid vote to withdraw or as soon after such one-year period as the financial obligations of the withdrawing member have been paid to the Commission, whichever is later in time.

(b)(1) The financial obligations of a withdrawing member shall include all Local Option Tax receipts collected and due up the date of withdrawal.

(2) The obligations shall also include an obligation to pay the withdrawing member's share, based upon its equal share for the year in which it withdraws, of the defense costs and judgment rendered in any legal action brought against the Commission arising or accruing in any year during which it was a member of the Commission.

(3) The withdrawing member shall also pay its share, based upon its equal share for the year in which it withdraws, of all unbudgeted costs and expenses of the Commission arising out of the activities of the Commission during the withdrawing member's term of membership, regardless of when such costs and expenses may be discovered.

(4) The withdrawing member shall pay all of these additional costs either in a lump sum or in installments at such times and in such amounts as required by the Commission.

(c)(1) After a member has voted to withdraw, the Commission shall give notice to the remaining members of the vote to withdraw and shall hold a meeting to implement the dissolution as set forth in Article IX.

(2) After such notice by the Commission and all obligations have been satisfied, this agreement shall terminate.

ARTICLE IX DISSOLUTION

If the Commission is to be dissolved the following process shall be followed:

(a)(1) Upon the affirmative vote for withdrawal by a member town subject to provisions of Article VIII the Commissioners may prepare a plan of dissolution for submission to the Selectboards of the member towns.

(2) If the selectboards of the member towns agree to the plan for dissolution, the Commission shall cease to conduct any future affairs except insofar as may be necessary to complete the plan of dissolution and conclude its affairs.

(3) The Commissioners shall cause a notice of the plan of dissolution to be mailed to each known creditor of the Commission and to the Secretary of State. The plan of dissolution shall, at a minimum include:

((1) identify and value all assets of the Commission;

(2) identify all liabilities of the Commission, including contract obligation;

(3) determine how the assets of the Commission shall be liquidated and how the liabilities and obligations of the Commission shall be paid, to include assessments against municipalities of the Commission; and

(4) specify that any assets remaining after payment of all liabilities shall be apportioned and distributed among the municipalities according to the same basic formula used in apportioning the costs of the Commission to the municipalities.

(c) When the plan of dissolution has been fully implemented, the Commissioners shall certify that fact to the members whereupon this memorandum of understanding and the Commission shall be terminated.

ARTICLE X RATIFICATION

These Articles shall take effect April 4, 2020 if voters in each member Town have ratified this Agreement by Australian vote.

Agreed to this day _____

By _____
Town of Fayston

By _____
Town of Waitsfield

By _____
Town of Warren

By _____
Mad River Valley Planning District