At a regular meeting of the Board of Supervisors, Alleghany County, Virginia held on Tuesday, August 4, 2026 at 7:00 p.m. in the Alleghany County Governmental Complex, Covington, Virginia, thereof:

PRESENT:	G. Matt Garten, Chairman James M. Griffith, Vice-Chairman Stephen A. Bennett S. Miller Brantley Courtney F. Howard Cletus W. Nicely
and	Ken McFadyen, County Administrator Beverley Bowers, Director of Public Works Jim Guynn, County Attorney Melissa A. Munsey, Deputy Clerk to the Board
ABSENT:	Shannon P. Cox

CALL TO ORDER:

The Chairman called the regular meeting to order

Mr. Nicely gave the invocation and the audience remained standing for the Pledge of Allegiance.

MINUTES:

Hearing no corrections or deletions, the Chairman declared the following minutes approved as submitted: (1) a regular meeting held on July 7, 2026.

PUBLIC COMMENT (5 MINUTE TIME LIMIT):

No one spoke at this time.

MS. SUSAN HAMMOND, VDOT RESIDENT ENGINEER - VIRGINIA DEPARTMENT OF TRANSPORTATION UPDATE:

Ms. Susan Hammond, VDOT Resident Engineer, gave a report on the following VDOT activities:

Maintenance

- *Graded dirt roads - Rts. 770, 602, 630, 613 and 614.*
- *Repaired shoulders on Rts. 616, 604, 60 and 610.*
- *Ditched Rts. 610, 1101 and 220S.*
- *Boom-axed Rts. 18, 788, 60 and sections of Rt. 666.*
- *Cut overhanging limbs on Rt. 661.*
- *Boom-axed behind guardrail on Rts. 269, 1401, 696, 648 and 616.*
- *Plant mix patched Rts. 605, 604 and 600.*
- *Cleared brush from storm damage County-wide.*
- *Removed trees on Rts. 606, 641, 18, 687, 169 and 311.*
- *Repaired turn-arounds on Rt. 655 and 676.*
- *Will start ditching on Rt. 18 starting at Craig County line working back towards Covington. Entire route will be done. Expect delays.*
- *Adams is finishing Rt. 60 paving (weather dependent) and will then move to paving the off and on ramps at Exit 21, then the off ramp at Exit 24.*

Mr. Bennett commented that VDOT has done a lot of paving this year. He asked who does paving in Covington. Ms. Hammond replied that they do their own paving with quarterly maintenance payments and primary route money from VDOT.

Mr. Garten asked what is being done on Indian Draft Road and if it will be completed when school starts. Ms. Hammond replied that it is being slurry sealed and should be completed by the start of school.

TABLE APPOINTMENT TO THE SOCIAL SERVICES BOARD:

Mr. Garten stated that a replacement needs to be made for Mr. Jason Helmintoller on the Social Services Board with a term to begin immediately and expiring June 30, 2030. This appointment can be from any district. He commented that he had someone to recommend that unfortunately does not qualify. He asked that this appointment be tabled to the next regular meeting for a replacement to be submitted. The Board agreed.

APPROVE SCHOOL SYSTEM REQUEST REGARDING 1% SALES TAX OPTION FOR SCHOOL CAPITAL PROJECTS (REFERENDUM ON NOVEMBER 3, 2026):

Mr. McFadyen stated that the Virginia General Assembly has approved a biennial budget to provide localities the opportunity to hold a referendum for a 1% sales tax to be utilized for capital projects for the school system. He mentioned that there is a sample resolution in the agenda packet that could be utilized at this time or in the future. He handed out and reviewed a memo from him to the Board regarding "1% Local-Option Sales Tax Information" which is a part of the records of this meeting. The memo is as follows:

It should be helpful to estimate how much revenue an additional 1% local-option sales tax could generate for school capital projects.

In Calendar Year 2025, Alleghany County received $1,358,448 from the Commonwealth of Virginia as the County's share of the existing 1% local-option sales tax. Of this amount, 22.03% was remitted to the Town of Clifton Forge and 2.24% to the Town of Iron Gate; for Calendar Year 2025, those remittances totaled about $330,000. To our best knowledge, the proposed 1% local-option sales tax for schools, following a required referendum and subsequent County ordinance, would not direct any additional revenues to the Towns.

