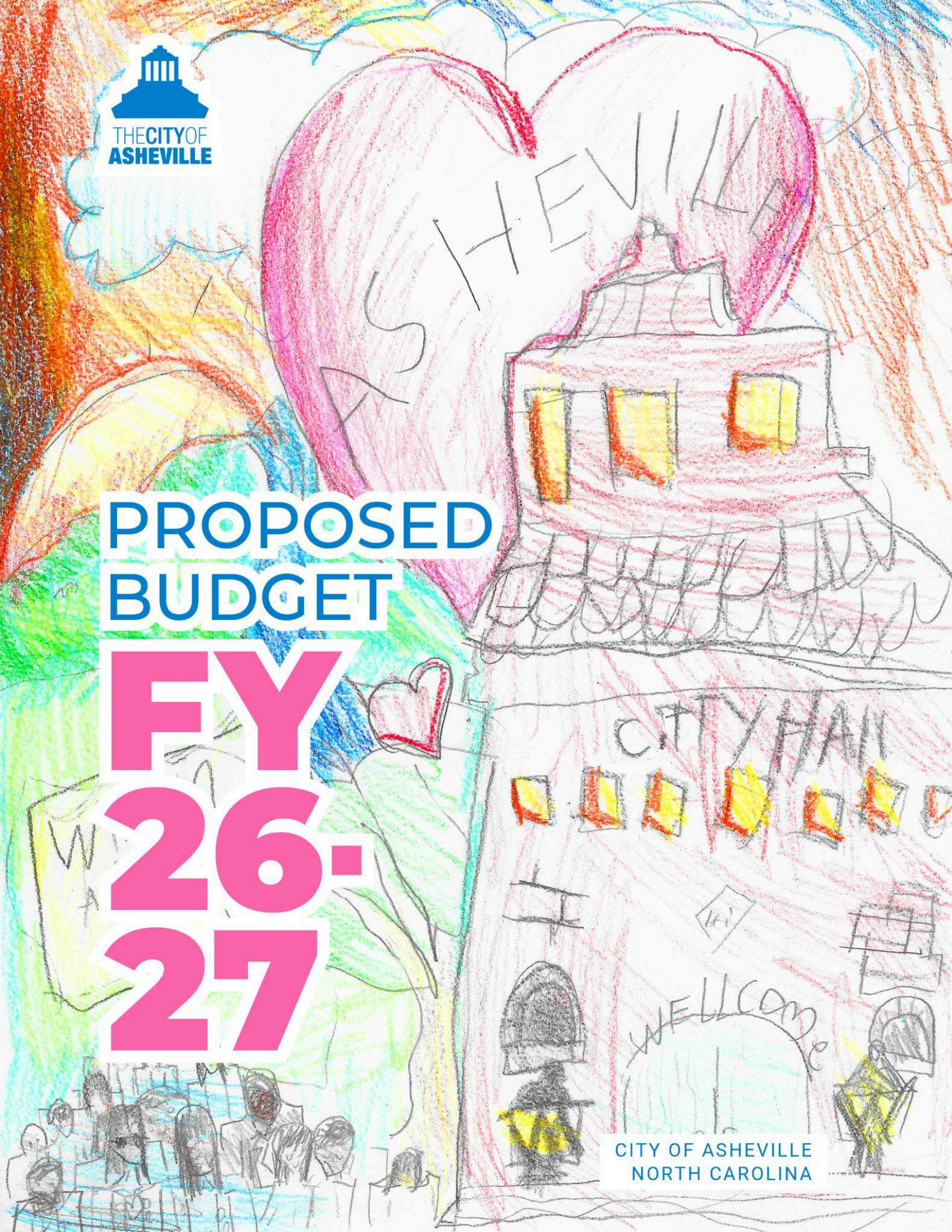

THE CITY OF ASHEVILLE
PROPOSED BUDGET
FY 26-27
CITY OF ASHEVILLE
NORTH CAROLINA

THE CITY OF ASHEVILLE
NORTH CAROLINA

Fiscal Year 2026 - 2027
Proposed Budget

Esther Manheimer, ***Mayor***
Antanette Mosley, **Vice Mayor**

Bo Hess, **Councilmember**
Kim Roney, **Councilmember**
Sheneika Smith, **Councilmember**
Sage Turner, **Councilmember**
Maggie Ullman, **Councilmember**

DK Wesley, **City Manager**
Jade Dundas, **Assistant City Manager**
Ben Woody, **Assistant City Manager**

Tony McDowell, **Chief Financial Officer**

Cover Art by Mabel Hussey-Mitchell, 10 years old
"I hope for a more inclusive Asheville where everyone is valued for who they are."
Claxton Elementary

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City Manager's
Proposed
Budget Message

City Manager's Proposed Budget Message

May 8, 2026

TO: **Mayor Manheimer and City Council Members**

FROM: **DK Wesley, City Manager**

SUBJECT: **Fiscal Year 2026-27 Proposed Annual Budget**

Honorable Mayor Manheimer and City Council Members:

I am honored to present for your review and consideration the Manager's Proposed Budget for the fiscal year beginning July 1, 2026, and ending June 30, 2027 as well as the accompanying FY 2027-31 Capital Improvement Program. As I present my first proposed budget, just a few months as your City Manager, I do so with deep appreciation for this community and a clear sense of responsibility for the path ahead. This proposal reflects what I've heard in these early days - from Council, staff and residents - and is grounded in a shared commitment to stewardship, service and progress. It is designed to meet this moment with discipline and care, while continuing to move Asheville forward with intention and purpose.

This Proposed Budget, which was prepared and is submitted in accordance with North Carolina General Statute §159-11, represents many months of work by staff throughout the organization, by Council, and the community. It addresses significant financial challenges, including the transition away from one-time revenue strategies used in previous years, persistent inflationary pressures, and the ongoing recovery efforts following Tropical Storm Helene.

One of the primary objectives of this budget process is to achieve structural balance — ensuring that our recurring revenues consistently equal or exceed our recurring expenditures. By aligning our resources directly with our recovery priorities and minimizing reliance on non-recurring funding for ongoing operations, we have advanced towards establishing a sound financial foundation that protects the City's fiscal health for future years.

The fiscal year (FY) 2026-27 Proposed Budget totals $275.6 million which represents a $19.6 million or 7.7% increase over the FY 2025-26 Adopted Budget. The FY 2026-27 Proposed Budget for the City's General Fund, which is the largest component of City's operations, totals $187.46 million which represents a $4.64 million or 2.5% increase over the FY 2025-26 Adopted Budget. The Proposed Budget is balanced with a recommendation to increase the City's property tax rate by 4.95 cents above the revenue neutral rate to maintain core City services in the face of a challenging fiscal climate where expenses are increasing at a faster pace than revenues. A summary of the FY 2026-27 Proposed Budget is outlined in the table below.

Proposed FY 2026-27 Budget Summary

	2025-26 Original Budget	2026-27 Proposed Budget	$ Change	% Change
General Fund	182,819,441	187,462,338	4,642,897	2.5%
Water Resources	49,445,000	53,160,000	3,715,000	7.5%
Transit Services	15,226,984	16,084,067	857,083	5.6%
Stormwater	9,319,906	12,919,978	3,600,072	38.6%
Parking Services	7,143,500	7,368,977	225,477	3.2%
Harrah's Center	6,089,447	6,727,105	637,658	10.5%
Street Cut Utility	4,155,217	3,556,677	(598,540)	-14.4%
Total	**274,199,495**	**287,279,142**	**13,079,647**	**4.8%**
Interfund Transactions	(18,254,217)	(11,694,293)	6,559,924	-35.9%
Net Budget	**255,945,278**	**275,584,849**	**19,639,571**	**7.7%**

Recovery Priorities

Although we are almost two years out from Tropical Storm (TS) Helene, it is undeniable that our city still feels its impact, and the recovery process is ongoing. In the initial aftermath of the storm, the City mounted an unprecedented response and rescue effort that required resources on a scale never utilized by this organization in the past. City spending on personnel, operations, and capital has totaled over $64.4 million to date and will continue to increase. The City is expecting to ultimately receive full reimbursement for this response spending through the FEMA Public Assistance (PA) Program. To date the City has received approximately $30.5 million in FEMA PA funding and $16.9 million through the state of North Carolina Helene Cashflow Loan Program.

In February 2025, Council collaborated to come up with 4 recovery priorities to guide City operations and strategy:

- **People**
    - Support residents recovering from disaster impacts while strengthening long-term community resilience.
    - Ensure clear, consistent communication so people feel informed, engaged, and connected to resources.
    - Strengthen neighborhood-level preparedness efforts (e.g., resilience/neighborhood hubs and neighborhood disaster planning).
    - Recognize that pre-existing vulnerabilities are amplified in disasters and work to address these disparities.

- **Economy**
    - Ensure that businesses impacted by the disaster have access to resources needed to recover and rebuild.
    - Strengthen outreach and support for underrepresented businesses to ensure equitable recovery opportunities.
    - Expand the City's contractor pool to improve capacity for recovery and future resilience projects.
    - Enhance Asheville's economy and strengthen resilience through a diversified and sustainable economic base.

- **Infrastructure & Environment**
    - Rebuild infrastructure with a focus on long-term resilience, even if it means a longer recovery timeline.
    - Improve water system resilience, flood management, and stormwater infrastructure to reduce future risks.
    - Strengthen the City's ability to prepare for and respond to climate-related disasters.
    - Prioritize environmental sustainability, recognizing the impact and role of Asheville's natural resources in recovery.

- **Housing**
    - Help residents navigate post-disaster housing challenges by connecting them to available resources and funding.
    - Proactively address future displacement events (e.g., developing a Disaster Housing Plan).
    - Support temporary and permanent housing solutions for displaced residents.
    - Leverage policy tools and partnerships where possible to expand housing options in the City.
    - Advance housing stability efforts such as home repair programs and regulatory flexibility to increase supply.

These priorities remain a central focus of the FY 2026–27 budget. This proposed budget continues to serve City Council priorities despite the fiscal challenges discussed in upcoming sections. The budget will support many programs and operations that will have a positive impact on the community, including:

- **Public Safety/Health:**
    - Fire services will implement the 4th shift in August with existing staff, which will allow firefighters to work fewer hours per week, increasing their hourly rate.
    - Continuation of specialized AFD units such as the REST team which provides needed support particularly downtown.
    - APD will continue to fill their vacancies and provide increasing support in priority areas which require enhanced safety measures.
    - Increased support for Code Purple to meet the growing demand for cold weather shelter.
    - Trash and recycling pick up will continue at the same levels, despite increased costs of taking waste to landfills.

- **Cultural/Recreational:**
    - Parks and Recreation will continue to provide quality and affordable year-round programming for children, including summer camp.
    - Holiday celebrations and other downtown events will continue to receive City support with sales tax revenue in the BID fund.
    - Continued support for athletics, including at parks, Aston Tennis Center, and Municipal Golf Course.

- **Infrastructure/Capital Improvements:**
    - Continued capital investments in public safety, transportation, affordable housing, and parks through the General Obligation Bonds ($80 million).
    - Continued use of CDBG-DR, FEMA, and other funding sources to build back better and more resilient after Tropical Storm Helene.
    - Enhancing community response for Public Works through dedicated communications support.
    - Dedicated support to ensure timely review of transportation related plan updates.

- **Community Investments:**
    - Continue to invest in transportation services for all community members, including maintaining bus services despite increased costs.
    - Hire a dedicated affordable housing project manager, allowing for more efficient and effective development of affordable housing.
    - Continued focus on ensuring access and adequate engagement for our residents especially the City's historically under-represented neighborhoods and populations.
    - Continued support of the neighborhood matching grant program, providing funds for community projects directly to neighborhood groups.

In addition to using City funds to support recovery priorities, the City continues to utilize other revenue sources, such as the $225 million CDBG-DR direct allocation that the City received from the U.S. Housing and Urban Development agency (HUD), FEMA Public Assistance funding, and other federal and state sources.

Financial Outlook

To balance the FY 2025-26 Adopted Budget, the City implemented a number of budget savings strategies including implementing a new hiring review process, suspending the annual contribution to the OPEB (Other Post Employment Benefits) Trust Fund, limiting non-essential training and travel, and making other one-time budget reductions that did not directly impact core service delivery. The City also utilized some one-time revenue sources including a $5 million Community Disaster Loan from FEMA and fund balance.

In addition to the one-time strategies in the current year's budget, the City was facing some unavoidable difficulties in both revenues and expenses in the coming year, which has made it challenging to balance the budget. These challenges will be addressed in upcoming sections of this message, but overall, the City is facing financial pressure that can be attributed to national trends as well as the lingering impacts of TS Helene.

TS Helene also led the City to delay a tax rate increase last year associated with debt service for the 2024 General Obligation bonds ($80 million). Voters approved these bonds, along with the associated tax rate increase, in November 2024 and multiple projects are now underway in the four bond categories: public safety facilities, parks, affordable housing, and transportation. In order to allow the City to borrow money to complete these critical projects, property taxes must increase to accommodate the debt payments.

It was against this financial backdrop that we initiated our FY 2026-27 budget process. Early in the process, staff notified Council and the public of a larger than usual projected gap between revenues and expenses. Engaging early in the process allowed us to be transparent and manage expectations during a challenging year. Since that early engagement, staff has brought several updates to Council, with each update bringing more refined projections and trend information.

General Fund Revenues

On the revenue side, the largest source of revenue in the General Fund is property tax. The FY 2026-27 budget cycle includes a reappraisal of real property conducted by the Buncombe County Tax Office, the first reappraisal in five years. State law requires local governments to publish a revenue-neutral tax rate in the budget immediately following the completion of the reappraisal of real property. The revenue neutral property tax rate for the City of Asheville General Fund for FY 2026-27 is 32.89 cents per $100 of assessed valuation. This Proposed Budget includes a tax rate 4.95 cents above the revenue neutral rate in order to continue providing essential City services: 37.84 cents per $100 of valued property. The Budget Summary of the Proposed Budget explains how the revenue neutral tax rate is calculated. It's important to note that although the proposed tax rate is above revenue neutral, it is below the current year tax rate of 44.19 cents per $100 of valued property.

