

August 12, 2025

KINGSPORT CITY SCHOOLS
FISCAL YEAR 2025-2026
BUDGET AMENDMENT NUMBER ONE

GENERAL PURPOSE SCHOOL FUNDS

ITEM ONE: WASHINGTON HVAC REPLACEMENT PROJECT

A project for the replacement of the Washington HVAC system was approved in March 2025. Initial project funding was established for \$240,000, to fund the architectural contract. The architect has provided an estimate of \$2,500,000 for this work. In addition to the funding for the bid amount, there will need to be funding for a 6% contingency or \$150,000 and it is recommended to add \$25,000 for miscellaneous expenses. This brings the additional funding required to \$2,675,000. Bids are scheduled to be opened on August 20, 2025, and the Board of Education bid approval is scheduled for the September Board meeting. We are anticipating that this project will be completed by the start of school in August of 2026.

The City of Kingsport will provide funding for this project when they sell bonds in early 2026. To meet the August 2026 completion, it is necessary to initially fund this project from the school system's Fund Balance and replace these funds when the bonds are sold.

It is recommended that the estimated revenue for Fund Balance Appropriations and the appropriation for Fund Transfers be increased by \$2,675,000 to provide initial funding of the Washington HVAC replacement project.

GENERAL PROJECT FUND

WASHINGTON HVAC REPLACEMENT

A project for the replacement of the Washington HVAC system was approved in March 2025. Initial project funding was established for \$240,000, to fund the architectural contract. The total project is estimated to be \$2,915,000. Initial funding will come from the General Purpose School Fund, Fund Balance. This funding will be replaced by bond funds when the City of Kingsport issues bonds in early 2026.

It is recommended that the estimated revenue for Transfers from the General Purpose School Fund and the appropriation Fees and Construction Contracts be increased by \$2,675,000.