CY	***1% Sales Tax Revenue***
2015	*$971,312.03*
2016	*$904,947.84*
2017	*$900,602.03*
2018	*$944,272.97*
2019	*$1,023,917.08*
2020	*$1,166,105.90*
2021	*$1,242,335.39*
2022	*$1,325,095.02*
2023	*$1,352,034.35*
2024	*$1,258,091.34*
2025	*$1,358,448.48*

Another distinction involves food purchased for human consumption and essential personal hygiene products as defined in the Code of Virginia. The existing 1% local-option sales tax applies to food and personal hygiene products, but the additional 1% local-option sales tax for schools would not apply to those purchases. Because localities do not collect sales tax receipts directly from businesses, and because that information is exempt from localities' review, we do not currently have a reliable way to estimate how much of the current sales tax revenue comes from food and personal hygiene products. It is possible to purchase third-party data that aggregates point-of-sale credit card transactions, but access to this data is usually expensive.

Therefore, at this time, we estimate that an additional 1% local-option sales tax for schools could generate an amount not to exceed $1.3 million in annual revenue, and likely less because food and personal hygiene products would not be subject to the additional tax. This revenue could increase over time.

Please let me know of any questions and needs you may have. Thank you.

Mr. Jon Lanford, School Board Chairman, stated that for years less than a handful of communities had this option for capital needs and others had to find funding from elsewhere. He mentioned that the equivalent of this funding in real estate taxes is approximately $0.07. He commented that if approved it would put the decision on the community in a referendum. He stated that with the interstate running through the County a lot of transient purchases will help fund our needs and there are a lot of travelers that stop at Love's Truck Stop. He mentioned that the request will also go before Covington City Council next week.

Mr. Jay Woodson, School Board Vice-Chairman, stated that having this funding would help them be more proactive with their capital plan. He asked the Board to approve the resolution so that the citizens can decide. He mentioned that 75% of localities are doing this and we can use their marketing now versus paying for our own next year.

Mr. Brantley stated that he is in favor of this, but is concerned with the time-frame as there needs to be an opportunity to get information or a plan out to the public.

Mr. Lanford commented that there is a short time line as the State passed its budget late. He stated that the School Board Association mentions that approximately 75% of localities will be going to referendum and there is strength in numbers

to get the message out.

Mr. Griffith stated that it is a one shot opportunity and if it fails it will be hard to get it back on the ballot. He asked if we want to take that risk or wait a year to hold the referendum. He mentioned that there is less than 45 days until early voting.

Mr. Nicely commented that he is not in favor of passing this and does not see a need.

Mr. Lanford stated that there is a need to fund capital and it would take the burden off of local folks. He mentioned the new roof needed at Clifton Academy as an example.

Mr. Bennett commented that the problem he has is going so fast with the process and also what if it passes in one locality and fails in the other. He mentioned that he does not want to see a wedge between the local governments. He stated that he thinks we should slow down and wait a year.

Mrs. Howard asked why what Covington does (whether they vote yes or no to the referendum) would affect what we do as they have their own taxes now.

Mr. Guynn commented that you will probably see a wave of localities going to referendum as the deadline is August 14th. He mentioned that a referendum can be held, but the localities are not bound to accept it and would still have to pass an ordinance. He stated that the amendment was done in a budget bill and was not an amendment to the statute so the option may not be in the budget next year. He commented that if the sales tax revenue is approved it has to go toward school capital and there is no discretion in how the money is used. He mentioned that the referendum request would need to be sent to the Judge to proceed by August 14th.

Mr. Lanford stated that this is a great opportunity to capture additional revenue as roofs and mechanical systems are needed and it allows the citizens to make the decision.

Mr. Garten commented that there is no time to educate voters and rushing almost puts the referendum in a position to fail. He mentioned that localities should have been given 12 months to put this in place. He mentioned that it would run the risk of mass failure and we could wait to learn from other's mistakes. He stated that he is for a referendum, but is against the timeline.

Mr. Bennett asked if the referendum fails if it can be put on the ballot again. Mr. Guynn replied that it could if it is in the budget next year.

Mrs. Howard stated that if it is deferred 12 months then there is more time for citizens to pick it apart and that there are more voters during mid-terms. She suggested putting it out to the voters to see what happens and to share the marketing of others.

Mr. Brantley asked if there is the ability to communicate and educate students/teachers/parents with school opening back up. Ms. Halterman replied that they are in a position to educate the public and put information out. She mentioned that the Virginia Rural Schools Coalition is preparing specific information that can be targeted for our audience.

