TOWN OF Herndon VIRGINIA

Town Council Regular Meeting
Agenda Item 5.b.

Agenda Item: **Ordinance 26-O-02 to amend the Fiscal Year (FY) 2026 Adopted Budget for General Fund (rescheduled from January 27, 2026)**

Meeting Date: February 3, 2026

Category: General

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

Description:
Staff is proposing Amendment 3 to the FY 2026 Adopted Budget. The proposed amendment impacts the General Fund.

Background/Timing Impact:
The proposed FY 2026 Budget Amendment 3 is as follows:

1. Communications & Economic Engagement Personnel and Equipment
Appropriate $50,000 for the General Fund to support two additional FTEs ($30K) and associated operational and setup costs ($20K) for the remainder of the fiscal year. These positions are essential to internalize services previously provided by HCTV and to expand the Town's communications and economic engagement capabilities. This action also requests an increase in the Town's authorized full-time equivalent (FTE) headcount.

2. Tree Canopy Reimbursement Grant
Appropriate $112,000 for the General Fund toward costs associated with a reimbursement grant program for town-wide tree planting initiatives. This funding supports the expansion of the Town's tree canopy and environmental sustainability efforts; expenditures under this item are expected to be offset by grant reimbursements.

3. Roadway Safety Action Plan (RSAP)
Appropriate $100,000 for the General Fund to support the continued development of the Roadway Safety Action Plan (RSAP). The RSAP will utilize a data-driven, community-informed approach to analyze crash and traffic safety data and identify high-risk locations. This plan will serve as a long-term framework to guide future safety investments and infrastructure strategies, aligning with the Town's goals for equity, accessibility, and livability.

4. Sunset Business Park Signal Justification Report
Appropriate $30,000 for the General Fund to support the preparation of a traffic signal justification report for the Sunset Business Park area. The study will evaluate traffic

conditions, safety considerations, and applicable warrants to determine if a traffic signal is required. The findings will guide future decision-making and inter-agency coordination regarding traffic control improvements at this location.

5. "Polar Heat on Lynn Street" Community Event
Appropriate $65,465 for the General Fund to support the newly established "Polar Heat" event on Lynn Street. This one-day event is designed to showcase Herndon's creative energy and reinforce the Town's "Live Differently" brand. This inclusive, family-friendly celebration will feature themed zones, interactive activities, and performances, transforming Lynn Street into a vibrant hub that highlights the diversity of the Herndon community.

The proposed budget amendment does not require a public hearing or advertisement under Virginia Code § 15.2-2507. 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.

Timing Impact:
Spending anticipated during FY 2026 upon approval of the ordinance.

Strategic Focus Area:
Strong Fiscal Stewardship

Fiscal Impact:
The net impact on the overall budget is $357,465, funded partially by the State grant, anticipated sponsorship revenue, PEG fees, and the General Fund Unrestricted Fund Balance. 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:
To amend the Fiscal Year (FY) 2026 Adopted Budget for the General Fund.

Attachments:
1. Ordinance (Proposed)
2. FY26 Budget Amendment 3, Ordinance ATTACH A