The City's second largest General Fund revenue - sales taxes - is showing signs of slowing, which is a trend seen throughout the state and the country. Factors such as inflation, high interest rates, tariffs, and international uncertainty are slowing spending, leading to lower sales tax collections. Current projections show the City is not expected to reach our budgeted collections for the current year, so next year's budget will hold sales tax flat (a 5% increase over what we expect to receive this year).

At the March 24th City Council meeting, Council approved increases to various fees and charges to reflect the rising cost of providing services. The largest increase to General Fund fees was for solid waste collection ($800,000), and the total impact to the General Fund from fee increases was $1.1 million. Staff is also projecting some natural growth in fee collections, which has increased our projected fee revenue for FY 2026-27. Much of this growth can be attributed to the fact that we budgeted some fee revenue conservatively in FY 2025-26 due to uncertainty around Helene recovery.

General Fund Expenses & Budget Balancing Strategies

The City's largest expense (about 66% of the General Fund) is personnel, including salaries, wages, and benefits. In FY 2026-27, the largest increase to the personnel budget is in health care. Health care costs are increasing nationwide at an exponential rate, and Asheville has seen costs rise significantly over the past few years. We anticipate a $4.5 million increase in General Fund health care spending in FY 2026-27 compared to the FY 2025-26 Adopted Budget.

This budget also provides a 2.8% cost of living increase for all permanent, full-time employees. The increase is tied to the Consumer Price Index and is therefore an adjustment based on reliable cost of living data. The increase is similar to those being proposed by other local governments in the region and across the state.

This budget also accounts for increased hiring in the Police Department. After losing a significant portion of the sworn workforce during the pandemic, APD is successfully filling its vacant positions and making its way towards full staffing. In prior years, some of these vacant positions were left unbudgeted, and given APD's current hiring rate it is necessary to add budget back for 24 sworn positions.

Although the City is facing increased personnel costs on several fronts, this budget tries to mitigate growing costs as much as possible. Early in 2026, I instituted a hiring freeze to allow us to critically evaluate staffing needs. In FY 2027 we will continue to slow our pace of recruitment to focus on cross-departmental collaboration and finding more efficient and integrated ways to work and share resources. The FY 2026-27 Proposed Budget eliminates 16.5 vacancies, many of which have been vacant for over 180 days. We've also identified some minor adjustments to the City's health care plans to offset the growing cost of health care. Lastly, this budget eliminates a 1% 401(k) match previously offered to eligible employees to achieve additional savings.

The City also faces cost increases in the General Fund operating budget. In addition to smaller unavoidable operational cost increases next year, such as fleet maintenance and parts, landfill tipping fees and recycling costs, street lighting, and more, staff projects some larger notable increases. For example, after incidents at various community centers last summer, the City entered into a contract to provide security services across community centers, adding an unexpected cost to this year's budget which will continue next year. Next year's cost was originally anticipated to be $1.8 million, but by evaluating the activity based on actual data, the cost was decreased to $1.3 million.

In addition, the City's transit contract was also up for renewal next year. The new contract provides the same routes but with the addition of stricter performance standards, an on-site crisis counselor, and other improvements. Due to increased costs, the contract is about $800,000 above the current contract. Although the contract is budgeted in the Transit Fund, the General Fund subsidizes the Transit Fund and typically absorbs any transit cost increases. As a one-time measure to avoid increases to the General Fund, the contract increase will be covered with Transit fund balance for FY 2026-27.

To offset these increases, the Finance Department worked with all departments to identify opportunities to reduce spending. At the start, staff identified reductions that had little or no operational impacts. Staff was able to identify some minor savings with no operational impact, such as evaluating existing contracts and adjusting budget to match historical spend rates. However, in order to achieve significant savings and decrease the property tax impact, it was not possible to limit departments to no-impact savings. Due to the size of the gap, staff have been clear throughout the budget process that service reductions would be necessary to achieve savings and reduce impact on property tax payers.

The budget includes several service reductions including: reducing community center hours to pre-COVID levels; pausing the annual contribution to the public art fund (while leaving the existing balance intact); eliminating next year's purchase of bear proof trash cans; reducing mowing services around guardrails and medians; eliminating vacant positions; and more.

Through the cooperation of all departments, a total of $8.7 million in spending reductions and budget balancing strategies were identified. Although some of the reductions will be recurring, others are one-time solutions which will require us to reevaluate in the next budget cycle. However, given the magnitude of the anticipated gap, balancing the budget required a mix of short and long-term solutions.

Enterprise & Business Improvement District Funds

In addition to the General Fund, which has been the focus of most of the Manager's Message to this point, the City's budget also includes six Enterprise Funds, which are used to account for City activities that operate like private businesses, where expenses are primarily financed by revenues derived from user charges. Highlights for these funds include:

- **Water Resources Fund:** City Council approved the third year of the water rate realignment increases on March 24th, which is expected to produce an additional $3.3 million in revenue next fiscal year. The revenue from these rate increases, which will go into effect next fiscal year, will be utilized to fund the water system's Capital Improvement Program (CIP), maintain its debt coverage ratios, and cover operating cost increases and the employee cost of living adjustment.
- **Transit Services Fund:** The FY 2026-27 Proposed Budget for this fund includes an increase of approximately $800,000 in the operating contract with the City's transit service provider as well as a $200,000 increase in paratransit costs due to increased usage. To offset this cost increase, the Proposed Budget includes a $1.2 million appropriation from Transit Service Fund balance. This strategic one-time use of Transit fund balance will allow us to keep the FY 2026-27 General Fund and Parking Fund support for Transit at the same level as FY 2025-26. This appropriation from fund balance will leave the Transit Services Fund with an estimated $1.6 million in fund balance above its policy target of 8% of operating expenses.

- **Parking Services Fund:** As was discussed with City Council during the budget work sessions, staff has included revenues and expenses in the FY 2026-27 Proposed Budget to begin the expansion of parking meters into the South Slope section of downtown, with approval of up to 170 new metered spaces and permitted spaces. This expansion requires additional enforcement staff and equipment in addition to upfront costs such as new meters, striping, and installation. Due to the upfront costs, Parking is only expected to receive $35,000 in additional revenue next year, but in subsequent years they achieve a net revenue increase of $332,000. The Proposed Budget also includes additional revenue from some minor fee changes, such as monthly lot permits and special event parking. Fee adjustments for Parking will be included along with the budget ordinance that Council votes on in June.
- **Stormwater Fund:** After keeping stormwater fees unchanged in FY 2025-26 to minimize impacts on customers following TS Helene, City Council approved an increase in stormwater fees at its March 24th meeting. The revenue from the rate increase, which will go into effect next fiscal year and total an estimated $626,000, will be utilized to fund the stormwater capital program and cover operating cost increases and the employee cost of living adjustment. Staff is also proposing a one-time appropriation of approximately $3 million in Stormwater fund balance to cover capital costs and a fee study in FY 2026-27. This appropriation from fund balance will leave the Stormwater Fund with an estimated $2.5 million in fund balance above its policy target of 8% of operating expenses.
- **Harrah Center (HCCA) Fund:** The FY 2026-27 Proposed Budget for HCCA is increased to reflect an anticipated increase in events next fiscal year based on current year trends. The Proposed Budget includes a $400K appropriation from HCCA Fund balance to support operations in place of the usual General Fund transfer. This is a one-time use of available HCCA fund balance which will assist with balancing the FY 2026-27 General Fund budget. This appropriation from fund balance will leave the HCCA Fund with an estimated $3.1 million in fund balance above its policy target of 16% of operating expenses.
- **Street Cut Fund:** The FY 2025-26 Adopted Budget for this fund included a one-time appropriation of $1 million from fund balance that is not continued in the FY 2026-27 Proposed Budget. Otherwise, the Street Cut Fund budget reflects a continuation of existing programs and services.

Finally, the FY 2026-27 budget ordinance that City Council will adopt in June will include the third year budget for the Business Improvement District (BID). As was discussed with City Council at the April 14 Budget Work Session, staff is recommending that Council adopt a revenue neutral tax rate for the BID. That revenue neutral rate is currently calculated to be 7.63 cents per $100 of assessed valuation (See the BID section of the document), and it will generate approximately $1.4 million in revenue for the BID Fund. This amount will cover the FY 2026-27 budget request from the Asheville Downtown Improvement District (ADID). In addition, staff is recommending that a portion of the sales tax revenue that is now being recorded in the BID Fund be utilized to fund holiday events and the AVL Arts Grant Program that were previously funded through the General Fund budget. After budget adoption, staff in coordination with ADID Leadership, will present additional options to Council on how to utilize the sales tax revenue at a later date.

Capital Improvement Program

Capital Improvement Programs (CIP) are vital for the development and maintenance of essential infrastructure such as roads, sidewalks, water systems, public buildings, parks, and recreational facilities. Local government infrastructure is in many ways the backbone of a community, supporting economic activity, public health, sustainability, and quality of life. Effective CIP's provide a multi-year framework for fiscal planning and budgeting, ensuring that capital projects are prioritized based on need and feasibility. Effective CIP's also utilize a diverse mix of revenue sources to fund projects, including debt, grants, fees, and pay-go cash.

At City Council's April 14 Budget Work Session, the Capital & Asset Management Department Director provided a high-level overview of the City's general capital projects 5-year CIP and the process used to develop project recommendations for the CIP. Projects were prioritized by a cross-departmental review team utilizing the following criteria: 1) Required: high priority prior commitments, maintenance, safety; 2) Right: aligned with priorities; 3) Readiness for implementation; and 4) Financially feasible within capacity. Over the next 5 years, the general CIP that was developed from this process will support significant capital investments totaling $156 million, which will include relying upon external funding partners to support some of the identified projects. In FY 2026-27, the CIP includes funding for the following major projects:

- Maintenance of City facilities and roadways
- Replacement fleet and equipment, including technology replacements, vehicles, heavy equipment, fire apparatus, and transit busses
- Supplemental funding for a subset of 2024 GO Bond projects, including Smith Mill Creek Greenway, Shiloh Community Center, Pickleball Courts, and Fire Station #8, to ensure projects can be completed as scoped and on schedule
- A number of projects related to pedestrian infrastructure improvements, including Craven Street Bridge, Deaverview Road, and School Zone Safety, all of which leverage City funding to access grants from NCDOT.

In addition, TS Helene recovery will continue to occupy a large portion of the City's project delivery resources over the next 5 years. In order to ensure that the City has adequate funding for expenses related to TS Helene recovery projects that may not be reimbursed through FEMA or other outside funders, a portion of the annual CIP capacity is being reserved as a funding buffer. For FY 2026-27, staff is recommending a $7 million contingency to support the $250 million in recovery project investments. Setting aside this contingency will allow for faster implementation of recovery projects and provide for the ability to address unexpected project costs without impacting the rest of the CIP or requiring a fund balance appropriation from the General Fund.

Spending will also continue on the projects associated with the $80 million GO Bond CIP that voters approved in November 2024. As a reminder, that GO Bond CIP includes $20 million each for Public Safety Facilities, Transportation, Parks & Recreation, and Affordable Housing. Staff anticipates issuing the first of the 2024 GO Bond debt in FY 2026-27, and the Proposed Budget includes a tax rate adjustment of 1.77 cents to fund that debt as part of the City's multi-year CIP/Debt model.

Additional detail on the general CIP, as well as enterprise fund capital projects, is presented at the end of the Proposed Budget Document.

Next Steps and Summary

In conclusion, this Proposed Budget for FY 2026-27 is a source of pride, signifying an Asheville that is moving forward and actively rebuilding intelligently, despite fiscal challenges. It demonstrates a commitment to both fiscal responsibility and continued recovery, while simultaneously acknowledging the exceptional contributions of our employees. Furthermore, the budget supports our residents and businesses and invests in the essential systems necessary for a stronger, more resilient city.

I would like to thank staff throughout the organization for their many hours of hard work on this budget, and their willingness to collaborate on decision making during these challenging times. In particular, I would like to acknowledge staff in the City of Asheville's Finance & Management Services Department: Finance Director Tony McDowell and the staff in the Budget Division, including Lindsay Spangler, Heather Curry, Natalie Bailey, Nathan Behm, Jannatul Dola, and Liz Greene.

I appreciate the continued leadership of the Mayor and Council and the determination of our residents. I look forward to working together over the next month to adopt a budget that honors our shared commitment to sustainability, long-term resilience, and progress.

Sincerely,



Dakisha (DK) Wesley, MPA, ICMA-CM

City Manager


Introduction

Budget Guide

Local governments exist to provide a wide range of basic services on which we all depend: streets and sidewalks, water systems, garbage collection, police and fire protection, and parks, just to name a few. The ability of a local government to provide this wide range of services rests on its financial decision-making. This document contains the City of Asheville's FY 2026-27 Proposed Budget, which is the financial plan that will guide City operations over the next year.

The budget document is divided into the following sections:

Introduction - This section begins with the City Manager's Budget Message, which highlights and explains the major budgetary issues facing the City of Asheville during the 2026-27 fiscal year. The Introduction also includes a description of the budget process and City organizational structure and a presentation of the City's financial policies.

Budget Summary - The Budget Summary section provides a detailed picture of the City's FY 2026-27 proposed annual operating budget, including information on total budget expenditures, revenues, and staffing. This section also separates the expenditures and revenues by fund. Detailed information is included for all City operating funds, with a focus on the City's largest fund, the General Fund. This section also highlights the City's major revenue sources and summarizes the trends and assumptions that were used in developing the FY 2026-27 revenue estimates.

Departmental Summaries - The next four sections present budget data for City departments. Detailed budget information is included for all City departments and divisions, along with departmental goals and objectives.

