



Office of the Town Manager  
Frank Cassidy

**Warrenton Town Council**  
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William Semple, Ward 2  
Larry Kovalik, Ward 3  
Michele O'Halloran, Ward 4  
Eric Gagnon, Ward 5  
Paul Mooney, At Large  
David McGuire, At Large

# STAFF REPORT

<b>Council Meeting Date:</b>	November 12, 2025
<b>Agenda Title:</b>	FY 2025 Carryover Funding
<b>Requested Action:</b>	Appropriate carryover funding for ongoing projects from FY 2025
<b>Department / Agency Lead:</b>	Finance & Procurement 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 reappropriated to the current fiscal year so that Town operations remain uninterrupted.

The resolution to adopt the FY 2026 budget delegated the review and approval of carryover to the Town Manager. Departments submitted carryover requests at the end of FY 2025. 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 2026 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 reappropriation.

## 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	22,553,352.28
Grants	5,678,736.29
Operating	193,029.96
	<b>28,425,118.53</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 Capital Improvement Plan (CIP) or Capital Asset Replacement Plan (CARP) projects started in (or before) FY 2025 that are continuing into FY 2026. This category captures projects funded by the Water & Sewer Fund, General Fund, and Stormwater Fund as seen below.

Category	Amount
Water & Sewer Fund Capital Projects	16,998,077.93
General Fund Capital Projects	4,003,987.31
Stormwater Fund Capital Projects	1,551,287.04
	<b>22,553,352.28</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, the Clearwell Project (W-001) at the Water Treatment Plant, and the Lancaster Drive Waterline Replacement (W-018). The largest ongoing projects in the General Fund are the ERP Replacement project (CARP) and the Washington Street Sidewalk project (TC-013). In the Stormwater Fund ongoing projects include the Master Drainage Plan (SM-004) and PW Shop and Yard Project (SM-001).

## Grants

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

Category	Amount
ARPA	3,070,914.09
VDOT	909,089.91
Stormwater	804,797.00
Septic Remediation	801,466.19
Warrenton Dam	92,469.10
	<b>5,678,736.29</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 ADA Improvements for Parks (PR-001) and the zoning ordinance update.

VDOT funding consists of State of Good Repair (SGR) funds accepted by council in June 2025, funding for the Improvements to Main Street project (TC-008) and annual street and highway maintenance funds.

Stormwater grants consist of Stormwater Local Assistance Funds accepted by council in June 2025 for the Pond C Retrofit project and the Rady Park Stream Retrofit project (SM-003).

The Septic Remediation Grant funding was accepted by council in March and June 2024. The program assists qualifying residents to connect to the Town's sewer system.

Council accepted funding from the Virginia Department of Conservation and Recreation (DCR) for the Warrenton Reservoir Dam (W-005) in September 2024.

### **Operating**

Operating carryover is related to ongoing non-capital projects. 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	135,739.40
Water & Sewer Fund Operating	53,931.59
Stormwater Fund Operating	3,358.97
	<b>193,029.96</b>

In the General Fund, carryover funds consist of funding for ongoing plan reviews, the annual audit, the Commission on Open and Transparent Government, legal services for the Board of Zoning Appeals, and a piece of playground equipment ordered in FY 2025 that has not yet been delivered.

Water & Sewer Operating Fund operating carryover includes funding for meter setters ordered in FY 2025 that have not yet been delivered, training on our meter reading software, the annual audit, insurance funds for flooring replacement at the water treatment plant, and ongoing plan reviews.

Stormwater Fund operating carryover is related to a PO for training on illicit discharge detection and elimination and good housekeeping procedures for municipal operations.

### **STAFF RECOMMENDATION**

Amend the fiscal year 2026 adopted budget to appropriate carryover funds in the amount of \$28,425,118.53 fund ongoing projects from fiscal year 2025.

### **ATTACHMENTS**

None.