



Office of the Town Manager  
Frank Cassidy

**Warrenton Town Council**  
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William Semple, Ward 2  
Brett Hamby, Ward 3  
James Hartman, Ward 4 Vice Mayor  
Eric Gagnon, Ward 5  
Paul Mooney, At Large  
David McGuire, At Large

# STAFF REPORT

<b>Council Meeting Date:</b>	November 12, 2024
<b>Agenda Title:</b>	FY 2024 Carryover Funding
<b>Requested Action:</b>	Appropriate carryover funding for ongoing projects from FY 2024
<b>Department / Agency Lead:</b>	Finance Department
<b>Staff Lead:</b>	Brooke Campbell, Budget Manager

## EXECUTIVE SUMMARY

Contracts and projects undertaken by Town departments often span fiscal years. The annual carryover process allows funding related to ongoing projects from previous fiscal years to be re-appropriated to the current fiscal year so that Town operations remain uninterrupted.

The resolution to adopt the FY 2025 budget delegated the review and approval of carryover to the Town Manager. Departments submitted carryover requests to Finance at the end of FY 2024. The Finance department compiled the requests and submitted to the Town Manager for review. This staff report provides a summary of outstanding balances related to open purchase orders, capital projects, and grants as well as additional funding required by departments to be carried over into FY 2025 as approved by the Town Manager.

Since carryover is often related to large projects, the total amount for re-appropriation is over 1% of the total adopted budget and therefore requires council to hold a public hearing before the re-appropriation.

## BACKGROUND

The balance of carryover funding can be broken down into three (3) main categories as seen below. More detail on each category follows.

Category	Amount
Capital	16,059,480.13
Grants	7,954,038.21
Operating	1,279,029.97
<b>25,292,548.31</b>	

### Capital

The largest category of carryover is capital. The total in this category represents the amount of funding council has already appropriated for ongoing projects started in (or before) FY 2024 that are continuing into FY 2025. This category captures projects funded by the General Fund, Water & Sewer Fund, and Stormwater Fund as seen below.

Category	Amount
Water & Sewer Fund Capital Projects	9,907,566.07
General Fund Capital Projects	5,045,834.21
Stormwater Fund Capital Projects	1,106,079.85
	<b>16,059,480.13</b>

Water & Sewer Capital projects make up most of the capital carryover balance. The largest ongoing projects in this fund are the Primary Clarifier (S-001) at the Wastewater Treatment Plant and the Clearwell Project (W-001) at the Water Treatment Plant. The largest ongoing project in the General Fund is the improvements on Broadview Avenue (TC-001). In the Stormwater Fund, leftover funds from the Stream Restoration project (SM-002) are being used to fund improvements at Pond C to ensure the Town meets MS4 permit requirements. Funds for the Public Works Shop and Yard project (SM-001) are also carrying over.

### Grants

The grants category captures all outside funding that the Town has already received that is funding projects spanning the fiscal years.

Grant	Amount
ARPA	6,913,502.64
Septic Remediation	912,390.00
Streets	128,145.57
	<b>7,954,038.21</b>

The largest category of outside funding is the Town's ARPA Funding. Council has allocated these funds among several ongoing projects, the largest being the Primary Clarifier (S-001). Other ongoing projects funded by ARPA include repairs to the WARF Walkway, ADA Improvements for Parks (PR-001), the zoning ordinance update, and infrastructure projects (Haiti Street sidewalks and Town Hall parking lot survey).

The Septic Remediation Grant funding was accepted by council in March and June 2024. Since then, staff has been working on preparations and began accepting applications for the program on November 1<sup>st</sup>.

Each year the Town receives funding from VDOT for street and highway maintenance. Unused funding from VDOT can be used in the subsequent fiscal year. The Town received a total of \$1,860,662 in FY 2024. The above balance represents unused funding that will carry over to FY 2025.

## Operating

Operating carryover is related to ongoing projects that are not capital related. Operating carryover spans many of the Town's departments and can be for a wide variety of items and services. Many of these projects are tied to open purchase orders (POs).

Category	Amount
General Fund Operating	729,782.47
Water & Sewer Fund Operating	498,032.71
Stormwater Fund Operating	51,214.79
	<b>1,279,029.97</b>

In the General Fund, leftover funding in the Planning department professional services line is being carried over anticipating increased property enforcement costs in FY 2025. Insurance funds received in FY 2024 for damages at the Cemetery and WARF are being carried over so the repairs can be completed in FY 2025. In Public Works, a PO related to sidewalk, curb, and gutter work started in FY 2024 and finished in FY 2025. Other ongoing projects include the FY 2024 audit which began at the end of FY 2024 and will be completed in the second quarter of FY 2025. General Fund POs also include items that were ordered in FY 2024 but not delivered until FY 2025, including a speed alert sign and lamp posts.

Water & Sewer Operating Fund operating carryover includes leftover funding in the Meters department for use on updated meter registers. Remaining funding in the Water Treatment Plant equipment line is being carried over to help fund repairs on the HVAC. The Wastewater Treatment Plant is carrying over funds to cover shipping costs not included by the laboratory services company in their FY 2025 budgetary quote. Water & Sewer Operating Fund open POs include projects such as the ongoing tank maintenance contract at the Water Treatment Plant as well as items ordered in FY 2024 and not yet delivered. Part of the FY 2024 audit costs are also captured in the Water and Sewer Fund.

Stormwater Fund operating carryover is related to POs, including one issued to revise the Town's MS4 Program Plan started in FY 2024 and completed in FY 2025.

## STAFF RECOMMENDATION

Amend the fiscal year 2025 adopted budget to appropriate carryover funds in the amount of \$25,292,548.31 to fund ongoing projects from fiscal year 2024.

## ATTACHMENTS

None.