Mr. Griffith commented that we need a package for the whole community not just the school community and other counties are waiting a year.

There was further discussion about whether the sales tax includes fuel and lodging (neither as it would be for tangible personal property); the condition of schools/buildings is part of the economic development effort; introduction of Mr. David Rooklin, Chief of Operations and Infrastructure, for the school system; etc.

On motion of Mrs. Howard, seconded by Mr. Brantley, that the following resolution be adopted:

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ALLEGHANY, VIRGINIA REQUESTING A REFERENDUM ON A LOCAL

GENERAL RETAIL SALES TAX FOR SCHOOL CAPITAL PROJECTS

WHEREAS, effective July 1, 2026, the Virginia General Assembly has enacted its biennial budget and appropriation legislation (the "Budget Bill") for the biennium commencing July 1, 2026 and ending June 30, 2028; and

WHEREAS, the Budget Bill enacts amendments to Sections 58.1-605.1 and 58.1-606.1 of the Code of Virginia of 1950, as amended, (the "Code), authorizing the governing body of any county or city to levy a general retail sales and use tax at a rate not to exceed one percent, provided that such tax is approved by referendum and the revenues are used solely for capital projects for the new construction or major renovation of schools serving the county or city, including related bond and loan financing costs; and

WHEREAS, such general retail sales and use tax, if approved by the qualified voters and imposed by ordinance of the Board of Supervisors (the "Board of Supervisors") of the County of Alleghany, Virginia (the "County"), shall be added to the rates of the state and local sales and use taxes, shall be administered and collected by the County's Tax Commissioner as provided by law, and shall not be levied on food purchased for human consumption or essential personal hygiene products as defined in Section 58.1-611.1 of the Code; and

WHEREAS, Section 58.1-605.1 of the Code as amended by the Budget Bill, requires that the referendum be initiated by resolution of the local governing body, that the resolution state the date by which any bonds or loans financing the school capital projects shall be repaid or, if bonds or loans are not used, the date on which the sales tax shall expire, and that the expiration date shall not be more than twenty years after the date of the initiating resolution; and

WHEREAS, Section 24.2-684 of the Code provides that no referendum shall be placed on the ballot unless specifically authorized by statute or charter and that any referendum question submitted to the voters of a county shall be held pursuant to a court order stating the question to appear on the ballot in plain English; and

WHEREAS, the Board of Supervisors has determined that it is in the best interests of the County to request that the Circuit Court of Alleghany County, Virginia enter an order calling a referendum to be held on November 3, 2026, on whether the County may levy a general retail sales tax at a rate not to exceed one percent for school capital projects; and

WHEREAS, revenues from such general retail sales tax shall be used solely for capital projects for new construction or major renovation of schools serving the County, including bond and loan financing costs related to such construction or renovation;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County as follows:

1. The Board of Supervisors hereby initiates, pursuant to Sections 58.1-605.1 of the Code, as amended by the Budget Bill, and 24.2-684 of the Code, a referendum be submitted to the qualified voters of the County on whether the County shall be authorized to levy a general retail sales rate at a rate not to exceed one percent to provide revenue solely for capital projects for the new construction or major renovation of schools in the County.

2. The general retail sales tax, if approved by referendum and thereafter imposed by ordinance of the Board of Supervisors, shall be used solely for capital projects for new construction or major renovation of schools serving the County, including bond and loan financing costs related to such construction or renovation. If approved by referendum, the County expects to authorize by ordinance a corresponding use tax as provided under Section 58.1-606.1 of the Code.

3. The Board of Supervisors states that the school capital projects to be funded with revenues from the general retail sales tax are expected to be financed by bonds or loans, and such general retail sales tax shall expire on the date by which such bonds or loans are repaid, such bonds or loans expected to mature annually for a period of twenty years or longer; provided that such expiration date shall not be later than June 30, 2046.

4. For any such capital projects for the construction or major renovation of schools in the County not financed by bonds or loans, the tax levied pursuant to this Resolution, if approved by referendum, shall expire on June 30, 2046.

