Town Council
Regular Meeting
Agenda Item 6.d.

Agenda Item: **Ordinance 26-O-19 to amend the Fiscal Year (FY) 2027 Adopted Budget for the General Fund, Water and Sewer Fund, Chestnut Grove Cemetery Fund, Herndon Centennial Golf Fund, Capital Projects Fund, Stormwater Management Fund, and American Rescue Plan Act (ARPA) Fund**

Meeting Date: July 28, 2026

Category: Public Hearings

Prepared by: Marjorie Sloan, Finance Director, Maria Lee, Budget Manager

Description:
The Town's annual procedure at fiscal year-end is to set aside specific amounts from the fund balance or net position for the outstanding encumbrances and reserves that exist on June 30 of the prior fiscal year, as described in the Town Council's annual reserve resolution and annual budget ordinance. Town Council's authorization of the Fiscal Year (FY) 2026 reserves and encumbrances are not appropriated or budgeted amounts for FY 2027 as defined in the Code of Virginia. Therefore, a resolution is proposed to authorize the reserve of FY 2026 funding as identified, and the proposed FY 2027 Budget Amendment 1 will recognize the designated reserves and outstanding encumbrances at June 30, 2026, as FY 2027 budget appropriations.

Background/Timing Impact:
The proposed ordinance, together with the reserve resolution presented under a separate concurrent item, concludes an annual procedure reflecting the status of in-progress transactions funded for FY 2026. Due to timing, delays, or status, certain identified activities or projects were not completed by June 30, 2026, and will therefore need to be reauthorized and re-appropriated to continue. Budget amendments of this amount require a public hearing.

The notice for public hearing has been duly advertised in the Fairfax County Times Newspapers in the July 10 and July 17, 2026 editions.

Strategic Focus Area:
Strong Fiscal Stewardship

Fiscal Impact:
Impacted funds have capacity either through grant revenues, grant commitments, unrestricted net positions (enterprise funds), or existing fund balances, to support the

reserves and encumbrances.

Legal Impact:
The Code of Virginia §15.2-2507 allows localities to amend their adopted budget. For budget amendments that exceed one percent of the total expenditures, the governing body must hold a public hearing and advertise in accordance with Code of Virginia §15.2-1427.

Staff Recommendation/Next Steps:
Staff recommends approval of the proposed Ordinance.

Attachments:
1. Ordinance (Proposed)
2. FY 27 Attachment A, Reserves & Encumbrances
3. Presentation
4. Legal Ad