

AT A WORK SESSION OF THE BOARD OF SUPERVISORS OF ROCKBRIDGE COUNTY VIRGINIA, HELD IN THE COUNTY ADMINISTRATION BUILDING, 150 SOUTH MAIN STREET LEXINGTON, VIRGINIA, ON MONDAY, FEBURAY 24, 2014, AT 4:30 P.M.

PRESENT: CHAIRMAN J.M.HIGGINS (Arrived at 4:47 p.m.)
MEMBERS: R.S.FORD, A.W.LEWIS, JR
ABSENT: R.R.CAMPBELL, D.W.HINTY, JR.
CLERK TO BOARD: SPENCER H. SUTER
COUNTY ATTORNEY: VICKIE L. HUFFMAN
STAFF: STEVEN BOLSTER, SAM CRICKENBERGER, BRANDY WHITTEN

Call to Order

Chairman Higgins authorized the County Administrator to call the meeting to order during his brief absence.

Budget Update/Discussion

County Administrator Spencer Suter provided a general overview of the budget update which highlighted the following:

- All operational budget requests, with exception of schools, have been submitted
- All CIP budget requests have been submitted
- Anticipated revenue calculated for FY15 is \$38,640,845
- A draft recommendation on the fund balance policy is expected to be received from the County's Financial Advisors by February 28th. This information will help guide potential usage of fund balance
- Current year tracking shows the County has done a much better job on staying within budget and not appropriating additional funds this year.

Finance Director Steven Bolster explained that there is a gap between anticipated revenue and requested expenditures of around \$2,592,621. He noted that this figure is prior to any additional school funding. He then explained some of the changes which the Board could expect to see in the upcoming budget review process, which include a new budget format, separation of vehicle costs (fuel/maintenance) into individual departmental budgets, and consolidation of FY15 CIP requests into departmental budgets as appropriate. He then noted that Mr. Suter had advocated for cost of living increases for personnel, resulting in estimates for 1% (\$23,510) or 2% (\$47,018) increases to the proposed budget. Mr. Suter noted that the Senate and House budgets both contained potential increases for constitutional officers.

Supervisor Ford asked Mr. Bolster if he had met with individual Board members to discuss the proposed budget.

Mr. Bolster confirmed that staff had met with each Board member individually to discuss budget challenges.

Mr. Suter explained that there have been a number of significant budget requests related to Fire and EMS, which include:

- Fire
 - Increase the annual allotment by \$10,000 for each department (\$100K)
 - Increase variable pay from \$138,904 to \$151,000 (\$12,096)
 - Increase purchase of foam budget line by \$2,500
 - Increase allotment to fire association by \$10K for training

- EMS
 - Seven percent increase to annual allocation for each squad (\$30,594)
 - Incorporate a variable pay amount of no less than \$30K

He noted that in addition, the Board had committed to funding audit services for County Fire and EMS agencies in FY15, at a cost of more than \$20,000.

In response to a comment by Supervisor Lewis, Mr. Suter clarified that the additional requests are included in the proposed budget.

Mr. Suter further explained that, based on discussions in November, the Fire and Rescue Commission is expected to request additional funding for volunteer staffing and retention initiatives. He noted that the current budget document contains \$100,000 as a placeholder, but advised that this is not a final number and that both the staffing and retention committee and the full commission will meet again on March 4th to finalize the number.

In addition, there is a large request related to EMS for contracted ambulance services to serve the areas around Glasgow and Fairfield. The estimated cost to provide this service is not less than \$450,000. Mr. Suter went on to explain that projected costs for the new 911 radio system were creeping higher. During budget discussions last spring, the initial annual costs for the County were estimated to be in the range of \$500,000, but calculated costs based on current proposals total nearly \$700,000 per year initially, and could go as high as \$830,000 when maintenance contracts begin several years from now. He advised that he hoped to receive a directive from the Board to engage Harris Communications in

further negotiations to reduce costs. Chairman Higgins indicated that there are too many unknowns at this time to make a decision. He directed Mr. Suter to further negotiate costs for the system with Harris.

Supervisors Lewis and Ford agreed. With consensus from Board members present, Mr. Suter agreed to go back to Harris for further negotiations.

