

Narrows Town Council Meeting

January 12, 2026

Mayor Tom Spangler called the meeting to order. Council Members present were John Hale, Jonathan Creger, John Mills, and Alicia Lane. Sara Bowles was absent.

Staff members present were John Davis, Cindy Laws, Terry Nicholson, Benji Ratcliffe, and Debbie Thomas.

Attorney Mike Bedsaul was present.

Mayor Tom Spangler gave the invocation.

Council and audience recited the Pledge of Allegiance.

Approval of December 8th Meeting Minutes

Councilman Hale noted a correction on page seven regarding a reference to the IRS threshold for filing taxes of \$600, stating it should be attributed to Councilman Mills rather than himself.

Councilman Hale made a motion to approve the December 8th meeting minutes as amended. Councilman Creger seconded the motion.

Ayes: Hale, Creger, Mills, and Lane

Nays: None

Motion Carried 4-0

Audit Report

Diana Epperly from Robertson Farmer Cox presented the annual audit report for the fiscal year ending June 30, 2025. Key highlights included:

- The town received an unmodified opinion, meaning the financial statements are materially correct
- General fund unassigned fund balance was \$215,070 at year-end, which decreased from the prior year

- The firm recommends a minimum of 20% of budget expenditures in the unassigned fund balance for smaller towns; for Narrows this would be approximately \$300,000
- Total debt for all funds was \$1.7 million, or \$818 debt per capita
- Federal funding showed a spike in 2022 related to ARPA funding
- General property taxes have been trending upward over the last 10 years
- Other local tax revenues (meals tax, sales tax) declined in 2025
- Personal property tax assessments increased starting in 2020 due to rising used car values
- Real estate tax assessments have remained relatively flat over the last 15 years
- The town implemented GASB Statement Number 101 relating to compensated absences this year
- Two material weaknesses were noted: segregation of duties and adjustments required for financial statements

Terry Nicholson stated that the decline in other local tax revenues (meals taxes) was partially due to the Iron Skillet being closed for a year following the flood.

Diana Epperly noted the audit went very well and staff were great to work with. She emphasized the main concern was the low unassigned fund balance and noted the flood had a significant impact on finances. She stated the town has good credit and can obtain funding if needed.

Council discussed the financial position, with Terry Nicholson explaining they had been working to increase the unassigned fund balance before the flood caused a couple hundred thousand dollar hit. He noted they are working toward the \$300,000 recommendation as part of budget planning.

Consent Agenda

Library Report

Councilman Hale thanked Cindy Laws for being present every month at council meetings and for her work in the community. He specifically mentioned her sponsoring Santa on December 19th and providing a meeting place for veterans.

Councilman Creger asked Cindy Laws how many veterans usually attended meeting held at the library.

Cindy Laws reported that usually around four Korean War veterans attend the meetings.

Parks & Recreation Report

Councilman Mills stated the town has the best recreation program in the county.

Councilman Creger noted total revenue of almost \$5,000 for the month was impressive given the low fees charged.

Councilman Mills agreed, stating if they break close to even they have done well because recreational activities for children are important.

Terry Nicholson informed council that Roger Shepherd was attending the fourth and fifth grade basketball tournament and could not be present at the council meeting.

Police Report

Councilman Mills commented that law enforcement handed out a lot of tickets over the holidays. When officers give the kind of grace they do, he does not see how reasonable people can complain about citations when they are 20 miles over the speed limit.

Police Chief Ratcliffe praised the police crew for doing an outstanding job and noted they are not afraid to ask questions and call at any time when they need to.

Financial Report

Councilman Mills asked if changing the tax payment dates had caused cash flow issues.

Terry Nicholson confirmed it had contributed to the need for a revenue anticipation note due to operating with a low unassigned fund balance. He explained that because of the flood's impact, including loss of the Iron Skillet's meals tax revenue and Riverview Campground's water revenue, they had to pursue the revenue anticipation note. Council discussed the possibility of reverting to December payment or implementing two payment dates (June and December) like the county. Terry Nicholson noted this could provide a one-time influx to boost the unassigned fund balance.

Councilman Hale expressed concern about changing the date again, noting they made the original change to help citizens and should proceed with caution. He felt they had not given the current plan a fair chance to work, especially given unforeseen circumstances like FEMA reimbursement delays.

Terry Nicholson explained next year should be a building year with revenues increasing due to new real estate tax assessments. He stated his goal is to make FY2027 the year to rebuild the unassigned fund balance to a more secure level. He noted they may need to use the revenue anticipation note again next year.

Councilman Creger noted the change to the tax due date was a benefit for the citizens and no one could have seen the circumstances that have had a negative impact. He does not believe the change in the tax due date has been given a fair chance to have a positive impact.

Councilman Mills noted the unusual flood circumstances and the need to give the current plan more time. He stated if the reassessment comes through as anticipated, they may need to discuss lowering tax rates.

Town Manager's Report

No comments.

Public Works Director's Report

Councilman Mills praised the public works department for their dedication, noting they work in difficult conditions including freezing cold at night. He thanked John Davis and asked him to relay appreciation to his crew.

Councilman Hale reminded John Davis about the swimming platform at the park, noting maintenance issues do not improve with time and deferring maintenance can be costly. He thanked Terry Nicholson for the invitation to the staff Christmas luncheon that was held at The Iron Skillet and was sorry he could not attend.

Terry Nicholson acknowledged they are monitoring the platform but holding off on repairs due to current monetary constraints.

Councilman Mills made a motion to approve the consent agenda. Councilman Hale seconded the motion.