Capital Improvement Program/Debt Management - The long-range Capital Improvement Program (CIP) describes planned capital improvement projects and funding sources for the next five fiscal years. This section also contains information on the City's annual debt service requirements.

Please direct any comments or questions to:
Lindsay Spangler, Budget Manager
City of Asheville
Telephone: (828) 259-5592
Email: lspangler@ashevillenc.gov
Website: https://www.ashevillenc.gov/department/finance/city-budget/

Organizational Structure

Fund Accounting

The accounts of the City of Asheville are organized and operated based on funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenses as appropriate. Fund accounting separates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual requirements. While most departments fall within the General Fund, several departments are responsible for managing other funds.

	General Fund	Water Resources Fund	Parking Services Fund	Street Cut Utility Fund	Stormwater Fund	HCCA Fund	Transit Fund
Department							
Fire	X						
Police	X						
Parks & Recreation	X						
Housing & Economic Development	X						
Community & Regional Entertainment Facilities	X					X	
Planning & Urban Design	X						
Development Services	X						
Public Works	X			X	X		
Capital & Asset Management	X						
Recovery & Resilience	X						
Human Relations & Anti-Discrimination	X						
Transportation	X		X				X
Administration/City Manager's Office	X						
City Attorney	X						
Communications & Public Engagement	X						
Finance & Management Services	X						
Human Resources	X						
Information Technology Services	X						
Water Resources		X					

Funds included in the City of Asheville's Proposed Budget can be grouped into two types: governmental funds and proprietary funds. Governmental funds are those through which most functions of the City are financed. Proprietary funds are used to account for City activities that are similar to those often found in the private sector. Specific City of Asheville funds include:

General Fund

The General Fund is a governmental fund that includes most of the City's day-to-day operations, such as police, fire, refuse collection, street maintenance, and parks and recreation. General Fund operations are primarily funded through property tax dollars but are also supported through sales tax revenue, charges for service, license & permit fees, and investment earnings.

Enterprise Funds

Enterprise Funds are proprietary funds used to account for activities that operate like private businesses, where expenses are primarily financed by revenues derived from user charges. For the City of Asheville, these funds include:

- Transit Services Fund
- Parking Services Fund
- Water Resources Fund
- Harrah's Cherokee Center Asheville (HCCA) Fund
- Stormwater Fund
- Street Cut Utility Fund

Capital & Special Revenue Funds

Capital Funds are used to account for capital replacements and improvements, and Special Revenue Funds are used to account for specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Funding is provided from operations, federal or state grants, or long-term financing and may be annual appropriations or project appropriations. Appropriations are approved through the Capital Improvement Plan process. Capital and Special Revenue Funds include:

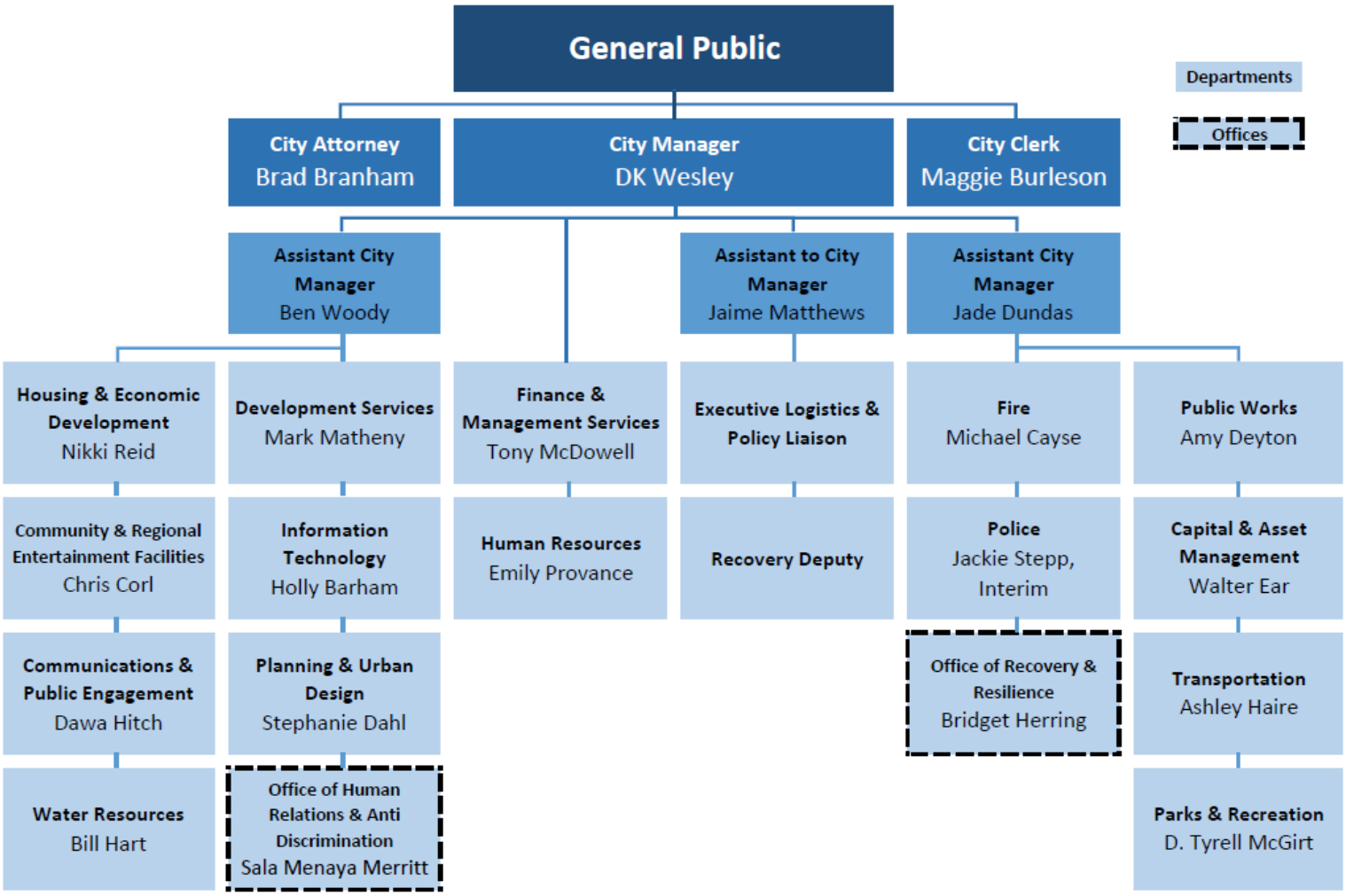
- General Capital Projects Fund
- Community Development Fund
- HOME Fund
- Water Major Capital Improvement Fund
- Harrah's Cherokee Center Asheville (HCCA) Capital Fund
- Parking Services Capital Fund
- Transit Services Capital Fund
- Business Improvement District Fund

City funds interact in a variety of ways. Expenses that occur in one fund are frequently incurred to benefit another fund. When this occurs, the benefiting fund may reimburse the fund providing the goods and services. Examples of such transactions include general government services provided by the General Fund to the Water Resources Fund. Interfund transfers may also result from the exchange of resources between funds to cover operating and capital expenses. For example, the FY 2026-27 budget includes a transfer from the General Fund to the Transit Services Fund to support operations. Transfers between funds result in the budgeting of dollars in both participating funds.

Departments & Divisions

Departments are organizational units that provide a major type of public service, such as fire or police protection. Departments are usually subdivided into one or more divisions. For instance, the Parks & Recreation Department consists of three divisions: resource management, recreation management, and asset management. Often within each division, there are smaller units responsible for performing specific activities.

City's Organizational Chart



Budget Process

Budget Preparation Overview

Budget preparation affords departments the opportunity to reassess their goals and objectives and the strategies for accomplishing them. Even though the budget may be heard by the City Council in May and adopted in June, its preparation begins at least six months prior with projections of City reserves, revenues, and financial capacity. It is against this backdrop that departmental budgets are formulated and reviewed.

Financial Forecasting

The annual budget process begins with the Budget Division preparing revenue and expenditure projections that serve as the framework for financial decision-making during the City's annual strategic planning and budgeting process. The Budget Division regularly updates the City's General Fund forecast to account for changes in local, state, and national economic conditions and trends; changes in City Council priorities and policies; and other variables that might affect the City's ability to provide needed services and maintain its financial health in future years.

City Council Strategic Planning

Linking important objectives with necessary resources requires a process that identifies key goals at the very beginning of budget preparation. In February 2025, City Council established strategic priorities related to Tropical Storm Helene recovery. These priorities remain in place and set the tone for the development of the annual budget.

Departmental Budget Development

Departments begin developing their budget requests in December. During this phase, departments are encouraged to thoroughly review all programs and services, assessing their value and priority to the citizens of Asheville. Examination of current departmental programs or positions for possible trade-offs, reductions, or eliminations is strongly suggested.

Due to financial constraints this year, departments were asked to submit options for budget reductions along any critical new funding requests. Departments submitted budget information and detail about service impacts. In addition, departments submitted requests for any new or increased fees for service which are used to offset the costs of providing the service.

Management Team and City Manager Review

Once the Budget Division has completed its technical review of the budget, senior management evaluates requests based on the City's financial capacity and on how they relate to City Council strategic priorities. They also review budget reduction strategies for feasibility and community impact, minimizing service reductions as much as possible. Following senior management review, a citywide proposed operating budget is developed. Throughout this process, staff meets with City Council to discuss options and receive feedback. The Budget Calendar shows each touchpoint with Council during the 2026-27 process.

Budget Adoption

The City of Asheville adopts its annual operating budget in accordance with North Carolina General Statutes (NCGS §159 - Local Government Budget and Fiscal Control Act). This act requires that City Council adopt a balanced budget in which revenues and appropriated fund balances equal expenditures. The City Manager must

submit a balanced budget proposal to the City Council by June 1 of each year, and City Council must adopt the Budget Ordinance by July 1. A formal public hearing is required to obtain taxpayer comment before City Council adopts the budget. By state law, the fiscal year begins on July 1 and ends on June 30.

Budget Amendments & Revisions

After the Budget Ordinance is enacted, state law permits City Council to amend it at any time during the fiscal year. Each amendment must adhere to the balanced budget statutory requirements. Amendments may in no way change the property tax levy or a taxpayer's liability.

Budget revisions are transfers within a fund which do not change the total fund appropriation. Budget revisions do not require City Council approval.

Basis of Budgeting

As required by the North Carolina Local Government Budget & Fiscal Control Act, the budget is prepared and adopted using the modified accrual basis of accounting. Briefly, this means that obligations of the City are budgeted as expenditures, but revenues are recognized only when they are measurable and available. The City considers all revenues available if they are collected within 90 days after year end, except for property taxes. Those revenues susceptible to accrual include investment earnings, sales tax, and grants-in-aid earned.

During the year, the City's accounting system is maintained on the same basis as the Adopted Budget. This enables departmental budgets to be easily monitored via monthly accounting system reports. At fiscal year-end, the City's Annual Comprehensive Financial Report (ACFR) is prepared on a basis consistent with generally accepted accounting principles (GAAP). This basis of accounting conforms to the way the City prepares its budget, with a couple of notable exceptions. First, certain items that are referred to as revenues and expenditures in the budget are included as other financing sources and uses in the ACFR. In addition, for financial statement presentation, proprietary (enterprise) funds are adjusted to the full accrual basis. The most significant differences between the budget and ACFR for proprietary funds are:

a) capital outlay & debt service principal payments are recorded as expenditures for budgetary purposes, as opposed to adjustments of balance sheet accounts in the ACFR (GAAP); and

b) depreciation is recorded as an expense in the ACFR (GAAP) and not recognized for budgetary purposes.

All outstanding encumbrances on the accounting system on June 30 are carried over into the next year's budget. Outstanding encumbrances at the end of the year do not count as expenditures or liabilities.

FY 2026-27 Budget Calendar

Event	Date/Deadline
City Council Formal Meeting - Adoption of Budget Calendar	December 9, 2025
Internal review of existing programs and services (operating) and infrastructure and facility needs (capital)	January – March 2026
City Council Budget Work Session	January 13,2026
City Council Formal Meeting - FY 2026-27 Budget Priorities Public Comment	February 24, 2026
City Council Policy Finance & Infrastructure Budget Update	February 24, 2026
City Council Budget Work Session	March 10, 2026
City Council Budget Work Session	March 24, 2026
City Council Formal Meeting - Adoption FY 2026-27 Fees & Charges	March 24, 2026
City Council Budget Work Session	April 14, 2026
Proposed Budget Document Published	May 8, 2026
City Council Formal Meeting - Proposed Budget Presentation	May 12, 2026
City Council Formal Meeting - Budget Public Hearing	May 26, 2026
City Council Formal Meeting - Budget Adoption	June 9, 2026

Financial Policies

The City of Asheville financial policies establish general guidelines for the fiscal management of the City. These guidelines, influenced by the North Carolina Local Government Budget and Fiscal Control Act and sound financial principles, provide the framework for budgetary and fiscal planning. Operating independently of changing circumstances and conditions, these policies inform the decision-making processes of the City Council and City administration.

Operating Budget Policy

Current operating revenues will be sufficient to support current operating expenditures. Fund balance appropriations shall be limited to non-recurring expenditures.

Debt proceeds or non-recurring revenues will not be used to finance recurring operating and recurring capital expenditures.

The City will integrate performance and productivity measures with the annual budget.

The City will prepare a five-year operating budget projection which will include projections of annual growth plus allowances for operating costs of new capital facilities.

It is the City's policy that the operating budget be prepared in accordance with Generally Accepted Accounting Principles.

Reserves

The City will maintain an undesignated fund balance equal to 15% of the General Fund operating budget, with any amount in excess of 15% being credited to a capital reserve account. This transfer shall be made upon completion of the annual financial audit. The City Council may appropriate this transfer through an amendment to the subsequent year's Budget Ordinance.

