

CITY OF KINGSPORT
FISCAL YEAR 2025-2026
BUDGET AMENDMENT NUMBER 5

ITEM ONE: Transfers \$750,000 from Debt Service to Solid Waste Fund for Fleet Addition and Future Appropriation.

Due to population growth and recent annexations which have expanded the current service area of the city, the Solid Waste Division needs another front-line garbage truck to service the new residents. Principal and interest for the upcoming bond issuance was allocated in the FY 2025-2026 budget. Due to the city not going to the bond market until early 2026, the \$750,000 budgeted for debt service principal and interest payments for the next bond issuance will not be used in FY 2025-2026 and can be used for one-time expenses. The cost of the garbage truck is \$417,159 and is being transferred to the Solid Waste Fund for the purchase of the vehicle. The remaining \$332,841 will be placed into a Future Reserve line as a contingency line for current fiscal year. Any unallocated contingency funds will return to the Fund Balance of the General Fund at the end of the fiscal year.

ITEM TWO: Transfers \$204,000 in AEP Funds for Landscaping

AEP Franchise Fee Funding was restored in the FY 2025-2026 budget and put into one project for paving and landscaping. This separates \$204,000 into a separate project for upcoming contracted landscaping.

ITEM THREE: Accepts Emergency Solutions and Bullet Proof Vest Grant Funds and provides matching dollars

The city has been notified by the State of Tennessee Housing Development Agency (THDA) that it has received \$151,613 in State and Federal Funding for the provision of services to the homeless and those at risk of homelessness. This grant will be used to help pay the salaries and expenses of the Homeless Outreach Coordinator (Gray) and Homeless Outreach Liaison (Anderson). Matching funds for this grant and two bullet proof vest grants are being transferred from various Police Administration lines in the amount of \$106,928 to provide matching dollars.

ITEM FOUR: Accepts Downtown Improvement Grant (DIG) funds from the Downtown Kingsport Association (DKA) in the amount of \$2,211

The city is being reimbursed by DKA for Pole Banners put up at the Parking Garage as part of the Downtown Improvement Grant received by the Chamber of Commerce.

ITEM FIVE: Accepts the Lead Service Line Inventory Grant in the amount of \$250,000 from the Tennessee Department of Environment and Conservation (TDEC)

The Environmental Protection Agency (EPA) recently revised the "Lead and Copper Regulations" that guide the operations of drinking water utilities. The updated regulations require utilities to develop and maintain an inventory of service line materials within the utility's system, including the piping on the customer's side of the meter. To date, approximately 30% of the 38,000 service lines have been completed. This grant requires a 15% match which will come from the Water Valve Location & Assessment project.