Town Council
Regular Meeting
Agenda Item 6.b.

Agenda Item: **Ordinance 25-O-27 to amend the Fiscal Year (FY) 2026 Adopted Budget for the General Fund**

Meeting Date: November 12, 2025

Category: General

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

Description:
Staff is proposing Amendment 2 to the FY 2026 Adopted Budget. The proposed amendment impacts the General Fund.

Background:
The proposed FY 2026 Budget Amendment 2 is as follows:

1. **IT Initiatives Funding**
Appropriate $205,000 for the General Fund to support new Information Technology (IT) initiatives. This amount will fund critical professional services directly tied to RSM's IT Assessment recommendations to modernize and secure the Town's technology environment. Specifically, it supports three initiatives: (1) SharePoint user training to ensure successful adoption and governance as we transition to a cloud-based collaboration platform; (2) GIS migration to the cloud to remove outdated on-premises infrastructure and improve system performance, data accessibility, and integration with other enterprise systems; and (3) CityLaw migration to the cloud to enhance reliability, cybersecurity, and continuity of operations. These investments are foundational to implementing RSM's roadmap, reducing on-premises dependencies, and preparing the Town's systems and staff for the upcoming SharePoint rollout.

2. **Herndon Community Center Fence**
Appropriate $30,000 for the General Fund toward costs associated with the Bready Park soccer field fence at the Herndon Community Center. A donation of $30,000 has been received from the Herndon Youth Soccer Association and will fully fund the required costs.

3. **HPD Equipment Grant**
Appropriate an additional $65,000 for the General Fund toward the purchase of Justice Association Grant - Law Enforcement (JAG LE) equipment for the Herndon Police Department (HPD). A State Grant of $75,000 from the Virginia Department of Criminal Justice Services has been awarded and will be used to fund the additional equipment purchases.

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 to the overall budget is $300,000, funded by the HPD grant, a donation to Parks & Recreation, 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. Ordinance ATTACH A