Mr. Suter reviewed additional funding requests from County departments. He noted that there has been a request from the Finance Committee for a comprehensive listing of all County vehicles. He explained that the list will contain, at minimum, information on mileage of vehicles, usage, past repair costs, current year repair costs, and the condition of the vehicles.

Mr. Bolster wrapped up the discussion with an overview of potential options for bringing the budget into balance, which include:

- o Prioritize and reduce
- o Use unencumbered reserves to fund some one-time purchases
- o Purchase new computers out of current-year savings
- o Adjust tax rate

He then reviewed upcoming dates for budget meetings.

Supervisor Lewis commented on the CIP request from RARO regarding replacement of the tennis courts at the high school. He stated that he is all for the request and reminded those present that it is a multi-agency idea and he believes other funds, that are not County funds, can be applied to help reduce the proposed figure.

Supervisor Ford brought up the possibility of postponing reassessment for another year; he suggested that staff discuss this idea among themselves and also with other agencies.

??? Chairman Higgins asked Mr. Bolster to retrieve information on balloon payments for last year's refinancing.

Discussion on Revitalization Zones

Director of Community Development Sam Crickenberger advised of adjacent projects in the both Walkers Creek and Kerrs Creek Districts, the Green Hills and Valley View Apartments, stating that Dave Koogler is becoming more involved in the management of the two facilities and is working on an application through VHDA to renovate them. He stated that this is a highly competitive application that uses a point system and that VHDA will award an additional 30 points if the Board takes action to designate these areas as revitalization zones. He explained the definition of "revitalization zones" as: the area is blighted, deteriorated, deteriorating, or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements, or other facilities in such area are subject to one or more of the following conditions: dilapidation, obsolescence, overcrowding, inadequate ventilation, light or sanitation, excessive land coverage, deleterious land use, faulty otherwise inadequate design, quality or condition.

Mr. Crickenberger then explained that in addition to the designation of these zones, Mr. Koogler is asking the Board to adopt an ordinance that will allow for up to 15 years abatement of taxes generated by the proposed

improvements. He advised that any multi-family establishment in the County could qualify as well, not just Green Hills and Valley View. He also advised that adoption of any abatement ordinance will qualify Mr. Koogler's VHDA application for 10 more points. He noted that details of the ordinance could be addressed at a later date, after further study.

Mr. Suter noted that adoption of the resolution designating Green Hills and Valley View Apartments as Revitalization Zones will have no financial impact on the County, other than to help with the VHDA application.

Mr. Crickenberger confirmed Mr. Suter's comment, adding that a later adoption of the ordinance to abate taxes would however, have some financial impact on the County.

Chairman Higgins requested a list of all multi-family structures which may qualify for tax abatement. Along with the other supervisors present, he expressed support for Mr. Koogler's project and for the associated designation.

AT A REGULAR MEETING OF THE BOARD OF SUPERVISORS OF ROCKBRIDGE COUNTY
VIRGINIA, HELD IN THE COUNTY ADMINISTRATION BUILDING,
150 SOUTH MAIN STREET LEXINGTON, VIRGINIA,
ON MONDAY, FEBRUARY 24, 2014, AT 5:30 P.M.

PRESENT: CHAIRMAN J.M.HIGGINS
MEMBERS: R.S.FORD, A.W.LEWIS, JR
ABSENT: R.R.CAMPBELL, D.W.HINTY, JR
CLERK TO BOARD: SPENCER H. SUTER
COUNTY ATTORNEY: VICKIE L. HUFFMAN
FISCAL DIRECTOR: STEVEN BOLSTER
STAFF: SAM CRICKENBERGER, BRANDY WHITTEN

Call to Order

Chairman Higgins called the February 24th regular meeting to order at 5:30 p.m.

Recognitions/Presentations

Chairman Higgins called for recognitions and presentations.

County Administrator Spencer Suter recognized Community Development Director Sam Crickenberger, who recently received a "Golden Hammer Award" from Habitat for Humanity for his work related to Greenhouse Village.

Citizens Comments

Chairman Higgins called for citizen comments.

