

MEMORANDUM OF UNDERSTANDING

Between the Towns of Castleton, Vermont, and Hubbardton, Vermont
In regards to the future of the Castleton Village School building and property

May 2022

PURPOSE

The purpose of this MOU is to detail how the neighboring Vermont towns of Castleton and Hubbardton will jointly be responsible for, benefit from, and make decisions about the building and property of the soon-to-be-former Castleton Village School.

FINANCIAL STAKES AND RESPONSIBILITIES

On March 1, 2022, in separate Town Meeting Day ballots, the citizens of Castleton and the citizens of Hubbardton voted to buy Castleton Village School from Slate Valley Unified Union School District (SVUUSD) for one dollar.

Since the creation of the Castleton-Hubbardton Union School District in 1991 and before C-HUSD transferred its assets to SVUUSD, the two towns mutually agreed that ownership rights and financial responsibilities were to be shared 89%-11% between the towns, that is, the town of Castleton owned 89% of the assets and liabilities of the former district, and the town of Hubbardton owned 11% of the assets and liabilities of the former district.

With the formation of SVUUSD in 2017, both towns transferred the two schools they jointly owned, Castleton Elementary School and Castleton Village School, to SVUUSD. It is anticipated that, in light of the Town Meeting Day decisions to buy back the CVS building and property, ownership of CVS will be transferred to Castleton and Hubbardton on July 1, 2022.

From that point forward, the former agreement that assets and liabilities related to property and programs jointly owned by Castleton and Hubbardton are divided 89%-11% shall apply to all financial matters related to ownership of CVS. Specifically, using the 89%-11% ratio, the two towns will share the cost of operating and maintaining the CVS building and property. This includes costs associated with acquiring CVS, such as the cost of an assessment of deferred maintenance, appraisal charges, legal fees, etc.

Similarly, should the towns decide to sell or lease the property, all profits would be shared between the towns, utilizing the same 89%-11% ratio.

DECISION MAKING

With the exception of sale and leasing decisions, the process of which is detailed below, all decisions on the use of the CVS building and property shall be made by a duly appointed oversight committee. The committee shall consist of two individuals appointed by the Select Board of Castleton and two individuals appointed by the Select Board of Hubbardton. Oversight committee members may but need not be select board members.

The oversight committee shall operate in a manner consistent with Vermont's Open Meeting Law and with Robert's Rules of Order for small boards. The committee shall elect a chair each year, and the chair should alternate between the two town's representatives unless, by unanimous consent, the committee chooses otherwise.

SALE OR LEASING OF CVS BUILDING OR PROPERTY

Deciding to sell or lease. Should the oversight committee decide by majority vote to either sell or lease the CVS building and property, that decision shall be made in the form of a

recommendation to the select boards of Castleton and Hubbardton. Then, each town's select board shall consider the recommendation and shall decide whether to endorse it.

The select boards of both towns must agree whether to sell or lease the CVS building and property. Should they disagree, the CVS building and property will neither be sold nor leased at that time.

Deciding to accept a purchase or lease offer. Should a purchase or lease offer be submitted, the combined select boards of Castleton and Hubbardton shall meet in joint session to consider the offer(s). In separately warned meetings of the select boards and without access to executive session, the combined boards shall vote on whether to accept an offer. A deadlocked or tie vote shall mean the CVS building and property will neither be sold nor leased at that time.

SELLING OUT/BUYING OUT OF THE PARTNERSHIP

Either town may at any point inform the other town of its desire to either buy out the other town's share of the partnership or sell its share to the other town. In such an instance, the purchase or sale price is assumed to be based on the 89%-11% shared rights and responsibility principle; however, nothing in this MOU would prohibit the towns from negotiating different terms.

AMENDING THE MOU

Either town, through its appointed representatives, may propose alterations of this agreement at any time. Both select boards would have to agree to the proposed modifications.