Ayes: Hale, Creger, Mills, and Lane

Nays: None

Motion Carried 4-0

Communications, Concerns, and Requests from the Public

Giles Health and Wellness Center Transportation Request

Helen Wallace, Executive Director of Giles Health and Family Center (GHFC), presented information about a demonstration grant application to the Department of Rail and Transportation for public transit in Giles County. Key points included:

- GHFC has been operating for over 20 years providing childcare, adult daycare, and transportation services
- They currently operate a fleet of 20 vehicles
- Current transportation is funded through 5310 grants (for elderly and disabled), TANF grants (for eligible families to employment/education), and support for individuals in OEA recovery programs
- They plan to apply for a demonstration grant by February 1st that would bring public transit to Giles County
- The grant would be 80% state funded with 20% matching funds required (\$200,000 total request)
- The demonstration program would run July 1st through October 28th and operate as an on-demand service similar to Uber
- Service would be Monday through Friday, approximately 7:00 a.m. to 5:00-6:00 p.m.
- In-county trips would be free (eliminating the current \$5 charge for those financially able to pay)
- The goal is to serve those who do not qualify for current programs and provide general public transportation
- A 2022 feasibility study showed 75% of county residents would use public transit
- They need letters of support from municipalities

Council discussed funding allocation and equity concerns.

Councilman Hale suggested a per capita allocation would be more equitable.

Helen Wallace explained Narrows was one of four major localities being asked to contribute and the \$40,000 figure was divided among them.

Councilman Mills noted Pearisburg receives additional sales tax revenue from people using the service to shop there, so he felt comfortable with supporting the program.

Councilman Hale stated he was for this program but thought there should be a charge for the transportation, even if it was .25¢. He asked if this program is successful, how will it continue after this introductory period.

Helen Wallace said they will have to show the program is viable and will have to find funding to continue with the program after the demonstration grant has been spent.

Councilman Lane stated with this program residents will be going to Pearisburg to do the majority of their shopping, so there would not be a lot of money spent in Narrows.

Discussion included:

- Metrics being tracked (unemployment rate, number of trips, hours of operation matched to business hours)
- How to measure demand for out-of-county trips through surveys and feedback
- Sustainability after the demonstration period
- Current operations using private fleet vehicles versus 5310 grant-funded vehicles

Councilman Mills made a motion to provide \$4,800 towards funding the GHWC (Giles Health and Wellness Center) public transit demonstration program along with a letter of support. Councilman Hale seconded the motion.

Councilman Creger abstained from the discussion and vote due to his company, Shining Light Electric, having a contract for services with GHWC (Giles Health and Wellness Center).

Ayes: Hale, Mills, and Lane

Nays: None

Abstentions: Creger

Motion Carried 3-0

Communications from the Mayor, Council, and Staff

PSA Report

Councilman Mills and Terry Nicholson attended the PSA meeting. Councilman Mills asked Police Chief Ratcliffe to provide a log showing patrol activity at the PSA lot for the next meeting to demonstrate the town's monitoring efforts.

Police Chief Ratcliffe said he would make sure this was done.

New Business

None.

Unfinished Business

Thompson Litton Project Agreement - Wastewater Treatment Plant Flood Damage

Terry Nicholson presented an agreement with Thompson Litton for engineering services to replace the primary clarifier damaged in the flood. This will be reimbursable by FEMA at 92% (with the town responsible for 8%). The town may need to use the bridge loan obtained for FEMA repairs, of which \$200,000 of the \$500,000 approved has been used.

Mike Bedsaul recommended two minor changes:

1. Specifically include in the scope of services that Thompson Litton will prepare the EJCDC (Engineers Joint Contract Documents Committee) contract documents with the contractor
2. Correct a typographical error referencing SPA (Supplemental Project Agreement) number five when it should be number six

Councilman Mills made a motion to accept the Thompson and Litton project agreement with Mike Bedsaul's recommended changes and authorize Terry Nicholson to sign the agreement. Councilman Creger seconded the motion.

Ayes: Hale, Creger, Mills, and Lane

Nays: None

Motion Carried 4-0

Matters for Consideration by Council

Previously discussed.

Executive Session

Councilman Creger made a motion to amend the executive session to include discussion concerning the bank building under Section 2.2-3711.A3. Councilman Mills seconded the motion.

Ayes: Hale, Creger, Mills, and Lane

Nays: None

Motion Carried 4-0

Councilman Mills made a motion to enter executive session for the purpose of discussing real property under Section 2.2-3711.A3 of the Code of Virginia (to discuss appraisals and the bank building) and personnel matters under Section 2.2-3711.A1 (discussion of employee benefits). Councilman Hale seconded the motion.

Ayes: Hale, Creger, Mills, and Lane
Nays: None
Motion Carried 4-0

Councilman Mills made a motion to return to open session. Councilman Creger seconded the motion.

Ayes: Hale, Creger, Mills, and Lane
Nays: None
Motion Carried 4-0

Certification

WHEREAS, the Town of Narrows has convened an executive meeting on this date pursuant to an affirmative-recorded vote and in accordance with the provision of the Virginia Freedom of Information Act: and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification of the Town Council that such executive meeting was conducted in conformity with Virginia Law:

NOW, THEREFORE, BE IT RESOLVED THAT THE Town of Narrows hereby certifies that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia Law were discussed in the executive meeting to which this certification resolution applies: and (2) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Town Council.

ATTEST: _____

Councilman Creger made a motion to certify that what was discussed in executive session was what was proposed on the agenda. Councilman Mills seconded the motion.

Ayes: Hale, Creger, Mills, and Lane
Nays: None
Motion Carried 4-0

Councilman Mills made a motion to adjourn. Councilman Creger seconded the motion.

Ayes: Hale, Creger, Mills, and Lane
Nays: None
Motion Carried 4-0

Clerk, Debbie Thomas

Mayor, Tom Spangler