Mr. Bob Kindle of the Natural Bridge District thanked the Board for all that they do. He gave a special thanks to Supervisor Hinty, who had helped resolve a recent issue between Mr. Kindle and the Town of Glasgow. Mr. Kindle shared his concerns about Glasgow not following its Charter, by ignoring some citizens' concerns and showing favoritism to others. Mr. Kindle shared his wishes that an outside entity, such as the Board of

Supervisors, intervene and help with problems he is having with Glasgow. He suggested that, after his researching the Code and Charter for the Town of Glasgow, the town has violated the Code and Charter in multiple ways. He provided the Board with a handout listing violations.

Supervisor Lewis asked Mr. Kindle if he had addressed these issues with the Town of Glasgow's Attorney.

Mr. Kindle stated that Mr. Thomas Simons, Attorney for the Town of Glasgow, had responded to his concerns by stating that he (Simons) worked for the Town of Glasgow, not Kindle.

Chairman Higgins asked Mr. Kindle if he had addressed his issues with Glasgow Town Council.

Mr. Kindle stated that he had addressed issues on multiple occasions during Town Council Meetings. He noted that, at one point, he was banned from Town Hall for a week, called names, and threatened with arrest.

In conclusion, Mr. Kindle asked that the Board disregard number six (6) on his list of violations.

Items to be added to the Agenda

Chairman Higgins asked if there were any items to be added to the Agenda. There were none.

Approval of February 6, 2014 and February 10, 2014 Minutes

Supervisor Lewis moved to approve the February 6, 2014 and February 10, 2014 Minutes. With a second to the motion by Supervisor Ford, the Minutes were adopted by the following roll call vote:

AYES: Lewis, Ford, Higgins
NAYES: None
ABSENT: Campbell, Hinty

Convene Solid Waste Authority

The Solid Waste Authority had no business to discuss; therefore, it did not convene.

General Items

Consideration of Request to Advertise for Proposals for Courthouse

HVAC Maintenance

Finance Director Steven Bolster reviewed the Agenda Item which included the following information: "Rockbridge County wishes to procure the services of a qualified contractor to provide scheduled maintenance and repair services for the Heating, Ventilation, Air Conditioning (HVAC), and Building Controls serving Rockbridge County Courthouse located at 20 South Randolph Street, Lexington, VA. The initial maintenance contract runs for a five-year period, from March 1, 2009 through February 28, 2014. The Contractor shall provide all labor, tools, parts, materials, and all incidentals required and/or implied for the complete and satisfactory performance of preventive maintenance and repair services for the Courthouse and Parking Deck HVAC systems, to keep them in first-class

operating condition. Payment will be made quarterly in an amount equal to one-fourth of the yearly rates or as proposed/negotiated. Repair services beyond the preventive maintenance requirements shall be on an as-needed hourly rate basis and billed monthly. Staff believes this work falls under the definition of non-professional services; Virginia Code section § 2.2-4303.C, states, "Upon a determination made in advance by the public body and set forth in writing that competitive sealed bidding is either not practicable or not fiscally advantageous to the public, goods, services, or insurance may be procured by competitive negotiation. The writing shall document the basis for this determination."

He further noted, "Staff feels that, in order to ensure that we gain the best service for the County and to meet the intent of the scope of services, we will be better served by issuing a Request for Proposals, rather than a Request for Bids. This recommendation is based on the fact that the County would be best served by soliciting the most technically-qualified provider of services, rather than the lowest bidder. In addition, an experienced proposer may offer recommendations which may prove beneficial and cost-effective to the County. Should the Board agree with staff, appropriate procurement language will be added to the attached scope of services prior to issuance of an RFP."

Mr. Bolster advised that the current contactor has agreed to bill month-to-month after February 28th. He requested that the Board authorize issuance of a request for proposals for the services outlined in the scope of services, finding that an Invitation to Bid is neither practicable nor fiscally advantageous to the public for the reasons given.

