Narrows Town Council Meeting
June 10, 2026

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

Staff members present included Melissa Cohen, Terry Nicholson, Debbie Thomas, and incoming Town Manager Joe Butler.

Attorney Mike Bedsaul was present.

Councilman Creger gave the invocation.

Council and audience recited the Pledge of Allegiance.

Welcome and Introductions

Mayor Spangler welcomed everyone in attendance and encouraged residents to continue attending future council meetings and participating in the decision-making process.

Mayor Spangler announced that Town Manager Terry Nicholson will be retiring in September, and that his replacement, Joe Butler, has been hired. Mr. Butler was introduced to the audience. Council welcomed Mr. Butler and expressed that they look forward to working with him.

Approval of Minutes

Councilman Hale made a motion to approve the May 11th meeting minutes. Councilman Mills seconded the motion.
Ayes: Hale, Bowles, Mills, and Lane
Nays: None
Abstained: Creger
Motion Carried 4-0

Councilman Hale made a motion to approve the minutes from the May 20th, June 2nd, and June 3rd meeting minutes. Councilman Mills seconded the motion.
Ayes: Hale, Bowles, Creger, Mills, and Lane
Nays: None
Motion Carried 5-0

Consent Agenda

Library Report
Council reviewed the library report. No discussion was held.

Parks & Recreation Report
Council reviewed the parks and recreation report. No discussion was held.

Farmers Market Report
Terry Nicholson provided an update regarding the Cabo Fish Taco food truck. He explained that the truck had been involved in a fire approximately one month prior, which is why it did not appear the previous month or the prior evening. The truck is expected to return in July and resume its regular schedule on the second Tuesday of each month.

Police Report
Council reviewed the police report. Council again expressed appreciation for the police department, describing it as an exemplary force that exercises common sense and good judgment in its enforcement of traffic laws.

Financial Report
Council reviewed the financial report. No additional discussion was held.

Town Manager's Report
Councilman Creger commended the Public Works Department for their help to the PSA while repairing a significant water line leak near the railroad tracks, noting that water loss rates had decreased to approximately 20% as a result of the repair work by Public Works.

Terry Nicholson provided additional context regarding the leak and the town's water loss figures. He explained that the leak in question was on the PSA side of the system and was not water the town was being billed for; however, it did affect the town's ability to pump water to the north tank during repairs. To maintain water service without interruption, staff temporarily connected the town's two water tanks so that either tank could supply the high school side of town. Terry Nicholson noted that during this period, water was being pumped through the town's system to serve the western part of the county, which affected metering. The town received a billing adjustment for that month, but he cautioned that the town's reported water loss may appear higher than normal next month because of this temporary arrangement.

Public Works Report
Councilmember Bowles thanked the Public Works staff for planting and watering the town's flowers. She additionally recognized Girl Scout Troop 742 and Angie Frazier for assisting with the flower planting and acknowledged Councilman Hale for offering the use of his land for that purpose.

Councilman Mills made a motion to approve the consent agenda. Councilman Creger seconded the motion.
Ayes: Hale, Bowles, Creger, Mills, and Lane
Nays: None
Motion Carried 5-0

Precision K9 Lease Renewal

Terry Nicholson stated that Jacob Taylor, the owner of Precision K9, has stated he would like to renew his lease at the outfitter building. They can re-evaluate the lease if needed. The monthly rent will be increased from $500 to $525, to which the tenant agreed.

Council recommended that the lease continue to be evaluated annually.

Councilman Creger inquired about the status of the tenant's business.

Jacob Taylor reported that the business is doing well, with a strong focus on community outreach, including teaching classes at Narrows Elementary/Middle School, and that the location provides good visibility and engagement with residents passing by, free of charge.

Councilman Hale expressed appreciation for the tenant's professionalism and his contribution to the community and encouraged him to refer other businesses interested in locating in town.