The table below shows the City's minimum fund balance targets for the other operating funds:

Fund	Minimum Fund Balance Target
Harrah's Cherokee Center Fund	16% of the operating budget
Parking Services Fund	8% of the operating budget
Stormwater Fund	8% of the operating budget
Transit Services Fund	8% of the operating budget (portion may be reflected in General Fund)
Water Resources Fund	100% of operating budget; 365 days of working capital

Interfund Transfers

The City will strive to ensure that enterprise funds are financially self-sufficient; however, the City may budget a transfer from the General Fund to an enterprise fund to ensure operational and/or capital support for the activities of the fund. If financial performance in the enterprise operating fund is better than budgeted, and the enterprise fund meets the reserve standards set forth in Section B of this policy, then any remaining portion of the interfund transfer shall be returned to the General Fund as part of the annual financial audit process.

Revenue Policy

Revenue estimates shall be set at realistic and attainable levels and shall be monitored periodically.

The City will conduct an annual review of specific programs and services which have been identified as potential opportunities for user fees and for which user fees are charged. Where appropriate, user fees will be set at a level sufficient to recover the full costs of the program or service.

Regulatory fees shall be set at a level that strives to recover full costs (direct and indirect costs, such as depreciation or usage costs associated with capital assets) of providing the service unless statutory restrictions limit the fee amount.

Non-regulatory fees are charged for a wide variety of services with the primary purpose of non-regulatory fees being to a) influence the use of the service and b) increase equity.

Non-regulatory fees shall be set at a level that is competitive in the marketplace and strives to recover full costs (direct and indirect costs, such as depreciation or usage costs associated with capital assets) except when:

- free or subsidized service provides a significant public benefit;
- the City has determined that it should influence personal choice to achieve community-wide public benefits;
- full cost recovery would result in reduced use of the service or limit access to intended users thereby not achieving community-wide public benefits;
- the cost of collecting the user fees would be excessively high;
- ensuring the users pay the fees would require extreme measures.

Capital Improvement Policy

The City will update and readopt annually a five-year capital improvement program which details each capital project, the estimated cost, description, and funding source.

The capital improvement plan should be tied to the City's comprehensive growth plan, "Living Asheville, A Comprehensive Plan for Our Future," as well as the City's other adopted Master Plans, to ensure that the capital items requested meet the future growth needs and long-term vision for the City.

The City shall appropriate all funds for Capital Projects with a Capital Projects ordinance in accordance with State statutes.

Operating expenses for all capital projects will be estimated and accounted for in the Capital Improvements Program and added into the annual operating budget.

Capital expenditures included in the CIP as a project will cost at least $50,000 and have a useful life of at least five years. Equipment purchases are considered operating expenses and will not be included in the CIP.

Capital facilities to be financed with bond-debt must adhere to the debt policies of the City including maintenance of adopted debt ratios.

Accounting Policy

The City will establish and maintain the accounting systems according to the North Carolina Local Budget and Fiscal Control Act, Generally Accepted Accounting Principles (GAAP), and standards established by the Governmental Accounting Standards Board (GASB).

Full disclosure will be provided in the financial statements and bond representations.

A financial system will be maintained to monitor expenditures and revenues on a monthly basis.

All revenue collections will be consolidated under the Director of Finance and be audited at least annually.

The City's Fiscal Procedures Manual will be maintained as a central reference point and handbook for all activities which have a fiscal impact within the City and will serve as the City's authoritative source for fiscal procedures.

Audit Policy

An annual audit will be performed by an independent public accounting firm which will issue an official opinion on the annual financial statements, with a management letter detailing areas that need improvement if required. The City will prepare an Annual Comprehensive Financial Report that will be submitted to the Local Government Commission each year according to the commission's stated deadlines.

When obtaining the services of independent auditors, the City of Asheville shall enter into multiyear agreements of not more than five years in duration through a series of single-year contracts as consistent with applicable legal requirements. It is the City of Asheville's policy that the independent auditor be replaced at the end of the five-year engagement to enhance auditor independence unless lack of competition among audit firms fully qualified to perform public-sector audit make mandatory rotation counterproductive. The principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit. In no case should price be allowed to serve as the sole criterion for the selection of an independent auditor.

Water Utility Policy

Setting Water Rates & Charges: Charges for the water users shall be set to provide sufficient revenues to cover all annual operating and debt services expenditures, to accumulate funds for the acquisition and replacement of capital equipment and facilities, and to finance the long-term Capital Improvement Plan. As the Water Fund relies solely on user fees, the City of Asheville will continue to be guided by cost-of-service principles with regard to rates, fees and charges, and will operate the water system at the lowest rates consistent with the obligation to provide proper and efficient services, now and in the future. Rate increases will be evaluated each year and care will be taken to ensure that increases are predictable and as affordable as possible.

Debt Service Coverage: Utility debt service coverage ratios shall be maintained at a level of 1.25 to 1.5 times coverage or greater (as measured by net revenues, excluding capital contributions, available for debt service divided by total debt service requirements).

Debt to Net Plant: Utility system debt shall not exceed 70 - 75% (as measured by total long-term debt divided by total net assets).

Service Affordability: The most commonly used and most cited measure of water service affordability is "percent MHI" – that is, calculating what a year's worth of water bills for an average level of consumption (e.g., 5,000 gallons/month) is compared to the median household income (MHI) in the community served by the utility. This indicator is easy to calculate using the calculated bill amount and the U.S. Census Bureau's median household income date from their latest 5-year American Community Survey estimate. The City of Asheville's percent MHI. The average annual residential bill divided by real median household income shall be < 1.5%.

Internal Services Fund Policy

- Health Fund
  - Health Claims Budget and Rate Setting

    Health claims shall be budgeted to adequately fund expenses including trend, administrative costs, stop-loss premiums, and risk corridor. Expected claims expenses shall be projected based on annual actual mature claims experience adjusted for trend, enrollment, and plan design and network changes.

    Trend is defined as year to year medical inflations influenced by utilization, advances in medical technology, and increasing cost of medical services.

    Risk corridor, calculated at 5% of expected claims expenses, is defined as the difference between expected claims and the aggregate potential liability on group claims to be funded from current rate resources as

opposed to reserves. The amount over the risk corridor represents the risk the employer is accepting in the self-funded plan which, if claims exceed the aggregate potential liability funded from current rate resources, would be paid from reserves.

- Health Fund Reserve Requirement

  The health fund shall maintain reserves designed to offset normal variances in claims cost from year to year, unforeseen catastrophic claims beyond reinsurance, larger than expected medical inflation trends, incurred but not reported claims liability, and the impact of future health care legislative mandates.

  - 100% of the incurred but not reported claims liability with the lag factor based on the prior 12-month average, and
  - 100% of reported and not yet paid claims computed as two weeks of annual claims benefits costs, and
  - 30% of the aggregate of i and ii above.

  Should the health fund fail to meet the required reserve level, the amount needed to restore the fund to the required reserve level shall be funded in subsequent year's rate structure and recovered over a period of not more than three years.

  Should the health fund exceed the required reserve level, the amount in excess of the required reserve level shall be credited to the subsequent year's employer health care contribution.

Investment Policy

The City of Asheville will demonstrate good stewardship of public funds through an Investment Policy and Program that is transparent, fiscally conservative, aligned with City Council objectives, and in compliance with all State and local requirements.

Governance

The City of Asheville's Investment Policy shall be governed by the North Carolina Budget and Fiscal Control Act, North Carolina General Statute (NCGS) §159, the policies of the Local Government Commission (LGC), and the direction of the City Council.

Purpose and Scope

The City of Asheville's Investment Policy applies to the investment activities of the City of Asheville. All financial assets of the City shall be administered in accordance with the rules of the Policy. In addition to the Policy, the investment of bond proceeds and other bond funds (including debt service and reserve funds) shall be governed and controlled by their governing ordinances and by all regulations and rulings applicable to the issuance of such obligations.

Objectives

The objectives of the City's investments are, in order of importance, safety, liquidity, and yield.

Safety. The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Funds shall be invested according to NCGS §159-30-33. These statutes provide the authority to invest idle funds and provide the mandatory framework for cash management, reporting, and investment decisions. The statutes outline the investment options open to local governments with an emphasis on preservation of capital and mitigation of risk. The City will invest in those institutions collateralized under the Pooling Method, as prescribed under the North Carolina Administrative Code, Title 20, Chapter 7 (20 NCAC 7). 20 NCAC 7 allows depositories to use an escrow account established with the State Treasurer to secure the deposits of all units of local governments.

Liquidity. The City's investment portfolio should remain sufficiently liquid to enable the City to meet operating requirements that can be reasonably anticipated. Liquidity shall be achieved by maintaining cash equivalent investment balances, matching investment maturities with estimated cash flow requirements, and investing in securities with active secondary markets. Funds held for future capital projects shall be invested in anticipation of projected cash flow requirements.

Yield. The City's operating portfolio shall be designed with the objective of achieving a market rate of return through all budgetary, economic, and interest rate cycles. The investment program shall seek to augment returns above this threshold consistent with prudent investment principles. This objective is subject to investment risk constraints and liquidity needs as previously stated.

Responsibility and Control

NCGS §159-25(a)6 delegates management responsibility for the investment program to the City's Finance Officer (FO). The FO shall establish and maintain procedures for the operation of the investment program which are consistent with this policy, State statute, the policies of the LGC, and the strategic plan of the City Council of the City of Asheville. The FO may further delegate authority to persons responsible for investment activities and transactions and the FO will establish and maintain a system of controls to regulate the activities of those persons.

In the absence of a FO and those to which he or she has delegated investment authority, the City Manager or his or her designee is authorized to execute investment activities on behalf of the City of Asheville.

Authorized Investments

The City of Asheville's management of cash and investments must comply with the North Carolina Budget and Fiscal Control Act (NCGS §159) and the policies of the LGC. Funds of the City of Asheville may be invested in the instruments described below, all of which are authorized by the Act and the LGC.

- Obligations of the United States
- Obligations of US Government Agencies, including, but not limited to:
    - Federal National Mortgage Association (FNMA)
    - Federal Home Loan Bank (FHLB)
    - Federal Home Loan Mortgage Corporation (FHLMC)
    - Federal Farm Credit Bank (FFCB)
- Prime quality commercial paper
- Bank certificates of deposit (CDs)
- Liquid deposit accounts

According to the direction of the City Council, the City shall ensure that financial institutions meeting the following criteria receive full consideration for cash management and investment decision making for bank certificates of deposit:

- Institution is collateralized under the Pooling Method (see *Safety* above)
- Institution demonstrates a pattern of community reinvestment aligned with City Council's Strategic Plan
- Institution has physical location(s) within the City of Asheville city limits
- Institution provides employment within the city limits

Changes to the governing North Carolina General Statutes and/or the policies of the Local Government Commission will be considered automatically adopted by the City of Asheville as part of this Investment Policy. Any such changes will be included as revisions of or amendments to the policy; however, their implementation by the City is not predicated on inclusion in this document.

Comprehensive Debt Management Policy

Purpose

The purpose of the City of Asheville Comprehensive Debt Management Policy is to provide guidance for the issuance of City debt obligations and the maintenance of the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities and equipment beneficial to the City and necessary for essential services.

The City of Asheville issues and manages debt in accordance with the Local Government Bond Act, North Carolina General Statutes (NCGS) Chapter 159, Article 4 which prescribes a uniform system of limitations upon and procedures for any local governments in NC to use the power to borrow money secured by a pledge of the taxing power; and the limitations on local debt as noted in NCGS §159-55. Other applicable provisions to certain debt and debt refunding actions are contained within NCGS Chapter 159, Local Government Finance. Long-term planning to meet the current and future needs of the City requires a sound debt position and guidelines that protect the credit quality of the City.

The City's current bond ratings are:

Moody's:	Aaa
Standard & Poor's:	AAA

Scope

These debt guidelines apply to all debt issued by the City in the various funds; noting that there are specific requirements imposed by the type of debt issued which may be inconsistent with, or not applicable to, some portion of these guidelines. Among these limitations are Council and/or voter approval, length of time to issue debt for approved uses, and capital requirements, such as length of asset lives and dollar value of assets financed. Further restrictions are related to the nature of the debt and whether it is general obligation debt (backed by the taxing authority of the City) or debt backed by other specific pledged revenue and/or collateral.

The City will confine long-term borrowing to capital improvement or projects that cannot be financed from current revenues or fund balance except where approved justification is provided. The City will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances in excess of policy targets, and current-year (pay-as-you-go) appropriations.

When the City finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project or asset. Target debt ratios will be calculated as part of the annual Budget process and presented as part of the annual CIP process.

Prior to the issuance of new General Obligation (GO) debt, consideration shall be given to forecasted tax rate requirements, ratio of net GO debt to assessed taxable value, net GO debt per capita, and debt service payments to the General Fund operating budget.

The City may employ municipal finance professionals to assist in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors.

The City will select a method of sale that is the most appropriate in light of the financial market, transaction-specific conditions, and City-related conditions and in accordance with State law.

The City will use fixed-rate debt in most cases to finance its capital needs; however, the City may issue variable rate debt up to (recommend: 15% or 20%) of its total debt portfolio, when necessary.

Debt structures that result in significant "backloading" of debt will be avoided.

The Finance Director will maintain good communication with bond rating agencies.

- The Finance Director will provide periodic updates on the City's financial condition.
- Required disclosure on every financial report and bond prospectus will be followed.
- The City may request ratings prior to the sale of securities from the major rating agencies for municipal bond issues.

The City will strive to achieve and maintain the highest credit rating awarded by the municipal bond rating agencies.

The City may undertake refinancing of outstanding debt

- When such refinancing allows the City to realize significant debt service savings (net present value savings equal to at least 3.0% of the refunded par amount is currently recommended by the LGC) without lengthening the term of refinanced debt and without increasing debt service in any subsequent year; or
- When the public policy benefits outweigh the costs associated with the issuance of new debt and any increase in annual debt service; or
- When a restrictive covenant is removed to the benefit of the City.