Supervisor Ford moved to authorize the request as presented by Mr. Bolster, asserting that the County would be best served by soliciting the most technically-qualified provider of services, rather than the lowest bidder. Supervisor Lewis provided the second and the motion carried by the following roll call vote:

AYES: Ford, Lewis, Higgins
NAYES: None
ABSENT: Campbell, Hinty

Consideration of Request to Advertise for Proposals for Elevator Maintenance

Mr. Bolster explained that all justification for this request is similar to the previous request - only here for elevator maintenance - and asked for the same finding.

Supervisor Lewis moved to authorize issuance of a request for proposals for elevator maintenance, as the County would be best served by soliciting the most technically-qualified provider of services, rather than the lowest bidder. Supervisor Ford provided the second, and the motion carried by the following roll call vote:

AYES: Lewis, Ford, Higgins
NAYES: None
ABSENT: Campbell, Hinty

Consideration of Revitalization Zone Request

Director of Community Development Sam Crickenberger briefly reviewed the Agenda Item, which included the following information: "Dave Koogler is co-owner of Green Hills and Valley View Apartments, two multi-family

projects located off of Willow Springs Drive. Green Hills was built in 1980 and consists of 40 units. Valley View was built in 1985 and consists of 64 units. These apartments were built through a tax credit program administered by the Virginia Housing Development Authority (VHDA) and are rent subsidized in order to help with housing for low to moderate income residents. Mr. Koogler is submitting a competitive application to the VHDA in order to rehabilitate these apartments. He plans to add new roofs, install high efficiency heat pumps, replace windows with Energy Star windows, replace all cabinets with all wood (no wood chips/particle board), replace doors, replace floor coverings, paint, improve signage and landscaping, and repair or replace asphalt and re-stripe. To support his competitive application, Mr. Koogler is asking us to designate these properties as revitalization zones under the VHDA's program. This will give him 30 points on his application. Some of you may remember doing the same thing to expand the Hunt Ridge Apartments in 2011. That application was not successful. Revitalization zones are defined by VHDA as "blighted, deteriorated, deteriorating, or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements, or other facilities in such area are subject to one or more of the following conditions - dilapidation, obsolescence, overcrowding, inadequate ventilation, light or sanitation, excessive land coverage, deleterious land use, or faulty otherwise inadequate design, quality or condition." In addition to this designation, Mr. Koogler is asking us to adopt an ordinance per Section 58.1-3220 of the Code of Virginia, that will allow the abatement of taxes generated by these proposed improvements for up to a fifteen year period. Qualifying properties would have to be at least

fifteen years old. The qualifying age and time frame for abatement would need to be determined and established in the implementing ordinance. As an example, Henrico County requires the structure to be within 26 and 39 years old and will abate the tax increase for seven years. They also require a minimum 50% increase to the current assessed value. The current real estate taxes collected on these two properties is \$36,261.74. That would be the established base rate for the determined time period and will continue to be collected. At the end of the period, the new rate based on improvements will be established. This allows the owner to make capital improvements without being penalized by taxes while making those improvements. It also earns 10 more points on the application to VHDA, as it shows community support for the endeavors. This is very similar to the ordinance approved for Stillwater."

Mr. Crickenberger requested approval of the proposed resolution which designates the residential areas at the Manor at Rockbridge (formerly Green Hills), and the Village at Rockbridge (formerly Valley View), as revitalization areas.

Supervisor Lewis moved to adopt the resolution as presented.

Supervisor Ford provided the second, and the motion carried by the following roll call vote:

AYES:	Lewis, Ford, Higgins
NAYES:	None
ABSENT:	Campbell, Hinty

AT A REGULAR MEETING OF THE BOARD OF SUPERVISORS OF ROCKBRIDGE COUNTY,
VIRGINIA, HELD AT THE ROCKBRIDGE COUNTY ADMINISTRATIVE OFFICES ON MONDAY,
FEBRUARY 24, 2014

**RESOLUTION TO DESIGNATE THE RESIDENTIAL AREAS AT THE MANOR AT
ROCKBRIDGE (FORMERLY GREEN HILLS), IDENTIFIED AS TAX MAP #62-A-45E,
AND THE VILLAGE AT ROCKBRIDGE (FORMERLY VALLEY VIEW), IDENTIFIED
AS TAX MAP #62-A-45D, AS REVITALIZATION AREAS**

