At the regular meeting of the Giles County Board of Supervisors held on Thursday, July 23, 2026, at 6:30 PM in the Giles County Maintenance Building located at 315 N. Main Street, Pearisburg, VA, the following members were present unless noted absent.

Jeff Morris	Chair (Central District)
John C. Lawson, Jr.	Vice-Chair (Western District)
Perry Martin	Eastern District
Paul “Chappy” Baker	At-Large Supervisor
Richard McCoy	At-Large Supervisor
Chris McKlarney	County Administrator
Catherine Ballard	Finance Director
Jon Butler	Emergency Services Coordinator
Richard Chidester	County Attorney
Gracie Howard	Board Secretary

CALL TO ORDER/INVOCATION

Mr. Morris called the meeting to order, and Mr. McKlarney offered the invocation and led the Pledge of Allegiance.

APPROVAL OF MINUTES

Mr. McCoy motioned to approve the July 8th, 2026 minutes, as presented. Mr. Baker seconded the motion. The motion was approved by a 5-0 vote as follows: Voting Yes: Mr. Baker, Mr. Lawson, Mr. Martin, Mr. McCoy and Mr. Morris

OLD BUSINESS

FY 27 BUDGET ADOPTION

Mr. McKlarney stated that the Board needed to adopt the current year’s budget. He noted that this is the second time the Board has addressed this matter. A public hearing was held earlier in June, and a second hearing was required due to an advertising issue. He stated that although the Board previously adopted a budget under a temporary ordinance, today’s action would finalize the permanent adoption. According to Mr. McKlarney, the numbers remain unchanged, with total revenues and expenditures of $128,226,740.00.

Mr. McCoy motioned to approve the FY 2027 Budget as presented. Mr. Baker seconded the motion. The motion was approved by a 5-0 vote as follows: Voting Yes: Mr. Baker, Mr. Lawson, Mr. Martin, Mr. McCoy and Mr. Morris

CROSS AVE UPDATE

Mr. McKlarney provided an update on the Cross Avenue project. He reported that the additional $400,000 funding request submitted through Senators Warner and Kaine's offices has been moved to appropriations. While funding has not yet been approved, Mr. McKlarney stated that projects reaching the appropriations stage are typically among those approved, and he expressed optimism that Cross Avenue will be included. If approved, the total funding for the project would exceed $1,000,000, allowing the project to be fully completed.

Mr. McKlarney noted that, in the meantime, several required documents must be approved. He explained that there is a substantial list and that he would read only the titles. The documents include the Residential Anti-Displacement and Relocation Assistance Plan, the Section 504 Grievance Procedure, the Fair Housing Certification, the Section 3 Business and Employment Plan, and the Non-Discrimination Policy.

He stated that these are the same documents approved for every DHCD project, with only minor annual policy-based modifications, and nothing significantly different from past years. Mr. McKlarney recommended that the Board approve all listed plans and documents.

Mr. McCoy motioned to approve the Residential Anti Displacement Form, Relocation Assistance Plan, Section 504 Grievance Procedure, Fair Housing Certification, Section 3 Business and Employment Plan, and the Non-Discrimination Policy as presented. Mr. Baker seconded the motion. The motion was approved by a 5-0 vote as follows: Voting Yes: Mr. Baker, Mr. Lawson, Mr. Martin, Mr. McCoy and Mr. Morris

1% SALES & USE TAX FOR SCHOOL CAPITAL PROJECTS

Mr. McKlarney explained that in 2026 the state legislature approved an option for local governments to implement a 1% sales and use tax to be dedicated solely to help fund school capital projects. He noted that such a tax must be approved by voters through a referendum. He stated that Davenport & Company (financial advisors) prepared revenue estimates for the Board, indicating that the 1% tax would generate approximately $1.7 million annually over a 20-year period, though this amount still falls short of current debt service needs for ongoing school renovation projects. He emphasized that the tax would exclude groceries and personal hygiene items.

