



COMMONWEALTH of VIRGINIA

Office of the Governor

Abigail D. Spanberger
Governor

September 9, 2026

The Honorable L. Louise Lucas
Chair, Senate Finance and Appropriations Committee
P.O. Box 700
Portsmouth, VA 23705

The Honorable Luke E. Torian
Chair, House Appropriations Committee
4222 Fortuna Plaza, Suite 659
Dumfries, VA 22026

Dear Chairs Lucas and Torian:

Section 15.2-2512.1 of the Code of Virginia requires the Governor to consult with the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee regarding a plan for state assistance, oversight, or intervention prior to any expenditure of state funds from the cash reserve. This letter serves to provide you with notice of a plan for additional state assistance to the Town of Tangier, Virginia, related to its fiscal distress designation by the Auditor of Public Accounts and recent periodic reports from the Commission on Local Government (CLG). This plan is supplemental to the efforts previously communicated on November 7, 2025.

Under the original plan for state intervention, The Berkley Group was selected as the fiscal turnaround specialist to assess the Town's financial condition and prepare a financial turnaround plan for the Town to implement. The Berkley Group presented its assessment and plan to the Town and the CLG on March 26, 2026, in Tangier. The Berkley Group's report (*Town of Tangier Fiscal Distress Report*) identified significant issues including absent audits and financial controls, inaccessible records, inadequate staffing, and structurally imbalanced budgets.

The financial turnaround plan The Berkley Group prepared also contained recommended actions for the Town to take within the next 30, 60, 90, and 180 days to address the identified issues. At the time of the CLG's second periodic report, dated July 27, 2026, the Town had not completed any of the recommendations or tasks contained within the financial turnaround plan. Furthermore, on June 8, 2026, the Town of Tangier formally requested, via letter, support for implementing the recommendations contained in the report, citing a lack of financial capacity necessary to satisfy the many recommendations outlined.

Provided the Town of Tangier's willingness but inability to demonstrate progress on the items outlined in the financial turnaround plan, I have authorized \$160,000 pursuant to § 15.2-2512.1(E.) of the Code of Virginia, to be overseen by the Department of Housing and Community Development (DHCD), to cover the costs associated with procuring fiscal turnaround services to assist the Town of Tangier with implementing the

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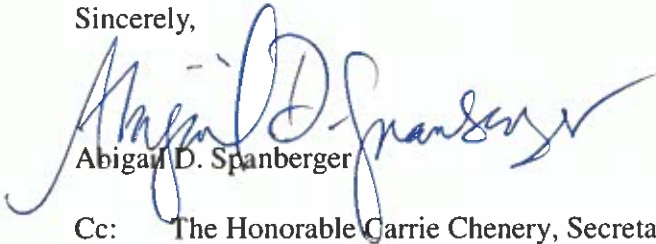
recommendations of the financial turnaround plan. Section 15.2-2512.1(E.) allows the Governor to appropriate up to \$750,000 from the prior year's unexpended general fund balance to be used to provide technical assistance and intervention actions for local governments deemed to be fiscally distressed and in need of intervention to address such distress. This \$160,000 authorization is in addition to the \$100,000 previously authorized on November 7, 2025, to assist the Town.

In procuring the fiscal turnaround specialist, DHCD will use the Commonwealth's master contract of firms qualified to provide local fiscal turnaround services developed pursuant to § 15.2-2512.1(I.). The selected fiscal turnaround specialist will have 90 days to assist the Town with implementing the immediate recommendations of the financial turnaround plan, as well as contracting for a part-time town manager or equivalent position. The fiscal turnaround specialist will also coordinate the completion of a forensic audit of the Town's finances and operations. Periodic reports will continue to be provided by the Executive Director of the CLG regarding efforts to implement the financial turnaround plan and address the Town's identified fiscal distress.

Pursuant to §§ 15.2-2512.1 and 15.2-2903, the CLG will continue to act in an oversight capacity to determine whether the locality has taken appropriate action to address the issues originally identified by the Auditor of Public Accounts. The CLG's oversight will conclude once it has issued an advisory report containing its findings and conclusions to the Governor and Chairs of the House Committees on Appropriations and Counties, Cities, and Towns, and the Senate Committees on Finance and Appropriations and Local Government.

Thank you for your continued cooperation in supporting state assistance for Tangier.

Sincerely,



Abigail D. Spanberger

Cc: The Honorable Carrie Chenery, Secretary of Commerce and Trade
The Honorable Mark Sickles, Secretary of Finance
Delegate Dan Helmer, Chair, House Counties, Cities, and Towns Committee
Delegate Robert S. Bloxom, Jr., Virginia House of Delegates 100th District
Senator Lashrecse Aird, Chair, Senate Local Government Committee
Senator Bill DeSteph, Virginia State Senate District 20
Dr. Tamarah Holmes, Executive Director, Commission on Local Government
Ms. Staci A. Henshaw, Auditor of Public Accounts
Mr. Amigo Wade, Director, Division of Legislative Services
Ms. Anne Oman, Director, House Appropriations Committee
Ms. April Kees, Director, Senate Finance and Appropriations Committee