Town Council Regular Meeting
Agenda Item 6.a.

Agenda Item: **Ordinance 26-O-26 to amend the Fiscal Year (FY) 2027 Adopted Budget for the General Fund and Capital Projects Fund**

Meeting Date: November 17, 2026

Category: General

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

Description:
The proposed FY 2027 Budget Amendment 2 is as follows:

1. **Legal Services**

Appropriate $150,000 in the General Fund to cover ongoing legal services associated with specific employment law matters. The additional funding is necessary to support these services through the remainder of the fiscal year.

2. **Gateway Sign Replacement**

Appropriate $80,000 in the Capital Projects Fund for the replacement of a damaged gateway sign. The anticipated replacement costs exceed the amount originally budgeted for routine Gateway Sign maintenance. Because the work involves replacing a damaged sign rather than conducting ordinary maintenance, an additional appropriation is requested to complete the project. Partially funded by the insurance recovery.

3. **Information Technology Transformation**

Appropriate $63,227 in the General Fund to provide the additional funding needed to fully achieve the Town's information technology transformation initiatives previously appropriated over the last two fiscal years. These initiatives are intended to improve workforce efficiency, establish more consistent and secure cloud-service standards, strengthen IT infrastructure, and improve the digital experience for constituents and employees.

Planned technology investments include a secure artificial intelligence platform; a single sign-on capability; migration of the Town's geographic information system (GIS) from an on-premises server environment to the cloud platform; and additional full software licensing for all Town staff.

Background/Timing Impact:
Spending anticipated during FY 2027 upon approval of the ordinance.

Strategic Focus Area:
Strong Fiscal Stewardship

Fiscal Impact:
The net impact to the overall budget is $293,227, funded by the insurance reimbursement, and the unrestricted fund balances. Details of the revenue/expense impact can be found in Attachment A.

Legal Impact:
Virginia Code § 15.2-2507 allows localities to amend their adopted budget. The total amount of the amendment is less than 1% of the aggregate expenditures in the currently adopted budget, and therefore falls below the threshold that triggers the statutory public notice and hearing requirements.

Staff Recommendation/Next Steps:
Staff recommends approval of the proposed ordinance to amend the Fiscal Year (FY) 2027 Adopted Budget for the General Fund and Capital Projects Fund.

Attachments:
1. Ordinance (Proposed)
2. FY27 Budget Amendment 2 ATTACH A