Mr. Chidester added that the Board must adopt a resolution requesting the court to order the referendum, with an August 14, 2026 deadline for inclusion on the November general election ballot. He explained that the tax revenue can only be used for school construction and renovation. He also discussed legislative ambiguities regarding whether funds may be applied to existing debt, noting that Bond Counsel believes Giles

County's current projects would qualify because permanent financing has not yet been finalized.

Mr. Morris asked whether the ballot language would clearly state that the tax is dedicated to school capital projects. Mr. Chidester confirmed that the ballot question must explicitly refer to school construction and renovation and include the tax's expiration date.

Mr. McKlarney further noted that 25–30% of expenditures in Giles County are made by tourists, meaning a portion of the tax burden would be shared by non-residents. He stated that staff will work to refine those numbers for the Board's August meeting.

Dr. Campbell expressed appreciation for the Board's consideration and stated that the school system would be fully committed to using any revenue generated for the benefit of Giles County students. He will assist in preparing informational materials for the public if the referendum moves forward.

Mr. McCoy noted that the Board would need to decide at its first August meeting whether to petition the court to place the referendum on the ballot.

Mr. Lawson stated that he supports leaving the decision to the voters.

Mr. Martin commented that the tax could help reduce long-term pressure on real estate taxes and provide financial stability during potential downturns in state funding.

FEMA FLOODPLAIN MAPS

Mr. McKlarney reported that FEMA has issued new revisions to the county's floodplain maps. He explained that updated LIDAR data and expanded stream mapping have resulted in significant changes to floodplain boundaries. Approximately 430 properties will be removed from the floodplain, while 131 properties will be added. He noted that many properties in areas such as downtown Rich Creek and Narrows will come out of the floodplain. He also stated that homeowners newly placed in the floodplain may be required by their mortgage lenders to obtain flood insurance, and that each affected property will require individual review.

Mr. Chidester provided additional detail from a recent FEMA presentation attended by county staff and representatives from most towns. He explained that FEMA's structure-level mapping is not yet fully accurate and that the county is awaiting shape files to verify specific addresses. Preliminary FEMA estimates indicate that in Narrows, two structures will be added and ninety-five removed; in Pearisburg there will be no net change; in Pembroke, one property will be added and ninety-one removed; in Rich Creek, none will be added and fifty-two removed; and in the unincorporated areas of the county, one hundred twenty-eight structures will be added and two hundred three removed. Mr. Chidester stated that FEMA will begin a ninety-day public comment period in the fall, during which property owners may appeal directly to FEMA. The county will be required to notify all affected property owners by first-class mail and is encouraged to hold a community meeting. After the comment period, FEMA will publish the final map in the spring, and the county will need to update its subdivision ordinance accordingly. He also noted that many new additions to the floodplain are along tributaries that were not previously studied or were only partially studied.

Mr. Lawson asked whether homeowners without mortgages would be required to obtain flood insurance. Mr. McKlarney clarified that insurance would likely be optional for those without a mortgage.

Mr. Martin asked whether floodplain status affects property assessments. Mr. McKlarney responded that floodplain designation does impact property value, though the degree of impact is uncertain. He noted that Giles County's long-standing enforcement of floodplain ordinances has minimized the number of homes built in high-risk areas.

PAYMENT OF WARRANTS

Mr. Baker motioned to approve payment of POST FY 2026 warrants in the amount of $382,407.17, and FY 2027 warrants in the amount 1,737,177.29. Mr. McCoy seconded the motion. The motion was approved by a 5-0 vote as follows: Voting Yes: Mr. Baker, Mr. Lawson, Mr. Martin, Mr. McCoy and Mr. Morris

SOCIAL SERVICES APPROPRIATION

Mr. Martin motioned to approve $460,000.00 for the August 2026 Social Services appropriation. Mr. Lawson seconded the motion. The motion was approved by a 5-0 vote as follows: Voting Yes: Mr. Baker, Mr. Lawson, Mr. Martin, Mr. McCoy and Mr. Morris

EXECUTIVE SESSION

Mr. McCoy motioned to go into executive session as permitted by Virginia Code 2.2-3711 A (1) Personnel and (29) Contracts. Mr. Baker seconded the motion. The motion was approved by a 5-0 rollcall vote as follows: Voting Yes: Mr. Baker, Mr. Lawson, Mr. Martin, Mr. McCoy and Mr. Morris

Mr. McCoy motioned to return to open session, and he certified that in the closed session just concluded, nothing was discussed except the matter or matters (1) specifically identified in the motion to convene in closed session and (2) lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information.