5. The Board of Supervisors hereby requests that the Circuit Court of Alleghany County, Virginia enter an order requiring County election officials to conduct a special election for the qualified voters of the County to be held on November 3, 2026, the day of the general election, and that the referendum question be placed on the ballot in substantially the following form, or such similar form approved by the Circuit Court of Alleghany County, Virginia in accordance with Section 58.1-605.1 of the Code:

Shall Alleghany County, Virginia be authorized to levy a general retail sales tax at a rate not to exceed one percent, with the revenues to be used solely for capital projects for new construction or major renovation of schools serving Alleghany County, Virginia including related bond and loan financing costs, and with the tax expiring on June 30, 2046?

(_____) Yes

(_____) No

6. The County Attorney is authorized and directed to prepare and file any and all documents necessary to effectuate this request to the Circuit Court of Alleghany County, Virginia.

7. The Clerk or any Deputy Clerk of the Board of Supervisors or other agent or employee of the County, is hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of Alleghany County, Virginia.

8. This Resolution and the provisions contained herein shall become effective immediately upon adoption.

Adopted by the following roll call vote:

Stephen A. Bennett	Yes
S. Miller Brantley	Yes
Shannon P. Cox	Absent
Courtney F. Howard	Yes
Cletus W. Nicely	No
James M. Griffith	No
G. Matt Garten	Yes

APPROVE SUPPLEMENTAL APPROPRIATION IN FY27 (SERCAP GRANT):

Ms. Bowers stated that Public Works received grant funding from SERCAP for repairs at the Low Moor Wastewater Treatment Plant in the amount of $47,330.00 and asked the Board to approve the supplemental appropriation of those funds.

On motion of Mr. Brantley, seconded by Mrs. Howard, that the following resolution be adopted:

BE IT RESOLVED that the Alleghany County Board of Supervisors budget and approve the following supplemental appropriation in FY27:

1. Public Works - SERCAP Grant (LMWWTP):

Revenue Account

Miscellaneous Grants (53000000-424599)	$47,330.00

Expenditure Account

Repairs & Maintenance (53044080-530004)	$47,330.00

Unanimously adopted by the following roll call vote:

Stephen A. Bennett	Yes
S. Miller Brantley	Yes
Shannon P. Cox	Absent
Courtney F. Howard	Yes
Cletus W. Nicely	Yes
James M. Griffith	Yes
G. Matt Garten	Yes

APPOINTMENT OF MR. DAVID OLIVER TO THE AHEDC BOARD OF DIRECTORS:

Mr. Garten stated that Mr. David Oliver has been recommended for appointment to the Alleghany Highlands Economic Development Corporation Board as the 4th alternating member. The term would begin immediately and end June 30, 2028.

On motion of Mr. Garten, seconded by Mr. Griffith, that the following resolution be adopted:

BE IT RESOLVED that the Alleghany County Board of Supervisors appoint Mr. David M. Oliver (Alternating Member), 5511 Jackson River Road, Hot Springs, VA 24445 to the Alleghany Highlands Economic Development Corporation (AHEDC) Board of Directors beginning immediately and ending June 30, 2028.

Unanimously adopted by the following roll call vote:

Stephen A. Bennett	Yes
S. Miller Brantley	Yes
Shannon P. Cox	Absent
Courtney F. Howard	Yes

Cletus W. Nicely	Yes
James M. Griffith	Yes
G. Matt Garten	Yes

COUNTY ADMINISTRATOR'S REPORT:

Mr. McFadyen handed out and gave a report on the following items which are a part of the records of this meeting, as well as the attachments mentioned:

A. The Director of Community Development position should be ready for advertisement this week.

B. Public Safety - There has been conversation in the community about providing incentives for our volunteers with our fire departments and rescue squads. We are following up on a Fire Association recommendation to provide funding for volunteers' co-pays for the required annual physical exams, as well as any other incentives that could be beneficial. We may need to ask our volunteer fire departments and rescue squads to assist the County with financial reporting for the funding that is already directed to our volunteer organizations, as well as with capital requests to replace apparatuses, including ambulances. We may have one such capital request to bring to the Board of Supervisors for consideration at the September meeting.

C. Cliftondale Water System - Public Works is completing the VDH construction grant application to replace lines in Cliftondale. Application is due August 7th.

D. Wastewater Collection Improvements - Public Works has applied for a Community Development Block Grant to provide funding for a Preliminary Engineering Report (PER) for Hattie Street wastewater collection repairs and improvements.

E. Broadband - We are introducing the Craig-Botetourt Electric Cooperative to Dominion to coordinate possible solutions for CBEC to affordably locate infrastructure on Dominion's poles in the Crows-Hematite area.