Councilman Mills made a motion to renew the lease for Precision K9. Councilman Creger seconded the motion.
Ayes: Hale, Bowles, Creger, Mills, and Lane
Nays: None
Motion Carried 5-0

Patience Sheets -- Fellowship of Christian Athletes "All Abilities" Program

Patience Sheets addressed council regarding a new program she will be leading for the Fellowship of Christian Athletes (FCA), called "All Abilities," serving the New River and Roanoke Valley region. The program will provide kids of middle school through college age who have intellectual, physical, or developmental disabilities with opportunities to participate in FCA "huddles" -- gatherings that combine sports/recreational activities with sharing of the gospel -- adapted to participants' needs, including the use of adaptive equipment. The program will also include a parent/caregiver component, offering a separate space and Bible study while their children participate.
Ms. Sheets explained that she is currently "prospective staff" and is working to become fully funded (currently approximately 70% funded) before the program can begin operating at full

capacity. She noted that funding raised is designated solely for the All Abilities ministry and would not support any other FCA programs in the area. She indicated that program frequency would likely begin with a county-wide huddle approximately once per month, with the possibility of more localized, town-specific huddles as the program grows. She also described a matching-gift opportunity, in which a supporter has committed $5,000 once Ms. Sheets reaches $1,000 per month in recurring donations (currently at approximately 25% of that goal). Council members expressed strong personal support for the mission of the program and its focus on an underserved population.

Council indicated, given the town's current spending freeze and ongoing budget difficulties, it could not commit financial support at this time. Council suggested that the town's facilities, such as ball fields or indoor athletic spaces, might be made available for program use, and Ms. Sheets indicated that would be a welcome alternative to direct funding. Council members encouraged residents and local organizations to consider supporting the program individually and noted that further financial discussion could be revisited in a future fiscal year.

Eldon Justice -- Signage Request

Eldon Justice addressed council regarding his interest in installing signage near U.S. Route 460 to direct the approximately 14,000 vehicles per day that pass the town toward local businesses.

Marc Hollar, a small business owner in the Town of Narrows, described this as an opportunity for economic development that could benefit multiple small businesses in town.

Staff and council explained that the town's sign ordinance does not permit billboards, including off-premises signage, anywhere within town limits, including on private property, and that this issue had been discussed with Mr. Justice previously. Council noted that on-premises signage on Marc Hollar’s own property remains an option, subject to the size and design limitations set out in the ordinance, and that any signage along Route 460 itself would fall under the jurisdiction of the Virginia Department of Transportation rather than the town. Council thanked Mr. Justice for raising the issue and reiterated that, while it could not approve an off-premises billboard, it would support exploring other signage options available to him.

Sympathy Card

Mayor Spangler read a sympathy card received on behalf of Richard Purdue. His wife Carolyn recently passed away.

Budget Presentation -- Terry Nicholson

Prior to opening the scheduled public hearings, Terry Nicholson provided an overview of the town's financial situation for the benefit of those attending in person and online.

Terry Nicholson explained that the town's finances are managed through two funds: the general fund and the utility (water and sewer) fund. He noted that many of the town's water lines, sewer lines, and wastewater treatment plant are more than 50 years old, and that several major sewer line failures over the past four years -- including 300 feet on Main Street, 300 feet on Northview Street, and 150 feet on George Street -- have cost approximately $600,000 to repair, with the town borrowing to fund roughly half of that cost.

He further reported that the 2024 storm (Helene) caused an estimated $1.08 million in damage to publicly owned property, not including private property. The town has performed nearly all of this work using its own staff and equipment, at a cost of over $250,000, which has significantly depleted the town's cash reserves, requiring the town to borrow money to meet expenses.

Terry Nicholson stated that the wastewater treatment plant's rotating biological contactors (RBCs) are aging and in need of replacement, at an estimated cost of approximately $300,000 per unit for three units. Replacement has already been delayed for three years due to funding constraints. He noted that the plant sits within the 100-year flood plain and has flooded four times in the past 20 years, and that the town continues to explore a regional wastewater treatment partnership with Pearisburg, which would require grant funding given the cost involved.

Regarding water lines, Terry Nicholson reported that a required lead service line inventory found no lead lines in the system, but identified a significant number of galvanized lines, which the Virginia Office of Drinking Water has recommended be replaced. The town is two years into a 10-year galvanized line replacement plan, performed largely with town crews (thus at reduced cost), which has helped reduce the town's water loss from approximately 50% to approximately 20%.