NEW BUSINESS

Mr. McCoy reported a downed light pole arm and fixture in the courthouse parking lot, which staff identified as town-owned equipment; staff will follow up with the Town regarding repair.

Mr. McKlarney provided an update on the county's broadband expansion project, reporting that the contractor is ahead of schedule and within budget despite make-ready costs running approximately four times the original estimate. The contractor is covering make-ready cost overruns with its own funds, pending potential state grant assistance. The White Gate service area is complete, and Broad Hollow and Wilburn Valley are approximately 75 percent complete. Mr. McKlarney further noted that contracts have been signed for a separate BEAD-funded broadband project serving the Wolf Creek and Glen Lyn areas, with a four-year completion window.

ADJOURN

With no further business, the meeting was adjourned. The next Board of Supervisors meeting will be held on Wednesday August 5th, 2026, at 3:00 PM. The meeting will be held at the Giles County Maintenance Building located at 315 North Main Street, Pearisburg VA.

APPROVED:

Chair ______________________________

ATTEST:

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Clerk

**An Ordinance Re-Adopting Local Levies and Budget for
The County of Giles County, Virginia
for Fiscal Year Beginning July 1, 2026 and Ending June 30, 2027**

WHEREAS, the Board of Supervisors for Giles County, Virginia, is required by Subtitle III of Title 58.1 of the Code of Virginia (1950), as amended, to fix local tax rates and levies for calendar year 2026 and

WHEREAS, the Board is required to adopt an ordinance regarding its fiscal year 2026-2027 budget for informative and fiscal planning purposes only, pursuant to Section 15.2-2500 *et seq.* of the Code of Virginia (1950), as amended; and

WHEREAS, the Board of Supervisors for Giles County, Virginia has previously adopted the real estate tax rate for 2026 on May 21, 2026 after public hearing and notice in accordance with law and

WHEREAS, the Board adopted this ordinance on an emergency basis on June 18, 2026, and

WHEREAS, the re-adoption of the emergency ordinance was advertised in the Virginian Leader on June 24, 2026 and July 1, 2026,

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF GILES COUNTY, VIRGINIA that the following ordinance is hereby readopted:

Section I

That the following budget is adopted for informative and fiscal planning purposes only for Giles County, Virginia for fiscal year commencing on the 1st day of July 2026 and ending on the 30th day of June 2027.

See Budget Exhibit A.

Section II

That no appropriations for salary totals shall be changed, nor appropriations transferred between departments unless authorized by the Giles County Board of Supervisors. Appropriations other than salaries within a department may be transferred therein for the purpose of equalization when necessary by approval of the Giles County Administrator.

Section III

In accordance with Section 58-1-3001 of the Virginia Code and other applicable Virginia Code Sections the following tax rates and levies are hereby adopted and fixed for Giles County, Virginia for the current year, calendar year 2026:

TAX	RATE FOR 2026
Real Estate	47¢ per $100
Motor Vehicles	$2.02 per $100
Personal Property	$2.05 per $100
Machinery and Tools	$2.05 per $100
Transport Vehicles over 10,000 lbs. (Interstate Commerce)	$1.12 per $100
Merchants Capital	86¢ per $100
Public Service Levy	47¢ per $100
Mobile Home Levy	47¢ per $100
Qualified Disabled Vet. Vehicle	.005¢ per $100
Motor Vehicle License Fee	$20 per Vehicle

The penalty for taxes, levies and fees which are not paid by the due date is 10% of the unpaid balance. Real estate taxes are due on June 30, 2026 and December 7, 2026. All other taxes and fees are due on December 5, 2026. Ten percent (10%) interest charges begin on August 1, 2026 for taxes due on June 30, 2026 and on January 1, 2027 for taxes due on December 7, 2026.