WHEREAS, a goal of the Comprehensive Plan of Rockbridge County is to promote a variety of safe, sanitary and affordable housing types for County residents of all income groups; and,

WHEREAS, associated strategies are to encourage a range of housing options for all income groups through incentives and regulations and to promote clustered and multi-family residential development in proximity to established and proposed infrastructure and near the major retail shopping areas and employment centers; and,

WHEREAS, The Manor at Rockbridge and The Village at Rockbridge are zoned to allow mixed use residential housing; and,

WHEREAS, the Board finds that multi-family dwellings at The Manor at Rockbridge and The Village at Rockbridge are aging and deteriorating, and are likely to continue to deteriorate in overall condition; and,

WHEREAS, the Board finds that private enterprise and investment are not reasonably expected, without assistance, to produce the construction and rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of resident in such area; and,

WHEREAS, the County wouldlike to encourage the rehabilitation of these aging and deteriorating residential multi-family housing developments to meet the needs of low and moderate income persons and families.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors for the County of Rockbridge, Virginia, does hereby designate the residential areas at The Manor at Rockbridge (formerly Green Hills), identified as Tax Map #62-A-45E, and The Village at Rockbridge (formerly

Valley View), identified as Tax Map #62-A-45D, as **Revitalization Areas** in accordance with Virginia Code §36-55.30:2.

This resolution shall be effective upon the date of its adoption.

Adopted this 24th day of February, 2014.

Recorded Vote:

AYES: Lewis, Ford, Higgins

NAYES:

ABSENT: Campbell, Hinty

Appointments

Building Code Board of Appeals

Supervisor Lewis moved to reappoint Mr. Thomas Hart to the Building Code Board of Appeals. Supervisor Ford provided the second, and the motion carried by the following roll call vote:

AYES: Lewis, Ford, Higgins

NAYES: None

ABSENT: Campbell, Hinty

Total Action for Progress- TAP Board

Supervisor Lewis moved to appoint Ms. Vicky Agnor, Rental Assistance Administrator, to the Roanoke regional TAP Board as the representative for Rockbridge County. Supervisor Ford provided the second, and the motion carried by the following roll call vote:

AYES: Lewis, Ford, Higgins

NAYES: None

ABSENT: Campbell, Hinty

Recess

There was a fourteen (14) minute break until the 6:00 p.m. Joint Work Session with Lexington City Council regarding a funding request from the Virginia Horse Center [VHC].

AT A JOINT WORK SESSION OF THE BOARD OF SUPERVISORS OF ROCKBRIDGE COUNTY VIRGINIA, AND LEXINGTON CITY COUNCIL, HELD IN THE COUNTY ADMINISTRATION BUILDING, 150 SOUTH MAIN STREET LEXINGTON, VIRGINIA, ON MONDAY, FEBRUARY 24, 2014, AT 6:00 P.M.

PRESENT: CHAIRMAN J.M.HIGGINS
MEMBERS: R.S.FORD, A.W.LEWIS, JR, D.W.HINTY, JR
ABSENT: R.R.CAMPBELL
CLERK TO BOARD: SPENCER H. SUTER
COUNTY ATTORNEY: VICKIE L. HUFFMAN
FISCAL DIRECTOR: STEVEN BOLSTER
STAFF: BRANDY WHITTEN

ALSO PRESENT: MAYOR OF LEXINGTON, MIMI ELROD
LEXINGTON CITY COUNCIL MEMBER, MARYLIN ALEXANDER
LEXINGTON CITY COUNCIL MEMBER, FRANK FRIEDMAN
LEXINGTON CITY COUNCIL MEMBER, MARY HARVEY-HALSETH
LEXINGTON CITY COUNCIL MEMBER, CAMILLE MILLER
LEXINGTON CITY COUNCIL MEMBER, GEORGE PRYDE
LEXINGTON CITY COUNCIL MEMBER, CHARLES SMITH
LEXINGTON CITY MANAGER, T. JON ELLESTAD
LEXINGTON CITY ATTORNEY, LAURENCE MANN