The Finance Director shall maintain a system of record-keeping and reporting to ensure that any proceeds from the interest-free bond that is in excess of debt service can be released to the IRS as required by federal tax code.

Responsibility

The Finance Director has primary responsibility for developing, recommending, and monitoring debt financing and debt refunding/restructuring strategies and instruments. The selection and sourcing of financial consultants and service providers is also within the scope of duties of the Finance Director. The Assistant Finance Director, under the direction of the Finance Director, is tasked with daily operational debt responsibility.

The City Manager and the Finance Director are responsible for the administration and issuance of debt including the completion of specific tasks and responsibilities included in this policy. The City will evaluate the debt policy at least every five years.

Service Providers and Oversight

The City will retain external bond counsel for all debt issues. Bond counsel are attorneys who specialize in all matters related to municipal debt. All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.

The City shall use a competitive bidding process in the sale of debt to identify its underwriter unless the nature of the issue warrants a negotiated sale. The City shall attempt to award the bonds based on a true interest cost (TIC) basis; however, the City may issue bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

The City will retain an external financial advisor, to be selected through a competitive process administered by the City's Finance Department. The Finance Department will choose when to use the financial advisor for bond sales on a case-by-case basis and pursuant to the financial advisory services contract. The selection criteria for financial advisors will include comprehensive municipal debt experience, experience with diverse financial structuring requirements, and pricing of municipal securities. For each City bond sale, the financial advisor will provide the City with information on pricing and underwriting fees for comparable sales by other issuers.

The Finance Director shall periodically solicit, on a competitive basis, other service providers (escrow agents, verification agents, trustees, etc.) as needed to facilitate the sale of bonds or the post-sale management of bond issues.

All bonds issued under the authority of the Local Government Bond Act are approved by the Local Government Commission. Approval of an application as noted in NCGS §159-51 for a bond issue to the LGC is contingent on criteria established in NCGS §159-52. Such criteria require resolution of issues such as low tax collection rate (below 90%), receipt of a qualified audit opinion, or violations of the Local Government Budget and Fiscal Control Act.

Issuance of Debt

The scheduling and amount of bond sales and installment purchase transactions will be recommended by the Finance Director and the City Manager. The City Council must approve the sale. These decisions will be based upon the identified cash flow requirements for each project to be financed, market conditions, and other relevant factors including the debt ratios. If the cash requirements for capital projects are minimal in any given year, the City may choose not to issue debt. Instead, the City may fund up-front project costs and reimburse these costs when financing is arranged. In these situations, the City will adopt a reimbursement resolution prior to the expenditure of project funds.

Fixed-rate general obligation bond sales are conducted on a competitive basis by the Local Government Commission (LGC), a division of the Office of the State Treasurer. Variable-rate bonds, revenue and LOBs, and special obligation bonds will be sold on a negotiated basis with the underwriter selection determined through a competitive process. Underwriters will be selected for each issue based on the particular experience and expertise necessary for that issue.

Debt service for each issue will be structured in an attempt to level out the City's total debt service payments over the life of the debt portfolio. This structuring also assists in minimizing the interest payments over the life of the issue. Structuring must take into consideration current market conditions and practices in the municipal finance market.

Arbitrage Compliance

Arbitrage is the profit that results from investing low-yield tax-exempt bond proceeds in higher-yield securities. Federal law requires that investment earnings in excess of the bond yield (arbitrage earnings) must be rebated to the federal government. However, if a jurisdiction meets certain IRS spend-down exceptions for bond proceeds, it is allowed to keep any positive arbitrage interest earnings. Arbitrage regulations apply to all of the City's tax-exempt financings. The Department of Finance will invest bond proceeds at the highest yield possible, consistent with the City's investment guidelines and any restrictions imposed by the governing documents of each series of bonds. The Department of Finance is responsible for monitoring investments and cash flows of the City's bond funds, and contracting for third-party arbitrage compliance calculations on an annual basis.

Credit Ratings

The Finance Director shall be responsible for maintaining relationships with the rating agencies that assign ratings to the City's various debt obligations. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with new debt issuance. The ratings provide investors with a simple way to compare the relative investment quality of different bonds. Bond ratings express the opinions of the rating agencies as to the issuer's ability and willingness to pay debt service when it is due. Ratings are generally determined by the following four factors:

- Fiscal factors - financial results have the most significant impact on the rating process. This review involves an examination of results of operations, including a review of the actual fiscal performance versus planned budget performance, with deviations from the plan to be explained. The general fund financial statement is examined with emphasis on current financial position and fund balances, as well as three to five-year trends in planning and budgeting procedures. Pension liabilities are also important in the analysis process. The early production of the City's Annual Comprehensive Financial Report is a positive step in providing meaningful, valuable, and timely information to the rating agencies.

- Economic factors - the overall economic strength of the City is heavily weighted in the valuation of the City's creditworthiness by diversity of both the economic base and tax base. The diversity of the City's industries reflects its abilities to weather industry-specific downturns as well as general economic recession. In either scenario, stronger surviving industries carry the ailing industries through the period of downturn. In a truly diverse economy, it is rare that all industries will deteriorate to the same level at the same time. The strength of the City's tax base is equally crucial. The City relies on taxes on its residents and businesses for the majority of its revenues. The ability of the City to continue to receive those revenues

is directly related to the ability of its taxpayers to pay their taxes. Property values, employment, unemployment, income levels, costs of living, and other factors impacting the wealth of the taxpayers provide an indication of the strength of the City's tax base.

- Debt factors - the City's overall debt burden is considered in the credit analysis process. In addition to government regulated debt ceilings, the City's ability to maintain manageable debt levels and debt service coverage is evaluated. Positive indicators are proper management of existing debt, proactive efforts in identifying and executing financially prudent refunding opportunities and closely matching capital financing structures to the funding needs of the project.

- Administrative and management factors - these factors include the examination of the form of government and assessment of the City's ability to implement plans as well as to fulfill legal requirements. The focus is on the capabilities of the management staff within the City, which is seen as a vital ingredient in assessing its credit quality. Managerial and legislative willingness to make difficult decisions, development of financial policies, and the reliability and continuity of regularly-updated accounting financial information are key. Management that keeps in regular contact with the rating agencies is well-regarded. Continual monitoring of factors impacting credit ratings is provided by the Finance Director. These factors include the avoidance of operating deficits and the maintenance of high collection rates for all revenues.

Use of Rating Agencies

The Finance Director shall be responsible for determining if a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

Credit Enhancement

The City shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Selection of credit enhancement providers should be conducted using a competitive process when practical. Credit enhancement may be used to improve or establish a credit rating on a City debt obligation even if such credit enhancement is not cost-effective if, in the opinion of the Finance Director, the use of such credit enhancement meets the City's debt financing goals and objectives.

Debt Coverage

In order to enhance future credit ratings, and thereby reduce insurance and/or interest costs, the City will maintain a minimum of 105% operating coverage. Coverage ratios for revenue bonds will be maintained at the levels required in the respective debt covenants. Coverage ratios will be monitored and reported as part of the City's annual debt affordability analysis. The City's water system revenue bonds contain rate covenants that require the annual current operating receipts exclusive of transfers (i.e. rate and fee charges for services – not fund balance transfers), and net of annual current expenses, be sufficient to pay for the annual current water debt service. This amount generally is required to be not less than 120% of the parity debt service and 100% of all debt service in the fund. The City is generally obligated to adjust rates and fees to sufficiently provide for the maintenance of debt coverage ratios.

Reporting

Required annual reporting on debt is contained in the Annual Comprehensive Financial Report. This publication is available on the City's website.

The Finance Director presents debt benchmarking data to the City Council which includes but is not limited to per capita debt, debt to assessed valuation, and outstanding and authorized GO debt. Benchmarking will also include historical and comparative data for selected North Carolina municipalities. This will be presented in connection with the annual CIP presentation to City Council.

The City will provide full, accurate disclosure of all material information to investors, lenders, and other financing participants necessary for such parties to make an informed judgment about the City's debt and financial condition. At a minimum, this information shall be provided to such parties from issuance of the debt to its retirement. The City will follow established market practices and contract for necessary services to provide such disclosure. To fulfill the need for both initial (at the time of issuance) and continuing disclosure, the City will follow the guidance of the Government Finance Officers Association (GFOA), including its Disclosure Guidelines publication. The City will also disclose all bond sales, annually file certain financial information and operating data related to the bonds with the national and state repositories, and prepare announcements of significant events to meet the Securities and Exchange Commission to meet their requirements of Rule 15c-12 by complying with reporting requirements in the Electronic Municipal Market Access (EMMA) data port. It is through this website that all annual event and other material event notifications are posted and reported to the Municipal Securities Rulemaking Board (MSRB).

Glossary

Arbitrage: With respect to the issuance of municipal securities, arbitrage refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding securities. Internal Revenue Code of 1986, Section 148 generally restricts the ability to earn arbitrage in connection with tax-exempt bonds. In the case of an arbitrage rebate payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds, the payment represents the amount of arbitrage earnings on bond proceeds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer is generally required to perform certain calculations every five years during the life of the bonds to determine whether an arbitrage payment must be made. These calculations cease to be required when all bond proceeds are fully expended. These calculations are very detailed and specific and are almost exclusively performed by firms that are knowledgeable in this arena and are called 'arbitrage rebate calculators'.

Backloading Repayment Costs: The City will seek to structure debt with level principal and interest costs over the life of the debt. Backloading of costs will be considered only when natural disasters or extraordinary or unanticipated external factors make the short-term cost of the debt prohibitive when the benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present, when such structuring is beneficial to the City's overall amortization schedule, or when such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

Bond Counsel: The City will retain external bond counsel (who must be an attorney) for all debt issues. All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all state constitutional and statutory requirements necessary for issuance and determining the debt's federal income tax status. Bond counsel will be selected through a competitive process administered jointly by the City's Department of Finance and the City Attorney's Office.

Bond Rating: An evaluation of the credit risk associated with a particular bond issue by internationally recognized independent rating agencies (Moody's, Standard & Poor's or Fitch). The City of Asheville currently enjoys a general obligation rating of Aaa/AAA which indicates the City is viewed as having an extremely strong ability to repay debt obligations.

Bond Covenant: A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution or bond indenture.

Bond Indenture: A formal agreement, also called a deed of trust, between an issuer of bonds and the bondholder.

Bonds: A debt obligation, or a written promise to pay back an amount (face value of the bond), plus interest, by way of periodic payments within a specified period of time.

Competitive Sale: With the exception of GO bond sales that are conducted by the LGC, the City will seek to issue its debt obligations using a competitive process unless it is determined by the Director of Finance that an alternative sale method will produce better results for the City.

Conduit Debt: Debt issued by the government to provide capital financing for a third party that is not part of the government; the third party, not the government, is responsible for repaying the debt through lease or loan payments to the government.

Continuing Disclosure: The requirement for all bond issuers to provide on-going disclosure information to established national information repositories and maintain compliance with disclosure standards promulgated by state and national regulatory agencies. This mandatory and important reporting is due each January 31. Reporting guidelines and sample documents are provided by the LGC.

Cost and Fees: Where practical, all costs and fees related to issuance of bonds will be paid out of the proceeds of the bond issue.

Credit Enhancement: Credit enhancements encompass a variety of provisions that may be used to reduce the credit risk of an obligation. Credit enhancements are often incorporated into debt instruments. Examples include: collateralization, where one or more parties may agree to post collateral and collateral levels, may be fixed or variable over time; third party loan guarantees; letters of credit issued by a financial institution; bond insurance where an insurance policy may provide for compensation in the event that a party defaults and surety bonds where a surety (third party) ensures that the principal party (the City) obligations to the obligee (bondholders) will be performed.

Debt Covenant: Legal obligations contained in a bond issue document such as a covenant for a specified debt service coverage ratio.

Debt Coverage Ratio: A bond covenant or obligation, the ratio is a stipulated formula measurement of the amount of net revenues available from specified revenues to cover required annual debt service payments. The ratio amount and formula for calculation are included in the particular bond document.

Debt Instruments: Consistent with the limitations of the Local Government Bond Act the City provides for long-term financing needs through the use of, but not limited to, general obligation bonds, limited obligation bonds, certificates of participation, revenue bonds, installment sales/lease obligations, and private placements. Debt obligations are generally approved locally and by the Local Government Commission as required by state statute. Referenda, notices, and public hearings, again as required by state statutes, are conducted prior to final debt approval and issuance.

Debt Limits: The City will not issue general obligation bonds if such issuance would cause the City to default on or breach the covenants of any prior bonds. In addition, the aggregate limit should be the lower of the limit set forth in NCGS §159-55 (8% of the total assessed value of all real and personal property revenues within the City's limits) or a set target debt limit or ratios established by the City Council.

Debt Service: The periodic repayment to creditors/holders of debt principal and interest on debt obligations.

Defease: To set aside sufficient money to retire outstanding debt. A full defeasance results in release from covenants and contractual obligations contained in the bond documents. Defeasance funds result from refunding of original debt issues. (This may also be known as an advance refunding.)

Finance Officer: The City officer performing the duties of finance officer of a unit of local government pursuant to NCGS §159-24 of the Local Government Budget and Fiscal Control Act is the unit's Finance Officer. The City of Asheville's Finance Officer is the Finance Director.

Financial Advisor: The City will retain an external financial advisor, to be selected for through a competitive process administered by the City's Department of Finance. The utilization of the financial advisor for certain bond sales will be at the discretion of the Department of Finance on a case-by-case basis and pursuant to the financial advisory services contract. The selection criteria for financial advisors will include comprehensive municipal debt experience, experience with diverse financial structuring requirements, and pricing of municipal securities. For each City bond sale, the financial advisor will provide the City with information on pricing and underwriting fees for comparable sales by other issuers.