On sewer infrastructure, Terry Nicholson explained that the town had been conducting an inflow and infiltration (I&I) study to identify leaks in the sewer system, but has opted to pause this work for a year rather than spend an estimated $1.5 million to complete it, accepting the risk of not knowing where failing lines are located and instead repairing breaks as they occur.

Terry Nicholson emphasized that the proposed water and sewer rate increases are intended to replenish depleted cash reserves over a two-year period, rather than to fund new projects.

On the general fund side, Terry Nicholson noted that Helene also caused significant damage to Camp Success, the Lurich Road ball fields and concession stand, which the town paid to repair out of the general fund while awaiting FEMA reimbursement, which remains largely outstanding nearly two years after the storm. The town also lost revenue when the Riverview Campground and the Iron Skillet restaurant were forced to close for extended periods following the flooding, and ARPA funding that had been supplementing the general fund was also being closed out during this period.

Terry Nicholson explained that last year's budget was intentionally run as a deficit budget, in anticipation that this year's real estate reassessment would bring in additional revenue, but that this approach has further depleted general fund reserves. As a result, planned projects including a new fire department building and refurbishment of a fire truck have been placed on hold.

Public Hearing -- FY2027 Budget and Proposed Water & Sewer Rate Increase

Mayor Spangler opened a public hearing concerning the proposed FY2027 budget and the proposed water and sewer rate increase.

Al Phillips addressed council regarding the proposed real estate tax and water/sewer rate increases. Using the $150,000 home example and the countywide 64% reassessment figure cited in the newspaper, he calculated that his combined county and town real estate taxes would increase from approximately $785 to $2,361, an increase of approximately 32% overall, with the town's portion of the rate increasing by approximately 58%. He stated that this represented an unrealistic burden, particularly for residents on fixed incomes such as Social Security, and proposed that the town instead raise real estate taxes by approximately 11%, similar to the increase adopted by Giles County, which would result in a town rate of approximately 34 cents per $100 of assessed value. He also objected to the proposed 35% water and sewer rate increase, noting that combined with the prior three years of 10% increases, the compounded increase would be approximately 80% over four years. He asked whether the town intended to roll back the water and sewer rate increase once cash reserves were rebuilt after two years.

Mayor Spangler responded that the figures referenced were the "not to exceed" amounts as advertised, and that the numbers under discussion that evening would be lower than originally proposed by the town's financial advisor.

Tom Garrett addressed council with several questions. He asked whether the reassessment increase was based on Narrows alone or a countywide average; staff confirmed it was based on Narrows alone. He also asked whether the need for a large rate increase was due to increased costs or decreased revenue, and expressed concern that, since the budget deficit and storm-related losses dated back several years, a smaller increase implemented earlier would have avoided the need for a larger increase now. He noted that the figures published for the public hearing were larger than what council was now indicating it intended to adopt and stated he would have appreciated knowing that in advance of the meeting.

Hearing no further speakers, Mayor Spangler closed the public hearing on the proposed FY2027 budget and water and sewer rate increase.

Public Hearing -- Real Estate Tax Rate

Mayor Spangler opened a public hearing concerning the proposed real estate tax rate. No additional speakers came forward at this time. The hearing was later formally closed prior to council taking action on the budget (see below).

Council Discussion -- Revised Budget Proposal

Councilmember Lane addressed the audience on behalf of council, acknowledging the financial impact of the proposed increases on residents and thanking those present for attending and sharing their concerns. She explained that, upon reviewing the budget proposal initially presented by the town's financial advisor, council was concerned that it would impose more of a burden than residents could bear. As a result, a temporary budget committee -- consisting of Councilmember Lane and Councilman Hale, working with Terry Nicholson -- was formed over the past month to review every line item in the budget for potential cuts and delays. As a result of this review, council is proposing to lower the advertised "not to exceed" real estate tax rate from 49 cents to 42 cents per $100 of assessed value, and to reduce the proposed water and sewer rate increase from 35% to 30%. Councilmember Lane stated that the goal of these adjustments was to protect core services -- police, fire, safe drinking water, safe roads -- while still addressing the town's financial needs, and that council would work with residents experiencing hardship to connect them with available relief resources.