F. Economic Development Corporation (EDC) - Attached are the minutes from the June 2026 meeting.

G. Alleghany County has applied to participate in the Appalachian Regional Commission's (ARC) READY Local Government program, which involves several weeks of online training with federal grants management. Successful completion of the program could lead to a $50,000 capacity building grant from ARC.

H. Workforce Development - City of Covington and Alleghany County leadership are scheduled to have a meeting later this month with the Greater Roanoke Workforce Development Board to discuss existing programs and services and to address needs in the Alleghany Highlands. Delegate Austin has offered to attend and assist. So far, the City of Covington, Mountain Gateway Community College, Alleghany Highlands Public Schools & Jackson River Technical Center, Community Services Board, Department of Social Services, Alleghany Foundation & Alleghany Thrives, and Roanoke Regional Partnership have expressed support to work together to align programs and services and to assist our employers and job seekers. We are requesting the support of the Greater Roanoke Workforce Development Board, as well. Our manufacturing employers should be involved too. The primary goal is to organize our workforce development agencies to address the Alleghany Highlands' labor force participation rate (which is about ten percentage points lower than the State's rate) and to create more job opportunities in the manufacturing sector.

Please let us know of any questions or comments. Thank you for your time and support.

Mrs. Howard asked if we had a previous Director of Community Development. Mr. McFadyen replied that it is a new position and will deal more with housing (redevelopment of existing housing and attraction of new housing to the community).

Mr. Griffith thanked Mr. McFadyen in getting the workforce development meeting going.

Mr. Garten also thanked Mr. McFadyen for his efforts in workforce development and working with Delegate Austin.

BOARD MEMBER COMMENTS (INQUIRIES/REPORTS):

Miscellaneous

Mr. Brantley thanked those present tonight who helped educate us a little more on the referendum. He mentioned that school starts soon and to support and watch out for the students, buses, and staff.

Mr. Bennett suggested to the school system to not shoot too high on what they think they could get from the 1% school tax if it passes due to the exemptions involved and to be conservative as we do not know how much would be received. He commented that tonight is the way a government meeting is supposed to be run with legitimate debate and discussion and he wishes the State and Federal government would do it this way.

Mrs. Howard thanked everyone for their thoughts on the referendum as there was not a lot of time to think about it and it was good to bounce ideas back and forth. She commented that there will be a press release coming out that she has been selected to participate in the second cohort of the Virginia Hunt State Policy Fellows which is education focused. She

mentioned that they will be meeting this weekend, virtually, and also another weekend in November. She commented that it is focused on early education, K-12, as well as college education.

Mr. Griffith stated that a VACo Region 9 meeting will be held at MGCC tomorrow from 1:00-4:00 p.m. and the Board is invited. He commented that representatives from VACo with be there as well as representatives from other counties with a theme on workforce.

Mr. Garten stated that he was planning to bring up Mrs. Howard's appointment to the Virginia Hunt State Policy Fellows, but she beat him to it. He congratulated her on the appointment and thanked her for her involvement and desire to do it. He thanked everyone for coming out tonight. He stated that Richmond has put the Board in a position that it does not need to be in with the quick turnaround on the referendum. He mentioned that he was ready to push the request off because of the timing, but agreed due to the fact that the opportunity may not be there next year. He commented that it is a good funding source and hopes it is successful.

CLOSED MEETING:

On motion of Mr. Bennett, seconded by Mr. Griffith, that the Board go into a Closed Meeting under Code of Virginia Section 2.2-3711(A)(3) for the purpose of: (1) property acquisition and disposition. Unanimously adopted.

On motion of Mr. Griffith, seconded by Mr. Brantley, that the Board come out of the Closed Meeting with the following certification:

CERTIFICATION
SECTION 2.2-3712

To the best of our knowledge (i) only public business matters lawfully exempted from open meeting requirements under this chapter, and (ii) only such public business matters as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the session.

/s/G. Matt Garten	Yes
/s/Courtney F. Howard	Yes
/s/James M. Griffith	Yes
/s/Stephen A. Bennett	Yes
/s/S. Miller Brantley	Yes
/s/Cletus W. Nicely	Yes
Shannon P. Cox	Absent

ADJOURNMENT:

On motion of Mr. Bennett, seconded by Mr. Griffith, that the meeting be adjourned at 8:30 p.m. Motion carried.

_____
G. Matt Garten
Chairman