General Obligation Bonds: The City may borrow money from lenders, pledging the full faith and credit of the City to pay the loan through tax revenue. This type of bond requires both the approval of voters through the referendum process and the approval of the Local Government Commission. The City sells general obligation bonds ("GO bonds") to pay for expenses associated with capital projects or any public improvement as described in NCGS §159-48. Bond sales are held as needed based on cash flow needs of the projects being financed. The City may also issue GO debt under the 2/3 rule, wherein the City may issue up to 2/3 the value of GO debt retired in the prior year so long as no new GO debt was issued in the same year.

Length of Debt: Debt will be structured for the shortest period consistent with a fair allocation of costs to the useful life of the asset. Debt issues that include multiple projects with different useful lives can be split into segments with

different term lengths. Alternatively, a blended useful life for the projects to be financed can be used to determine the term of the debt.

Limited Obligation Bonds ("LOBs") or Certificates of Participation Bonds ("COPs"): This is an alternative financing method requiring no voter approval. The City may enter into LOBs or COPs, which are essentially installment sale contracts, for buildings or equipment using the building or equipment to secure the financing. These bonds should only be used when the property being financed has sufficient value to secure the debt and will survive the term of the financing. Issuance of LOBs or COPs will be made in accordance with the provisions of NCGS §159-153 and with the approval of the Local Government Commission.

Local Government Commission: All bonds issued under the authority of the Local Government Bond Act are approved by the Local Government Commission. Approval of an application as noted in NCGS §159-51 for a bond issue to the LGC is contingent on criteria established in NCGS §159-52. Such criteria require resolution of issues such as low tax collection rate (below 90%), receipt of a qualified audit opinion, or violations of the Local Government Budget and Fiscal Control Act.

Negotiated Sale: When determined to be appropriate by the Director of Finance, the City may elect to sell its debt obligations through a negotiated sale. Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program. Selection of the underwriter or underwriting syndicate shall be made pursuant to selection procedures set forth in these debt guidelines.

Private Placements: Debt may be privately placed with a lending institution when private placement will enhance the attractiveness of the offering consistent with the receipt of the lowest true interest cost possible. The LGC must approve the use of all private placements in accordance with NCGS §159-153.

Referendum: The process by which voters determine the City's ability to sell General Obligation Bonds. This generally occurs in connection with November elections.

Revenue Bonds: Bonds issued by the City that are backed with specified revenue sources from an enterprise fund for which the bonds were issued. The City's enterprise funds include fee for service business activities, such as the Water Fund, the Parking Fund, and the Stormwater Fund. The City may borrow money from lenders, pledging the revenues from charges and fees of the enterprise fund to repay the debt. Revenue bonds do not require voter approval. Issuance of revenue bonds will be made in accordance with the provisions of NCGA 159-5 and with the approval of the Local Government Commission.

True Interest Cost ("TIC") and Net Interest Cost ("NIC"): Methods used to select the lowest effective interest cost bid in competitive bid sales. NIC is an average interest cost rate for a bond issue, calculated on the basis of simple interest (not compound interest). *The NIC calculation does not take into consideration the time value of money.* The winning NIC bid may not provide the lowest effective interest cost in present value terms. TIC is the internal rate of return that will be paid by the issuer to investors. It is the interest rate that discounts the debt service payable for a bond issue to its present value, or net proceeds. Because TIC takes into account the time value of money, it is generally considered to be a more accurate measure of the issuer's true cost of borrowing than the NIC.

Two-thirds Bonds: The City is authorized to issue general obligation debt under the 2/3 rule, established by state statute, wherein the City may issue new GO bonds up to 2/3 the value of the general obligation debt retired in the prior year so long as no other new general obligation debt was issued in the same year.

Underwriter: Investment banking entity or groups of such entities that purchase, for resale to the public, bonds or other debt obligations issued by the City and/or LGC on the City's behalf. This professional may also be referred to as an Investment Banker or bookrunner.

Voter Authorization: The City will seek voter authorization to issue general obligation bonds as directed by the City Council, and in accordance with NCGS §159-49. Such authority will be sought only after it is determined that the project costs are eligible and appropriate for multi-year financing.


Budget Summary

Operating Budget Summary: All Funds

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
REVENUES					
General Fund	164,461,741	162,905,239	182,819,441	177,636,113	187,462,338
Water Resources	46,048,091	39,658,666	49,445,000	49,445,000	53,160,000
Transit Services	14,938,340	16,984,812	15,226,984	15,226,984	16,084,067
Stormwater	8,338,439	9,474,637	9,319,906	9,819,906	12,919,978
Parking Services	6,612,994	5,819,403	7,143,500	7,143,500	7,368,977
Harrah's Center	5,825,268	6,242,445	6,089,447	6,089,447	6,727,105
Street Cut Utility	2,799,075	2,796,540	4,155,217	4,155,217	3,556,677
Total	**249,023,948**	**243,881,742**	**274,199,495**	**269,516,167**	**287,279,142**
Interfund Transactions	(15,622,981)	(16,506,624)	(18,254,217)	(12,854,730)	(11,694,293)
Net Revenues	**233,400,967**	**227,375,118**	**255,945,278**	**256,661,437**	**275,584,849**
EXPENDITURES					
General Fund	170,277,533	175,985,044	182,694,441	177,636,113	187,462,338
Water Resources	43,020,650	45,817,665	49,445,000	49,445,000	53,160,000
Transit Services	13,865,537	13,428,080	15,226,984	15,226,984	16,084,067
Stormwater	6,774,365	7,586,091	9,319,906	9,819,906	12,919,978
Parking Services	6,470,877	5,669,150	7,143,500	7,143,500	7,368,977
Harrah's Center	6,740,900	5,587,908	6,089,447	6,089,447	6,727,105
Streety Cut Utility	1,875,297	2,461,083	4,155,217	4,155,217	3,556,677
Total	**249,025,159**	**256,535,021**	**274,074,495**	**269,516,167**	**287,279,142**
Interfund Transactions	(15,622,981)	(16,506,624)	(18,254,217)	(12,854,730)	(11,694,293)
Net Expenditures	**233,402,177**	**240,028,397**	**255,820,278**	**256,661,437**	**275,584,849**

Note 1: In the FY 2025-26 Original Budget and in prior year actuals, the Cost Allocation Plan (CAP) charges are reflected as a revenue to the General Fund. The FY 2025-26 Amended Budget reduces that revenue and instead reflects the CAP charges as an offset to expenditures in the General Fund. This is how the CAP will be budgeted moving forward based on a recommendation from the City's external auditors.

Note 2: The FY 2025-26 Amended Budget reflects the FY 2025-26 Original Budget plus revisions and budget amendments approved since July 1. In order to present a more representative comparison across budget years, the Amended Budget does not include contracts, purchase orders, and other carry-over appropriations from prior years.

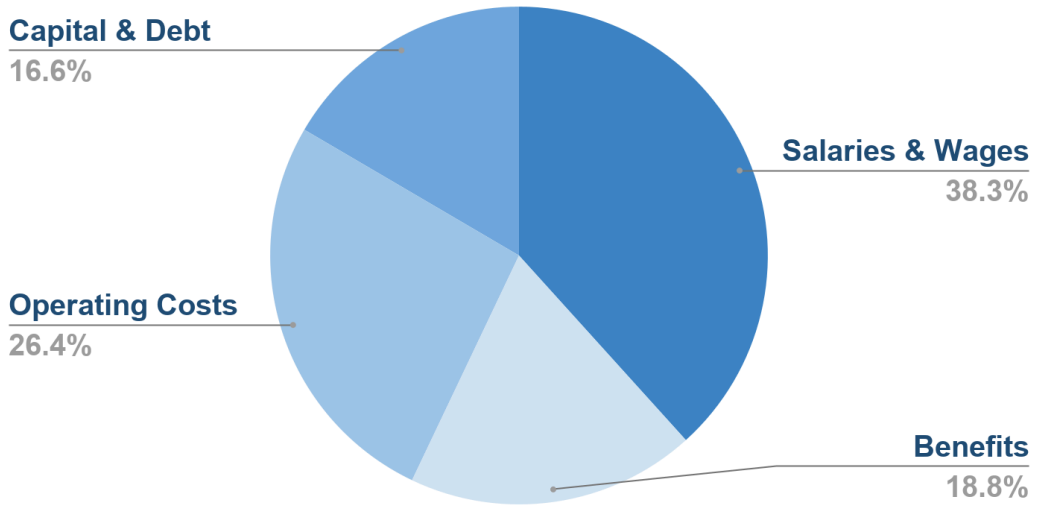
Budget Sources and Uses by Fund

	General Fund	Water Resources	Transit Services	Stormwater Utility	Parking Services	Harrah's Cherokee Center	Street Cut Utility
SOURCE OF FUNDS							
Property Tax	106,472,125	-	-	-	-	-	-
Sales & Other Tax	42,431,945	-	-	-	-	-	-
Intergovernmental	14,864,479	-	4,428,052	-	-	-	-
Licenses & Permits	5,633,000	-	390,000	427,300	8,000	-	-
Charges for Services	12,020,030	51,385,000	580,000	9,516,250	-	5,934,595	3,017,777
Investment Earnings	2,400,000	1,300,000	20,000	120,000	118,877	116,510	45,000
Miscellaneous	3,064,150	475,000	-	5,000	7,242,100	276,000	-
Other Sources	576,609	-	10,666,015	2,851,428	-	400,000	493,900
Total Revenues	**187,462,338**	**53,160,000**	**16,084,067**	**12,919,978**	**7,368,977**	**6,727,105**	**3,556,677**
USES OF FUNDS							
Salaries & Wages	83,304,398	12,367,219	359,688	3,884,091	1,757,461	2,762,277	1,110,660
Benefits	40,480,980	6,363,457	158,300	2,046,452	983,495	1,102,580	599,344
Operating Costs	32,952,445	16,193,931	15,495,413	3,764,147	2,782,829	2,580,801	1,200,763
Interfund Transfers	8,429,293	-	-	-	950,000	-	-
Capital & Debt	22,295,222	18,235,393	70,666	3,225,288	895,192	281,447	645,910
Total Expenditures	**187,462,338**	**53,160,000**	**16,084,067**	**12,919,978**	**7,368,977**	**6,727,105**	**3,556,677**

Expenditures

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES BY CATEGORY					
Salaries & Wages	90,973,436	97,149,683	101,699,059	101,624,149	105,545,794
Benefits	40,871,549	43,216,988	46,195,589	46,209,631	51,734,608
Operating Costs	64,414,512	61,093,663	69,337,942	69,867,735	72,655,329
Capital & Debt	37,142,680	38,568,062	38,587,688	38,959,922	45,649,118
Net Expenditures	**233,402,177**	**240,028,397**	**255,820,278**	**256,661,437**	**275,584,849**

FY 2026 - 2027 Net Total Expenditures by Category



Budget-to-Budget Expenditure Comparison

	2025-26 Original Budget	2026-27 Proposed Budget	$ Change	% Change
EXPENDITURES BY CATEGORY				
Salaries & Wages	101,699,059	105,545,794	3,846,735	3.8%
Benefits	46,195,589	51,734,608	5,539,019	12.0%
Operating Costs	69,337,942	72,655,329	3,317,387	4.8%
Capital & Debt	38,587,688	45,649,118	7,061,430	18.3%
Net Expenditures	**255,820,278**	**275,584,849**	**19,764,571**	**7.7%**

Expenditure Highlights

Overall, the City's net FY 2026-27 Proposed Budget, which totals $275.6 million, shows a $19.6 million or 7.7% increase compared to the FY 2025-26 Original Budget. The City's Proposed General Fund Budget totals $187.5 million, an increase of $4.6 million or 2.5% compared to the FY 2025-26 Original Budget.

Personnel Costs (Salaries, Wages, and Benefits)

The personnel budget includes the following salary adjustments for employees:

- 2.8% cost of living increase for all permanent staff

Based on claims trends, employer contributions to the health insurance program increased by $4.9 million. The Proposed Budget includes $1.4 million to fund a required increase of 3% for law enforcement personnel and 0.75% for other employees in the employer contribution to the Local Government Employee Retirement System (LGERS).

Due to financial constraints, the FY 2026-27 Proposed Budget also contains budget reduction strategies to personnel:

- Net elimination of 18.5 vacant positions.
- Pause of the Quality of Service Award program, which provides funding to distribute to employees who are found to perform above and beyond their regular duties.
- Minor adjustments to the City's health care plans that are expected to achieve savings while minimizing the impact to employees and dependents.
- Elimination of the 1% 401(K) matching program for eligible employees that was added in FY 2023-24 (employees will still receive 5%).
- Continued pause in contributions to the Other Post Employment Benefits Trust Fund, which does not impact employee or retiree benefits in any way. The City's financial advisors have determined that the contribution can be paused while still maintaining a healthy balance in the account.

Operating Costs

Citywide operating costs are increased $3.3 million or 4.8% compared to the 2025-26 Original Budget, including the General Fund operating costs decreased by $5.5 million or 14.2%. In the Enterprise Funds operating costs are increasing including $2 million in the Water Resources Fund, $830,000 in the Transit Services Fund,and $550,000 in the Stormwater Fund, linked for additional information.

In the General Fund, the decrease of $5.5 million is driven by the change in accounting for the Cost Allocation Plan (CAP). In the FY 2025-26 Original Budget and in prior year actuals, the CAP charges are reflected as a revenue in the Charges for Services to the General Fund. The FY 2025-26 Amended Budget reduces $5.7 million in revenue and instead reflects the CAP charges as a decrease to expenditures in the operating costs in the General Fund. This is a technical adjustment and is a net-zero change in the General Fund. This is how the CAP will be budgeted moving forward based on a recommendation from the City's external auditors.

Additionally the FY 2026-27 Proposed General Fund Budget includes strategies for reducing operating costs, including:

- Departmental reductions to training, supplies, software, contracted services, etc.

- Reduction of budget to match historical trends.
- Reduction of community center hours. Summer hours would remain the same, and off-season hours would decrease by approximately 13%, depending on the center.
- Adjusted security presence at some community centers based on need.
- Reduction of median and guardrail maintenance and mowing.
- Transition of the Arts AVL Grant program and support for holiday events to the Business Improvement District, to be funded with sales tax revenue received in that fund.