Terry Nicholson presented the supporting calculations:

- The countywide reassessment for Narrows properties increased assessed values by 64.8%
- A revenue-neutral tax rate (one that would generate the same total revenue as before reassessment) would be approximately 31 cents per $100
- The proposed rate of 42 cents per $100 represents an effective tax rate increase of approximately 35.5% over the revenue-neutral rate
- For a $100,000 home assessed last year, taxed at 51 cents per $100 ($510/year, or $42.50/month), the new assessed value would be approximately $164,800. At the proposed 42-cent rate, the annual tax would be approximately $692.16 ($57.68/month) -- an increase of approximately 35.7%
- The total proposed town budget exceeds last year's by approximately 25.5%; however, this figure includes a $722,000 grant from the Department of Housing and Community Development as well as the water and sewer budget. Excluding the grant and water/sewer, the general fund increase is approximately 6.9%
- With the proposed 30% water and sewer rate increase, the utility fund budget increases approximately 8.1% (excluding the DHCD grant)

Terry Nicholson outlined additional proposed revenue measures, including increasing the meals tax from 5% to 6% (the maximum allowed by the state), and increasing community center and park rental fees, farmers’ market fees, and festival vendor fees.

Proposed General Fund Cuts

- All council members will forgo their salaries for one year (total of $9,600)
- A hiring freeze will be implemented; vacant full-time positions will be filled only with council approval
- Support for local organizations will be cut in half
- The economic development fund will be cut in half
- The town beautification fund will be cut in half
- Part-time recreation staff hours will be cut in half
- The new part-time code enforcement position will be eliminated
- Splash Pad operating days will be reduced to four days per week
- Part-time library staff hours will be cut, which may affect library hours when full-time staff are unavailable
- Library books and supplies budget will be reduced
- The fire department's requested funding increase will be only partially granted
- The new and outgoing town managers' overlap period will remain at two months

Proposed Utility Fund Cuts

- Replacement of the rotating biological contactors (RBCs) will be delayed an additional year, with the risk that a failure of any of the three units (at approximately $300,000 each) could require emergency borrowing and a plant shutdown
- The planned I&I sewer repair work will be delayed, with the risk that breaks in known problem areas will require individual emergency repairs (estimated at approximately $1,000 per foot for repairs requiring contracted excavation)
- A vacant licensed water operator position will remain unfilled; the town will continue relying on the PSA's licensed operator as needed, while supporting a current employee in obtaining licensure

With these revisions, the proposed total budget is reduced to $4,991,099 (from approximately $5,079,665 as originally proposed).

Mayor Spangler and other council members spoke to the difficulty of the decisions involved, noting that the town has made efforts in recent years to reduce ongoing costs -- such as replacing problematic galvanized water lines rather than repeatedly patching them -- and that the town continues to pursue revenue growth through development projects, including new housing construction and the redevelopment of the former bank building into mixed retail and housing use. Council reaffirmed its commitment to maintaining the town's independence and expressed opposition to dissolving the town charter, while acknowledging the seriousness of the town's financial situation.

Councilmember Bowles and Councilman Creger also offered remarks thanking residents for their engagement and emphasizing that the proposed budget, while still difficult, represents an improvement over the originally proposed figures.

Councilmember Lane noted that other localities in the region are facing similar challenges, citing reported water rate increases in Pearisburg and Radford, and stated that this context does not diminish residents' concerns but illustrates that the issue extends beyond Narrows. She also proposed establishing a standing finance committee, composed of council members meeting regularly with staff, to continue reviewing the budget, explore competitive bidding for services such as health insurance (which increased 11% this year) and IT maintenance contracts, and pursue additional grant opportunities. She also raised the possibility of splitting the annual real estate tax bill into two payments (March and September) in future years and indicated council would welcome public input on that idea.

Council Action on the Proposed Budget

Mayor Spangler closed the public hearing on the proposed real estate tax rate.

Councilman Hale made a motion to consider and act on the proposed budget at its next meeting, consistent with the state law requirement that final budget approval occur at least seven days after the public hearing. Councilman Mills seconded the motion.
Ayes: Hale, Bowles, Creger, Mills, and Lane
Nays: None
Motion Carried 5-0

Al Phillips addressed council further regarding the budget, noting that the proposed FY2027 budget represents approximately a 25% increase over the FY2026 budget (a 7% effective increase per Terry Nicholson's figures, once the one-time DHCD grant is excluded), and asked about contingency plans should the wastewater treatment plant become inoperable due to flooding. He also reiterated a request that council consider placing the question of the town's charter (i.e., consolidation with the county) before voters and asked whether additional relief on the proposed tax rate might be possible given the overall budget increase.

