

CITY OF KINGSPORT
FISCAL YEAR 2026-2027
BUDGET AMENDMENT AF-223-2026

ITEM ONE: Budget Increase for School Crossing Guard Services

This budget adjustment recognizes \$36,156 in funding transferred from the General-Purpose School Fund to the General Fund to reimburse the school's share of crossing guard services. The adjustment increases the Police Department's Professional Services expenditure budget to cover higher contract costs resulting from increased service hours needed to accommodate students arriving early for school breakfast programs.

ITEM TWO: Acceptance of Section 5339 Capital Grant into the UMTA Fund

On March 17, 2026, the Board of Mayor and Aldermen (BMA) approved UMTA's application for a Section 5339 Capital Grant to replace a transit vehicle in the KATS fleet. This budget adjustment appropriates the grant funds that have since been awarded.

ITEM THREE: Budget Increase for Hansen Utility Billing Software

The City's CIS utility billing software (Hansen) was implemented in April 2026. The anticipated FY 2027 software cost is \$155,000. This budget adjustment allocates the software expense to the appropriate enterprise funds through the administrative charge as follows: Water Fund – \$91,450; Sewer Fund – \$55,800; and Stormwater Fund – \$7,750.

ITEM FOUR: Budget Increase for WA2007 – WTP High Service Improvement

A contract amendment with CDM for the WA2007 Water Treatment Plant High Service Improvement Project will be presented to the BMA for consideration on August 4. This budget adjustment transfers \$108,000 from Water Project Fund Project WA2408 – Fieldcrest Annexation to fund the amendment.

ITEM FIVE: Budget Increase for SW2609 – SW Extension at Bancroft Chapel Road

A budget increase is requested for Project SW2609 to account for the addition of a 6% construction contingency and 14% engineering and design fees. The increase will be funded through a transfer of General Obligation (GO) Bond funds from Project SW2204 – SLS Improvements to Project SW2609. Staff recommends this transfer because Project SW2609 is better positioned to utilize the available bond funds in a more timely and strategic manner than Project SW2204.

ITEM SIX: Establish Future Sewer Project Fund GP9999

This budget adjustment establishes a Future Sewer Project GP9999 in the Sewer Project Fund by transferring the amount budgeted for capital projects from the Sewer Fund (Fund 412) to the Sewer Project Fund (Fund 452). This transfer provides the funding necessary for future sewer capital improvement projects. Staff recommends setting these funds aside in the Sewer Project Fund to clearly identify the cash available for future capital projects, improving financial planning, project tracking, and ensuring that funds designated for sewer infrastructure improvements remain available for their intended purpose.