These and more reductions are detailed in relevant department sections in this document.

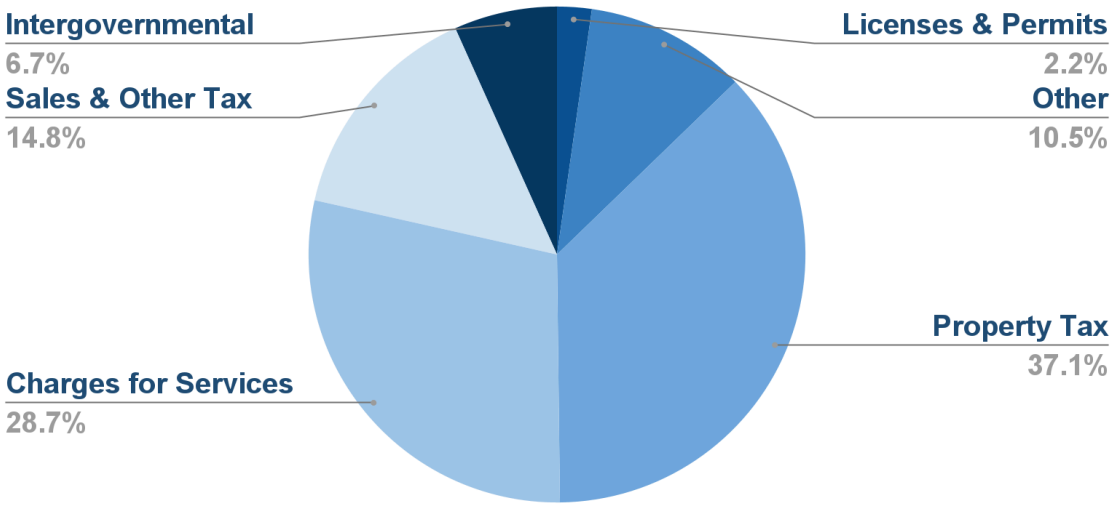
Debt Service/Capital Costs

The debt service and capital expenditure category includes annual debt service payments on the City's existing and planned debt issuances, as well as capital purchases in departmental operating budgets, pay-as-you-go transfers to the City's various capital project funds, and funding for the General Fund multi-year Capital Improvement Program, including bond programs. For the FY 2026-27 Proposed Budget, the Citywide total for these expenses is approximately $45.6 million which represents an increase of $7.1 million or 18.3% over the FY 2025-26 Adopted Budget. The majority of the increase can be attributed to the funding for the 2024 General Obligation Bonds, an increase of $4.95 million in the General Fund. This increase will cover three-quarters of the required funding on those bonds. Additional funding will need to be added in the following year's budget to fully fund the debt moving forward.

Revenues

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
REVENUE SOURCES					
Property Tax	82,590,971	85,568,797	91,512,014	91,512,014	106,472,125
Sales & Other Tax	40,306,263	36,055,756	42,270,000	42,270,000	42,431,945
Intergovernmental	17,873,564	20,312,877	23,085,834	23,085,834	19,292,531
Licenses & Permits	6,371,727	6,333,431	6,013,500	6,013,500	6,458,300
Charges for Services	73,238,750	66,071,266	80,344,923	74,652,262	82,453,652
Investment Earnings	5,497,858	4,822,614	4,116,510	4,116,510	4,120,387
Miscellaneous	11,102,358	12,803,252	10,622,190	10,637,190	11,062,250
Other Sources	12,042,457	11,913,748	16,234,524	17,228,857	14,987,952
Grand Total	**249,023,948**	**243,881,742**	**274,199,495**	**269,516,167**	**287,279,142**
Interfund Transactions	(15,622,981)	(16,506,624)	(18,254,217)	(12,854,730)	(11,694,293)
Net	**233,400,967**	**227,375,118**	**255,945,278**	**256,661,437**	**275,584,849**

FY 2026 - 2027 Total Revenues by Source



Budget-to-Budget Revenue Comparison

	2025-26 Original Budget	2026-27 Proposed Budget	$ Change	% Change
REVENUE BY SOURCE				
Property Tax	91,512,014	106,472,125	14,960,111	16.3%
Sales & Other Tax	42,270,000	42,431,945	161,945	0.4%
Intergovernmental	23,085,834	19,292,531	(3,793,303)	-16.4%
Licenses & Permits	6,013,500	6,458,300	444,800	7.4%
Charges for Services	80,344,923	82,453,652	2,108,729	2.6%
Investment Earnings	4,116,510	4,120,387	3,877	0.1%
Miscellaneous	10,622,190	11,062,250	440,060	4.1%
Other Sources	16,234,524	14,987,952	(1,246,572)	-7.7%
Grand Total	**274,199,495**	**287,279,142**	**13,079,647**	**4.8%**
Interfund Transfers	(18,254,217)	(11,694,293)	6,559,924	-35.9%
Net	**255,945,278**	**275,584,849**	**19,639,571**	**7.7%**

Property Taxes

The property tax, which comprises 37.1% of total revenue, is the single largest source of revenue for the City. The Buncombe County Tax Office recently completed a property revaluation with new values set to take effect for Fiscal Year 2026-27.

The City's revenue neutral tax rate for FY 2026-27 is 32.89 cents per $100 of assessed valuation, as calculated in the following section. As discussed in the City Manager's Proposed Budget Message, the proposed tax rate for FY 2026-27 is 37.84 cents, which is 4.95 cents above the revenue neutral rate. The proposed tax rate will provide additional revenue necessary to balance the General Fund budget and fund three-quarters of the needed funding on the 2024 GO Bonds.

Revenue Neutral Tax Rate Calculation

State law requires local governments to publish a revenue-neutral tax rate in the budget immediately following the completion of the reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide citizens with comparative information on tax rates before and after revaluation. The revenue-neutral tax rate, as defined by G.S. 159-11(e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred.

To calculate the revenue-neutral rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. The tables below walk the reader through the City of Asheville's revenue-neutral calculation for FY 2026-27.

Fiscal Year (FY)	Assessed Valuation	Percent Growth
2026	$20,844,672,482	0.54%
2025	$1,522,462,707	1.40%
2024	$1,522,462,707	2.86%
2023	$1,522,462,707	0.11%
2022	$1,522,462,707	
Average % Growth		**1.23%**

FY26 Tax Rate	0.4419
FY26 Assessed Valuation	$20,844,672,482
FY26 Levy	$92,112,608

FY27 Levy w/Avg. Growth Factor	$93,242,224
F27 Assessed Valuation	$28,352,019,019
FY27 Revenue Neutral Rate	**0.3289**

Sales & Other Taxes

Sales tax revenues performed exceptionally well during both the height of the pandemic and during the economic recovery afterwards. From FY 2020-21 to FY 2022-23, sales tax revenues grew substantially year-over-year, exceeding budget estimates. However, like many local governments in North Carolina and nationally, the City experienced slowing sales tax collections beginning in FY 2023-24. The collection continued to slow in FY 2024-25 and FY 2025-26 due to the impacts of Tropical Storm Helene. Staff is forecasting that sales tax revenues will come in under budget in FY 2025-26. The Proposed Budget holds the sales tax revenue flat from the current year.

Charges for Services

Charges for Service revenue shows a $2.1 million or 2.6% increase in the FY 2026-27 Proposed Budget compared to the FY 2025-26 Original Budget. This increase, however, is impacted by the Cost Allocation Plan adjustment described below. After adjusting for this technical accounting change the increase between FY 2025-26 and FY 2026-27 is $7.8 million.

In the FY 2025-26 Original Budget and in prior year actuals, the Cost Allocation Plan (CAP) charges are reflected as a revenue in the Charges for Services to the General Fund. The FY 2025-26 Amended Budget reduces $5.7 million in revenue and instead reflects the CAP charges as an offset to expenditures in the General Fund. This is a technical adjustment and is a net-zero change in the General Fund. This is how the CAP will be budgeted moving forward based on a recommendation from the City's external auditors.

Several fee increases were approved by City Council on March 24, 2026 including $3.3 million for water rate increases, $800,000 for solid waste rate increases, $700,000 for stormwater rate increases, and other minor changes to fees. The FY 2026-27 Proposed Budget includes an increase of $500,000 for fee increases to be adopted on June 9, 2026 with the budget.

Additionally, the FY 2026-27 Proposed Budget increases Charges for Services revenue based on historical trend including $1.8 million for Harrah's Cherokee Center - Asheville Fund due to increased events and attendance, $500,000 for the Street Cut Utility Fund due to increased recovery from partner agencies, and $400,000 for Stormwater Fund household growth.

Other Revenues

Compared to the FY 2025-26 Original Budget, intergovernmental revenue decreased $3.8 million or 16.4% including the decrease of the one-time $5 million FEMA Community Disaster Loan (CDL) in FY 2025-26.

Miscellaneous revenue increased in the FY 2026-27 Proposed Budget by $440,000 or 4.1% compared to the prior year. Investment Earnings revenues remained flat in the FY 2026-27 Proposed Budget.

Licenses and Permits revenues are increased $444,000 compared to the FY 2025-26 Original Budget due to increased permit and development activities.

The Other Financing Sources category includes items such as interfund transfers and fund balance appropriations. The FY 2026-27 Proposed Budget for Other Financing Sources is decreasing by $1.2 million primarily due to the decreased appropriation from the General Fund to Harrah's Cherokee Center - Asheville Fund for $1.1 million.

Staffing

The FY 2026-27 Proposed Budget eliminated a net of 16.5 positions in the General Fund and added 2.0 positions in the Enterprise Funds associated with the expansion of parking meters into the South Slope.

GENERAL FUND		
City Attorney	-1.0	Administrative Assistant
Capital and Asset Management	-1.0	Administrative Assistant
	-2.0	Facility Attendant
	-1.0	Program Manager
Housing & Economic Development	+1.0	Affordable Housing Project Manager
Office of Human Relations & Anti-Discrimination	-2.0	Training Consultant
Parks & Recreation Department	-1.0	Equipment Operator III
	-1.0	Recreation Facility Manager
	-2.0	Crew Supervisor
Planning & Urban Design Dept	-1.0	Redevelopment Manager
	-0.5	Urban Planner I
Transportation Department	+1.0	Plans Reviewer
Public Works Department	-3.0	Equipment Operator III
Finance & Mgmt Services Dept	-1.0	Audit Program Manager
	-1.0	Business Services Specialist I
Human Resources Department	-1.0	HR Business Analyst
General Fund Total	**-16.5**	
ENTERPRISE FUNDS		
Parking Services	+1.0	Parking Enforcement Officer
	+1.0	Parking Enforcement Supervisor
Enterprise Fund Total	**+2.0**	
Total	**-14.5**	

Budget Summary: Staffing

The following table shows changes in FTE positions by department for the last four fiscal years.

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
GENERAL FUND					
Admin. Services/CMO	11.00	11.00	11.00	11.00	11.00
Asheville Fire Department	293.63	301.00	304.00	303.00	303.00
Asheville Police Department	270.00	272.00	272.00	272.00	272.00
CAPE	11.00	11.00	10.00	10.00	11.00
Capital & Asset Management	38.00	38.00	38.00	38.00	51.00
City Attorney	8.00	8.00	8.00	8.00	7.00
Housing & Econ. Development	20.00	21.00	21.00	26.00	26.00
Comm. & Regional Facilities	19.50	19.50	19.50	19.50	19.50
Development Services	47.00	47.00	47.00	48.00	48.00
Office of Human Relations & Anti-Discrimination	4.00	4.00	4.00	4.00	2.00
Finance & Mgmt. Services	37.50	37.00	38.00	39.00	37.00
Human Resources	18.00	18.00	18.00	18.00	17.00
Information Tech. Services	27.00	28.00	28.00	28.00	28.00
Parks & Recreation	102.50	102.50	102.50	102.50	98.50
Planning & Urban Design	25.00	25.00	25.00	25.00	23.50
Public Works	111.05	112.05	112.05	112.05	92.05
Office of Recovery & Resilience	3.00	3.00	3.00	4.00	4.00
Transportation	14.34	13.84	13.84	13.84	14.84
Total	**1,060.52**	**1,071.89**	**1,074.89**	**1,081.89**	**1,065.39**
ENTERPRISE FUNDS					
Harrah's Center	27.75	28.75	28.75	28.75	28.75
Transit Services	4.00	4.25	4.25	4.25	4.25
Parking Services	28.66	27.91	27.91	27.91	29.91
Stormwater	54.85	62.85	62.85	62.85	62.85
Street Cut Utility	10.60	17.60	17.60	17.60	17.60
Water Resources	174.38	178.88	178.88	178.88	178.88
Total	**300.24**	**320.24**	**320.24**	**320.24**	**322.24**
Citywide Total	**1,360.76**	**1,392.13**	**1,395.13**	**1,402.13**	**1,387.63**