Councilman Creger responded that, while the underlying infrastructure issues have existed for many years, the town must address them now, and that further reducing the proposed tax rate would leave the town without the resources needed to do so. He also reiterated that he does not support dissolving the town charter, citing confidence in the current council's ability to work through the town's challenges, but acknowledged residents' right to raise the issue and encouraged continued public engagement, including with state representatives.

A resident asked whether the proposed budget represented council's final proposal or whether additional changes were anticipated before final adoption; council confirmed that no further changes are anticipated and that the next meeting would be to take final action on the items discussed.

Wayne Gautier asked how the public could remain involved going forward and whether registration fees would be affected; staff confirmed that registration fees were not included in the proposed changes.

Scheduling of Budget Approval Meeting

Attorney Bedsaul advised that the next meeting would be the meeting at which council takes final action to approve the real estate tax rate, water and sewer rates, and the FY2027 budget, and reminded council that state law requires this to occur no sooner than seven days after the public hearing.

Councilman Hale made a motion to schedule the budget approval meeting for Wednesday, June 17, 2026, at 6:00 p.m., with some members participating remotely. Councilmember Bowles seconded the motion.
Ayes: Hale, Bowles, Creger, Mills, and Lane
Nays: None Motion
Carried 5-0

Communications from the Mayor, Council, and Staff

PSA Report

Councilman Mills reported on a recent exchange concerning issues at the PSA site, noting that the matter had been addressed. He reported that approximately $300,000 has been identified for improvements at a new PSA site.

Appointments and Reappointments

Council considered the annual reappointment of the Town Manager, Police Chief, and Treasurer/Clerk.

Councilman Mills made a motion to reappoint all three positions. Councilman Hale seconded the motion.
Ayes: Hale, Bowles, Creger, Mills, and Lane
Nays: None
Motion Carried 5-0

Unfinished Business

Town Charter Amendment -- Town Manager Residency Requirement

Council agreed to delay the public hearing regarding the proposed charter amendment removing the town manager residency requirement until the July meeting.

Proposed Additional Charter Amendment -- Length of Mayoral Term

Councilman Hale raised for discussion the possibility of pursuing an additional charter amendment to change the term of the mayor from two years to four years, noting that this had not been previously discussed with the full council or the mayor but might be worth advancing given the timing of the other pending charter amendment.

Mike Bedsaul advised that, while representatives of the General Assembly need not be present for a town's public hearing on a proposed charter amendment, any amendment council wishes to pursue must ultimately be sponsored by the town's state delegate and senator, and that timing is important: to meet the General Assembly's January session, any proposed amendment should be transmitted to the town's representatives in the late summer or early fall. He confirmed that the town could pursue two charter amendments at the same time, and that, with proper advertising (two notices, including one issued by late June), a public hearing on this additional amendment could potentially be held at the July 13th meeting.

Council members discussed the merits of the proposal, including the potential to expand the pool of mayoral candidates and provide continuity, balanced against the value of more frequent elections. Council agreed that the question should be addressed through a public hearing to allow for resident input.

Councilman Hale made a motion to direct Mike Bedsaul and Terry Nicholson to prepare an ordinance and notice of public hearing regarding a proposed charter amendment changing the mayor's term of office. Councilman Creger seconded the motion.
Ayes: Hale, Bowles, Creger, Mills, and Lane
Nays: None
Motion Carried 5-0

Matters for Consideration by Council

Giles Community Garden -- Funding Request

A request for financial support was received from the Giles Community Garden. Given the town's current spending freeze, council agreed to table this request until the July meeting.

Adjournment

Councilman Mills made a motion to adjourn. Councilman Creger seconded the motion.
Ayes: Hale, Bowles, Creger, Mills, and Lane

Nays: None
Motion Carried 5-0

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Clerk, Debbie Thomas	Mayor, Tom Spangler