TOWN OF Herndon VIRGINIA

Town Council Regular Meeting
Agenda Item 5.b.

Agenda Item: **Ordinance 25-O-02 to amend the Fiscal Year (FY) 2025 Adopted Budget for the American Rescue Plan Act (ARPA) Fund**

Meeting Date: January 28, 2025

Category: Public Hearings

Prepared by: Marjorie Sloan, Finance Director

Description:
The proposed ordinance has been submitted to amend the fiscal year 2025 Adopted Budget for the American Rescue Plan Act (ARPA) Fund. This is Amendment 5 for the fiscal year. Attachment A provides the details of the proposed amendment.

The Code of Virginia §15.2-2507 allows a locality to amend its adopted budget, and that any such amendment which exceeds one percent of the total expenditures shown in the currently adopted budget must be accomplished by publishing notice of a meeting and a public hearing in accordance with §15.2-1427. The notices for public hearing were duly advertised in the *Fairfax County Times Newspapers* in the Friday, January 10 and January 17, 2025, editions.

Background:
The American Rescue Plan Act of 2021 provided a federal grant totaling $25.5M to the town. Over thirty projects were approved under the grant program. The town achieved the regulatory deadline on December 31, 2024, which required that the grant total be fully obligated by that date. The grant is accounted for in the ARPA Fund. Grant proceeds have been invested, and any unspent totals continue to earn interest. To-date, the fund has earned $1.9M in interest income. The most recent ARPA appropriation (April 25, 2023) included use of $520K of interest. The proposed FY 2025 budget amendment requests use of an additional $815K of the interest to serve the following purposes:

1. Additional funds of $88K is requested to provide additional contingency for the approved Herndon Municipal Center (HMC) Fire Alarm replacement project.
2. The Old Town Hall Renovation project seeks an additional $15K to cover additional expenditures related to wiring and windows.
3. A total of $495,000 is requested for additional scope for the HMC renovation. This request will cover primarily additional door replacements, systems furniture, design costs, and finishes for the Chambers.
4. The town-wide Security project includes replacement of the HMC Storefront entrance. An additional $87,500 is requested for additional consulting services,

identified tile and electrical work, including resolving any Americans with Disabilities Act (ADA) issues and project contingency.

5. Given the recent terror attacks involving vehicles, $130K is requested to fund the purchase of a portable road barrier system which will be deployed to ensure secure street closures for events.

Timing Impact:
Spending anticipated for FY 2025 upon approval of the ordinance.

Strategic Focus Area:



Good Governance
Secure and Interconnected Community
Thriving Community

Fiscal Impact:
If approved, these expenditures will be funded by the ARPA Fund Balance representing previously earned and available interest income.

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 this Ordinance to amend the FY 2025 Budget.

Attachments:
1. Ordinance (Proposed)
2. Amendment 5 (Attachment)
3. Legal Ad