Any person liable for local taxes or other local accounts who fails to pay the amount due within 30 days after notice of the delinquency has been sent shall, in addition to all penalties and interest, pay a fee to cover the administrative costs associated with the collection of the delinquent bill in such amount as allowed by Section 58.1-3958 of the Virginia Code, as amended, or such other Virginia statute regulating the amount of such fees or covering the subject of fees in such cases. In addition to the administrative fee, any collection agency's fees or attorney's fees actually contracted for, not to exceed twenty (20) percent of the delinquent bill, may also be added to the delinquent bill

Section IV

That all unexpended budget/appropriations, except those for capital, construction and special projects or commitments which are incomplete as of June 30, 2026, be, and the same are hereby cancelled as of June 30, 2026, and the County Administrator is directed to transfer all budget/appropriations credit balances to unappropriated surplus and place to the credit of all budget/appropriations accounts which show an overdraft for the fiscal year 2026-2026 an amount necessary from unappropriated surplus to balance same and to close all such accounts for the fiscal year 2025-2026.

Section V

The County Treasurer is directed to transfer funds from the General Fund in the amount of the budgeted figure in the General Operating Budget to the General Capital Outlay Project Fund.

Section VI

This ordinance is adopted in accordance with the aforementioned provisions of the Code of Virginia.

Section VII

This ordinance shall become effective on and after July 1, 2026. This ordinance was adopted:on an emergency basis on June 18, 2026, pursuant to Virginia Code Section 15.2-1427 F as a result of the Commonwealth of Virginia not having adopted a budget establishing funding for various state supported services, such funding comprising more than sixty (60) percent of revenues in this budget and is being re-adopted after duly advertised notice and public hearing held on July 8, 2026.

Adopted: July 23, 2026

Chairman, Giles County Board of Supervisors

ATTEST:

County Administrator

Approved as to form:

County Attorney

BUDGET EXHIBIT A

GILES COUNTY BOARD OF SUPERVISORS FY2026-FY2027 PROPOSED BUDGET

REVENUE CATEGORY		EXPENDITURE CATEGORY	
Real Estate Taxes	$7,978,089	Education	$85,626,795
Public Service	$2,493,000	ACCE Program	$75,000
Personal Property	$4,556,281	County Operations	$5,175,882
PP Tax Relief	$1,227,860		
Mobile Home	$77,099	Public Service: Water & Sewer	$1,407,001
Machinery & Tools	$6,273,353		
Abatement Machinery & Tools	$0		
Common Carrier	$13,279	Economic Development	$1,571,953
Merchants Capital	$257,833		
Penalties & Interest	$234,999	Courts / Law Enforcement	$7,401,019
Other Local	$3,158,185		
Permits/Fees/Rental	$72,224	Tax Collection & Assessment	$1,161,657
Use of Money/Property	$1,201,777	Abatement Machinery & Tools	$0
Charges for Services	$148,401		
Recreation Revenues	$557,328	Emergency Services	$1,355,117
Miscellaneous Revenue	$65,492		
Delinquent Collection Fees	$62,000	Social Services/CSA &	
Recovered Costs	$4,207,156	Community Services	$9,055,459
Non-Categorical Aid	$187,305		
Commonwealth Reimbursements	$7,626,989	Debt Service	$2,458,255
Other Categorical Aid & Misc	$692,001		
Schools (State & Federal)	$73,795,630	Recreation	$776,602
Industrial Development	$674,525		
Water & Sewer System Fund	$635,934	Capital Improvements	$12,162,000
Loans & Grants	$12,030,000		
Reserve Fund Balances & Transfers	$0		
TOTAL	**$128,226,740**	**TOTAL**	**$128,226,740**