City Council Staff Report

Council Meeting Date

- April 28, 2026

Subject

- Budget Amendment for Helene Disaster Recovery and Response Expenses and Allocation of Insurance funds

Staff Resource(s)

- Tony McDowell, Finance Director
- Becki Ogles, Assistant Finance Director

Action Requested

- Adoption of a budget amendment in the amount of $7.2M, $5.1M for additional Helene Disaster Recovery and Response Expenses, funded with Federal and State Emergency Management Agency (FEMA) reimbursements, and $2.1M for allocation of insurance proceeds received to date related to recovery projects

Background

- The City has and will continue to incur expenses related to Tropical Storm Helene Disaster Recovery and Response.
- To date, City Council has approved Helene-related budget amendments totaling $28.8M.
- This budget has been utilized to fund expenses related to Helene that include costs from the initial response, ongoing staff expenses, and the contract with Hagerty Consulting.
- Spending authority from these prior Helene-related budget amendments is nearing full utilization, so additional budget is needed in order to meet State Statute requirements related to pre-audits and budget authorizations
- Staff is recommending that Council amend the Helene budget by $5.1M to fund upcoming expenses such as a temporary Bridge for Gashes Greek and a recent obligation for vehicle and equipment repairs and replacements.
- Staff is also requesting a budget amendment to appropriate $2.1M in insurance recovery funds that have already been received in our insurance internal service fund so that we can transfer that cash to the Capital Projects Fund where expenses are being recorded for Helene projects.

Vendor Outreach Efforts:

- No competitive bid process was conducted this year

Council Vision 2036 Focus Area(s):

- Financially Resilient City

Council Priority Recovery Area(s):

- Infrastructure & Environment

Committee(s):

- No prior Committee approval

Pro(s)

- Allows the City to budget for expenses related to Tropical Storm Helene response and recovery and be in compliance with NC General Statutes related to pre-audits

Con(s)

- None

Fiscal Impact

- Staff anticipates that this $5.1M budget authorization will be fully reimbursed through federal and state disaster recovery reimbursements, and the $2.1M has already been received from our insurance carrier.

Suggested Motion

- Motion to adopt a budget amendment in the amount of $7.2M, $5.1M for additional Helene Disaster Recovery and Response Expenses, funded with Federal and State Emergency Management Agency (FEMA) reimbursements, and $2.1M for allocation of insurance proceeds received to date related to recovery projects.

Attachment(s)

- Budget Amendment

City of Asheville Budget Amendment Ordinance Number ____

Be it Ordained by the City Council of the City of Asheville:

That Section 2 of the City of Asheville Annual Operating Budget Ordinance be amended to provide an appropriation of $5,100,000 for the City's General Capital Projects Fund, funds will be reimbursed by the Federal Emergency Management Agency (FEMA) and $2,100,000 received in the Property and Liability Fund for damaged facility claims to be transferred to the Capital Projects Fund as follows:

Capital Projects Fund

Revenues:

Federal Emergency Management Agency Reimbursement - $5,100,000
Operating Transfer from Property and Liability Fund - $2,100,000

Total Revenues: $7,200,000

Expenditures:

Machinery and Equipment - $1,720,000
Machinery and Equipment Repairs - $230,000
Tropical Storm Helene - $5,250,000

Property and Liability Fund

Revenues:

Insurance Recovery - $2,100,000

Expenditures:

Transfer to Capital Projects Fund - $2,100,000

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 28th day of April, 2026.

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Esther E. Manheimer, Mayor

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Brad Branham, City Attorney

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Magdalen Burleson, City Clerk