VHC EXECUTIVE DIRECTOR, KATHERINE TRUITT
VHC DIRECTOR OF FINANCE, VINCE RUGGERI

Virginia Horse Center Discussion

Chairman Higgins convened the work session, and Mayor Elrod opened the City of Lexington's continued Council meeting. Representing the VHC were Katherine Truitt, executive director, and Vince Ruggeri, finance manager. The Chair noted that the copy of the VHC business plan provided to participants shortly beforehand was dated December 13, 2013; he asked Mr. Ruggeri whether anything had changed since then. Mr. Ruggeri replied that a few words had been changed, but no numbers. The Chair then asked which of VHC's unpaid bills were eldest; Mr. Ruggeri mentioned the company

that provides shavings, the golf cart rental company, and the Rockbridge Farmers Co-op.

Supervisor Hinty asked about availability of VHC board minutes; Ms. Truitt replied that these were "absolutely not available to the public."

Councilwoman Harvey asked and was assured that the VHC is a qualifying 501(c)3 nonprofit organization.

In response to a question from the Chair, Ms. Truitt stated that the VHC board had met six times in the past year and that the center's financial problems were discussed at every meeting. She noted that VHC has to pull money from operations to pay a portion of the USDA loan, while competing horse centers in Kentucky and North Carolina continue under state subsidy.

Supervisor Hinty asked about the possibility of VHC's acquiring a corporate sponsor; Ms. Truitt described the sponsorship arrangements in place at Kentucky's horse center.

The Chair asked about an apparent \$550 thousand shortfall in the 2014 budget numbers provided by VHC. Mr. Ruggeri explained that this shortfall could be avoided by instituting a series of changes in operations .

With respect to cost overruns in recent budgets that were pointed out by Councilwoman Miller, Ms. Truitt stated that the previous finance manager had not let her into the accounting system. "But you were in charge," countered the Chair.

Councilwoman Miller stated that she needed to see a marketing plan that featured details instead of anecdotal observations. She went on to inquire as to the method for selecting members of the VHC board. Ms. Truitt answered that she tried to recruit bankers, lawyers, and others with backgrounds in finance.

Supervisor Ford referred to the 2006 Memorandum of Understanding [MOU] between VHC and the Commonwealth of Virginia. Item IV-9 of the MOU requires a three-quarters majority of the VHC Foundation Board, including the Secretary of Agriculture, to approve issuance of additional debt

greater than \$250 thousand. When, he asked, had the VHCF board first voted to raise the debt limit? Ms. Truitt, after several attempts at a direct response, admitted that she was unable to provide that information.

In response to further questions from the Chair, she stated that the additional debt had been held by BB&T until 2012, after which it was transferred to the Bank of the New River Valley, and that it currently amounts to \$832 thousand.

Councilwoman Miller asked about the source of collateral for the additional debt. This debt, in two separate notes, has been guaranteed by a private donor who also carries life insurance as security for it, replied Ms. Truitt.

Both Mr. Hinty and Ms. Miller inquired about the nature of the "public private partnership" that existed at the time of VHC's founding - especially as this relates to current VHC requests for public funding. Ms. Truitt pointed out that the 2006 MOU effectively terminated that partnership.

The Chair asked about the escrow account required under Item IV-3 of the MOU as security for the USDA loan. Mr. Ruggeri acknowledged that this account had been depleted along with other VHC cash sources, but added that USDA has agreed to a replenishing arrangement wherein VHC must deposit \$5 thousand per month back into escrow. He did not mention how much has been restored to date.

In response to a question from Councilwoman Miller about plans to address deferred maintenance, Ms. Truitt described a series of voluntary donations from private individuals that have been earmarked for specific upgrades. She characterized the VHCF Board as a "fundraising" rather than an "oversight" group, but admitted that the private donations mentioned above had not come as the result of Board efforts. Of the \$250-300 thousand annually raised by VHC, she estimated that the Board was responsible for about half.

Mr. Ruggeri noted that he has included only about \$60 thousand from fundraising in his 2014 revenue estimates. The Chair observed that VHC is an organization "that should be living on donations."

Councilman Friedman stated that he has always viewed the VHC as a useful development tool to support hotels, restaurants, and retail. He expressed disappointment at the statement that the VHC Board is a figurehead organization rather than an active participant. This configuration, viewed in the context of recent management, leaves him with little confidence in the sustainability of the VHC. How, he asked, can he support an entity that lacks the vision or ability to sustain itself? He concluded that he wants VHC to thrive but can't see how this can happen without effective leadership and management.

Councilman Pryde asked about accounts payable and how long some of the bills have gone unpaid. Mr. Ruggeri replied that in some cases the accounts have been unpaid for over 60 months, but that he has been working with the creditors and paying down the balances due.

Councilwoman Alexander characterized the additional support being asked of local government as a "band-aid" that can't lead to future success unless VHC undertakes a complete revamping of its board functions and leadership. She said it's nice to have so many free community activities at VHC, but we need to see more events that will enhance revenue.

Councilwoman Harvey-Halseth asked about the "Bingo" events listed on the VHC handout. Ms. Truitt replied that Bingo had initially generated profits but had been discontinued after a loss last year.

Supervisor Hinty asked about the source of funding for the construction of the "Hoofbeats" facility. Ms. Truitt explained that VHC had received a grant for that project; the grant also helped fund other structures on "Mead Hill." She added that Hoofbeats receives some support from VHC beyond what is covered in its \$1200 monthly rent.

Councilman Pryde agreed with others than cost-cutting could only go so far to repair cash flow shortages; he asked what new revenue streams

have been explored. Ms. Truitt listed several possible types of events she has been seeking to promote at VHC. In response to Mr. Pryde's questions about the profitability of rodeo programs, musical productions , and other possible new revenue sources, she listed the difficulties of marketing other types of events at a facility specifically designed for equestrian use. Mr. Pryde observed that without a broader appeal, the VHC seemed destined to "a continual hand-to-mouth existence." Both Ms. Truitt and Mr. Ruggeri described the complexity of adding equestrian events to a schedule that involves an organized "circuit" traveled by competitors. They also emphasized the care they must exercise so as not to price themselves too high and thereby fail to attract show entrants. Even though the VHC's rings can accommodate multiple shows simultaneously, Mr. Ruggeri cautioned that smaller shows present special revenue challenges.

Councilwoman Miller observed that VHC now seems to be "behind the curve in event scheduling," while their frequent assigning of blame on the recent recession for revenue losses may miss the point.

The Chair and Mr. Hinty both observed that, in the last few years, lodging revenues are rising locally. "If everybody in hospitality is making money, why aren't you?" asked Chairman Higgins. He admitted that he has become increasingly frustrated with VHC's failure to provide requested documents in a timely manner. He added, "Accountability is lacking, your board members aren't raising enough money, and you continue to struggle with management issues. We need to meet with your board to see what they want to do."

To prepare for the next meeting with local officials, Ms. Truitt began compiling a list of requested actions and information:

- by Ms. Harvey-Halseth, numbers of horses entered per show, to be compared against the recent Weldon Cooper numbers; detailed listing of the most profitable shows;
- by Mr. Ford, annual board fundraising totals; records of board votes on raising debt limits;

- by Ms. Alexander, notification to the VHCF Board of this group's need to see their minutes; justifications for gaps between budgeted and actual revenues;
- by Mr. Hinty, detailed budget information to include line items [as requested two weeks previous] and travel expenses;
- by Ms. Miller, a five-year plan on revenue enhancement, including relevant capital needs;
- by Mr. Higgins, an explanation from the VHCF Board of their fundraising;

As discussion continued, Councilwoman Miller expressed skepticism at Ms. Truitt's continuing to place blame for financial shortcomings on others no longer involved in VHC management. For his part, Mr. Ruggeri, who has been on VHC staff for only five months, explained that it's difficult to plan five years ahead when "we're in trauma mode." Ms. Truitt said she expects to be able to deliver the responses requested above within the next two weeks.

After Chairman Higgins had suggested that all reconvene on March 24 at 6 p.m., County Attorney Huffman noted that there are already four public hearings advertised for that time. all parties agreed to work together to find a suitable time to reconvene.

On motion of Supervisor Hinty, the Board adjourned at 7:42 p.m.