General Fund Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
REVENUES					
Property Tax	82,590,971	85,568,797	91,512,014	91,512,014	106,472,125
Sales & other Taxes	40,306,263	36,055,756	42,270,000	42,270,000	42,431,945
Intergovernmental	13,924,578	13,385,012	19,177,631	19,177,631	14,864,479
Licenses & Permits	5,569,728	5,536,630	5,216,400	5,216,400	5,633,000
Charges for Services	14,110,448	15,076,582	16,172,206	10,479,545	12,020,030
Investment Earnings	2,991,080	2,522,094	2,500,000	2,500,000	2,400,000
Miscellaneous	4,002,488	3,186,084	3,216,190	3,231,190	3,064,150
Other Sources	966,184	1,574,284	2,755,000	3,249,333	576,609
Total	**164,461,741**	**162,905,239**	**182,819,441**	**177,636,113**	**187,462,338**
EXPENDITURES					
Admin & CMO	2,025,103	2,109,420	2,051,218	2,045,218	2,340,580
Fire	39,044,089	40,856,150	42,524,947	42,448,793	44,014,510
Police	34,295,927	36,616,935	37,048,924	37,048,924	42,073,940
CAPE	1,085,516	1,073,722	1,191,216	1,191,216	1,463,703
Capital & Asset	3,496,501	3,468,953	4,408,537	4,902,870	6,341,194
City Attorney	1,364,227	1,583,222	1,820,196	1,864,196	1,552,700
CREF	3,236,900	3,020,297	3,436,129	3,440,700	3,374,137
Development Svcs	4,377,485	4,545,823	4,866,220	4,942,374	5,020,842
Finance	4,115,439	4,255,369	4,478,141	4,420,670	4,376,132
Housing/Econ Dev	2,072,740	2,378,724	3,589,275	3,589,275	3,221,566
Human Resources	2,188,586	1,951,182	2,288,558	2,319,308	2,492,046
Information Technology	4,511,550	4,877,289	5,104,036	5,118,036	5,125,551
Non-Departmental	4,833,382	7,228,637	5,263,645	(333,866)	(1,465,708)
Office of HRAD	415,359	223,875	538,313	538,313	340,193
Parks & Recreation	13,819,420	13,040,356	14,202,530	14,217,530	13,758,411
Planning/Urban Design	2,457,485	2,452,897	2,726,089	2,726,089	2,617,420
Public Works	15,355,767	14,665,388	16,311,325	16,311,325	15,750,910
Transportation	3,087,325	3,177,490	3,105,320	3,105,320	3,537,826
HTF Transfer	500,000	500,000	0	0	0
HCCA Transfer	1,025,437	1,125,437	1,125,437	1,125,437	0
Office of R&R Transfer	839,879	748,770	839,870	839,870	801,870
Transit Transfer	7,049,000	8,429,293	8,429,293	8,429,293	8,429,293
CIP/Debt Service	19,080,415	17,655,817	17,345,222	17,345,222	22,295,222
Total	**170,277,533**	**175,985,044**	**182,694,441**	**177,636,113**	**187,462,338**

Note 1: In the FY 2025-26 Original Budget and in prior year actuals, the Cost Allocation Plan (CAP) charges are reflected as a revenue to the General Fund. The FY 2025-26 Amended Budget reduces that revenue and instead reflects the CAP charges as an offset, or a negative expense, to expenditures in the Non-Departmental.

General Fund Five-Year Projection

A five-year forecast is a tool to guide policy and decision-making. By evaluating economic conditions, staff can identify important trends that may impact future revenue and expenditure levels, and thus provide necessary information for policy and decision-makers to adjust to fluctuating conditions. This analysis uses what is known today to provide a preliminary picture of future revenues and expenses.

	2026-27 Proposed Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection	2030-31 Projection
REVENUE SOURCES					
Property Taxes	106,472,125	108,069,207	109,690,245	111,335,599	113,005,633
Sales & Other Taxes	42,431,945	43,704,903	45,016,050	46,366,532	47,757,528
Licenses and Permits	5,633,000	5,661,165	5,689,471	5,717,918	5,746,508
Sales and Services	12,020,030	12,380,631	12,752,050	13,134,611	13,528,650
Intergovernmental	14,864,479	15,013,124	15,163,255	15,314,888	15,468,036
Other Revenues	6,040,759	6,161,574	6,284,806	6,410,502	6,538,712
Net	**187,462,338**	**190,990,604**	**194,595,877**	**198,280,050**	**202,045,067**
EXPENDITURES BY CATEGORY					
Salaries & Benefits	123,785,378	130,919,222	138,457,523	143,335,800	148,416,472
Operating Costs	32,411,229	32,883,024	34,422,044	36,028,921	37,707,130
Capital & Debt	22,836,438	22,836,438	22,836,438	22,836,438	22,836,438
Transit & HCCA Transfers	8,429,293	9,976,195	10,418,733	10,883,397	11,371,295
Net Expenditures	**187,462,338**	**196,614,879**	**206,134,738**	**213,084,556**	**220,331,335**
Variance		**(5,624,275)**	**(11,538,861)**	**(14,804,506)**	**(18,286,268)**

Revenue assumptions for the forecast include:

- Property tax growth of 1.5% annually
- Slow and steady sales tax growth, similar to pre-COVID patterns, of 3% annually
- Fees and Charges growth of 2%, continuing existing trends
- Other revenues growth of 2% annually

Expenditure assumptions for the forecast include:

- Cost of living increases of 4% annually, with an additional 2.5% growth in FY 2027-28 and FY 2028-29 for compensation study implementation
- Operating cost increases of 5% annually
- Restores FY 2026-27 one-time reductions in future years


Public Safety
Department
Summaries

Asheville Fire

The Asheville Fire Department mitigates loss and suffering due to fires, medical emergencies, and disasters through education, prevention, and response. The department has three bureaus: Support Services, Emergency Management, and Operations.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	24,148,336	26,425,646	26,289,573	26,213,419	26,602,206
Benefits	10,919,858	11,899,995	12,096,155	12,096,155	13,417,759
Operating Costs	3,975,895	3,680,397	4,318,074	4,307,987	4,196,408
Cost Transfers	-	(1,149,888)	(178,855)	(178,855)	(201,863)
Capital Outlay	-	-	-	10,087	-
Total	**39,044,089**	**40,856,150**	**42,524,947**	**42,448,793**	**44,014,510**
POSITIONS					
Total	**293.63**	**301.00**	**304.00**	**303.00**	**303.00**

Budget Highlights

- The FY 2026-27 Proposed Budget maintains existing services and includes minor cost increases including Advanced Emergency Medical Technician (AEMT) supplies and personal protective equipment (PPE) costs.
- The FY 2026-27 Proposed Budget includes personnel savings due to the reduction of two detail fire staff positions and returning those employees to shift service, reducing the need for overtime coverage. The budget also includes minor operational savings.
- The FY 2025-26 Amended Budget includes a decrease of one Fire Plan Reviewer position which was reallocated to the Development Services Department.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Administration	5,460,945	5,794,989	5,642,686	5,594,886	5,855,420
Emergency Response	31,282,983	33,164,378	34,372,754	34,420,554	36,034,015
Community Risk Reduction	2,300,161	1,896,784	2,509,507	2,433,353	2,125,075
Total	**39,044,089**	**40,856,150**	**42,524,947**	**42,448,793**	**44,014,510**
POSITIONS					
Administration	13.00	13.00	13.00	13.00	13.00
Emergency Response	261.63	269.00	272.00	272.00	272.00
Community Risk Reduction	19.00	19.00	19.00	18.00	18.00
Total	**293.63**	**301.00**	**304.00**	**303.00**	**303.00**

The **Administration** is responsible for the overall leadership of the department. Administration encompasses the department's senior leadership, business services, and communications.

The **Operations Bureau** is the largest component of the Asheville Fire Department, providing 24/7 readiness and rapid intervention for a comprehensive spectrum of emergencies. Beyond traditional firefighting, the bureau is organized to manage all hazards incidents, ensuring the safety and resilience of the community through a highly trained, multi-disciplinary force.

The **Emergency Management Bureau** integrates the Fire Marshal's Office, Community Risk Reduction, the Resource and Engagement Support Team (REST), Specialized Operations, and the Emergency Management, Preparedness, and Response Branch to enhance community safety beyond daily operations. This bureau serves as the central hub for proactive risk mitigation and high-level preparedness for complex, non-routine incidents. To ensure a resilient response, the bureau orchestrates comprehensive coordination between all city departments, as well as county, state, federal, and non-governmental organizations (NGOs).

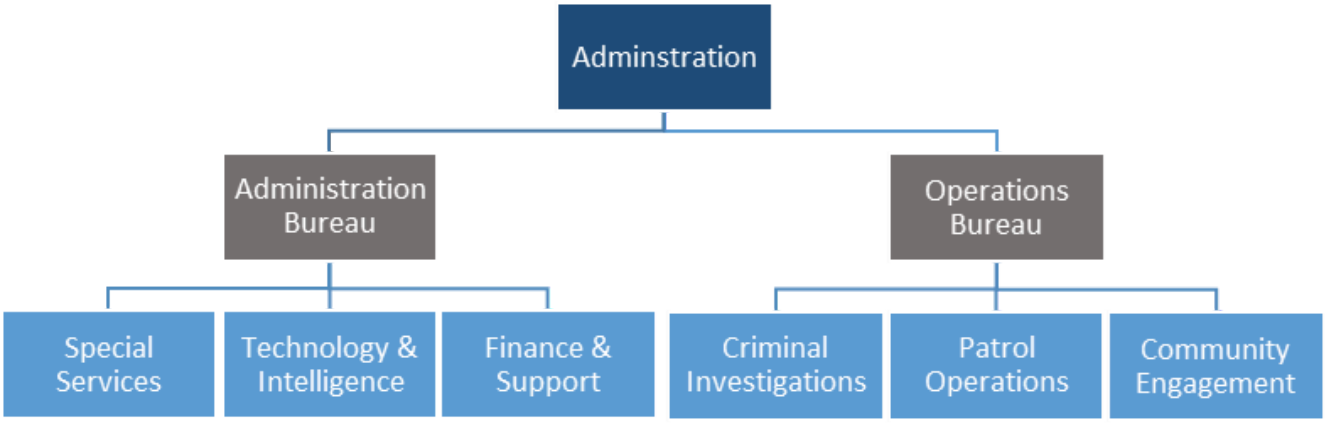
The **Support Services Bureau** provides the vital infrastructure that allows the department to serve the community, housing the Safety and Training Division, the Emergency Medical Branch, and the Resource Management Branch. This bureau ensures every member has the skills, tools, and supplies necessary to perform their roles effectively, from initial education to the specialized equipment used on the front lines. Additionally, this bureau manages the ongoing care of our fire stations, vehicles, and essential gear, ensuring that our facilities and fleet are reliable and ready for service.

Department Priorities

- Implement a fourth shift staffing model to strengthen operational readiness, enhance employee wellness, and support long-term organizational sustainability within the Asheville Fire Department. By investing in the health and sustainability of our personnel, the department reinforces its commitment to excellence in service, employee retention, and community safety.
- Develop and launch a Community Emergency Response Team (CERT) program to strengthen community resilience, enhance emergency preparedness, and expand the city's capacity to respond to disasters and critical incidents. This priority focuses on equipping residents, neighborhood leaders, and community partners with the knowledge and skills needed to safely support themselves and others during emergencies until first responders arrive.
- Develop and implement a comprehensive strategic communications plan that strengthens both internal communication across the department and external engagement with the community, partner agencies, and stakeholders. This priority is focused on creating a clear, consistent, and proactive framework for how information is shared, ensuring that employees remain informed, aligned, and connected while also enhancing public trust and transparency.
- Continue to focus on employee wellness. Develop programs which prevent illness and physical and emotional injuries for all members, increase fitness for all members, and standardize fitness for duty evaluations.
- Maximize stakeholder investment and increase our relevance within the community through increased educational and outreach activities.
- Establish a recruitment and hiring culture that provides a sustainable pool of candidates that reflect the community.
- Continue to develop and improve emergency management processes and relationships that allow the City to plan for, prevent, respond to, and recover from both manmade and natural disasters.

Asheville Police

The Asheville Police Department is dedicated to ensuring public safety, enforcing laws, and upholding the United States Constitution. We're committed to fostering a secure, thriving city where everyone feels safe and supported.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	19,313,459	21,516,489	21,042,660	21,012,265	23,635,184
Benefits	8,551,413	9,466,506	9,279,962	9,279,962	11,281,788
Operating Costs	6,327,380	6,220,672	6,726,302	6,553,526	7,156,968
Cost Transfers	(18,295)	(623,452)	-	-	-
Capital Outlay	121,969	36,720	-	203,171	-
Total	**34,295,927**	**36,616,935**	**37,048,924**	**37,048,924**	**42,073,940**
POSITIONS					
Total	**270.00**	**272.00**	**272.00**	**272.00**	**272.00**

Budget Highlights

- The FY 2026-27 Proposed Budget includes 24 previously unfunded Police Officers due to effective recruitment strategies in 2025-26 and allows space for continued hiring in the upcoming year. The budget does not change total positions but rather adds funding for already authorized sworn positions. 15 sworn vacancies remain unfunded.

- The FY 2026-27 Proposed Budget operating expenses have increased due to continued multi-year contracts for technology costs as well as increases for fleet vehicle maintenance and fuel associated with increased staffing.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Administration	10,849,561	10,672,727	11,346,226	11,035,911	11,294,974
Community Engagement	1,610,639	1,652,100	1,851,791	1,846,791	1,644,861
Criminal Investigation	5,239,603	5,436,036	6,814,733	6,676,896	7,039,028
Patrol Bureau	16,596,123	18,856,072	17,036,174	16,833,373	20,672,363
Technology & Intelligence	-	-	-	655,953	1,422,714
Total	**34,295,927**	**36,616,935**	**37,048,924**	**37,048,924**	**42,073,940**
POSITIONS					
Administration	41.00	43.00	43.00	43.00	40.00
Community Engagement	26.00	26.00	26.00	26.00	26.00
Criminal Investigation	50.00	50.00	50.00	50.00	50.00
Patrol Bureau	153.00	153.00	153.00	153.00	145.00
Technology & Intelligence	0.00	0.00	0.00	0.00	11.00
Total	**270.00**	**272.00**	**272.00**	**272.00**	**272.00**

The **Administration Bureau** includes the following divisions, which are crucial for project management and policy direction:

- The *Special Services Division* is responsible for planning and research, police records search, property and evidence management, recruitment, and career development and is dedicated to various essential functions that directly support operational and strategic goals.
- The *Finance and Support Division* ensures that the department operates within its budget and effectively manages its resources.
- The *Technology and Intelligence Division* provides crime analysis, technology support, and intelligence management to ensure the department operates efficiently and stays ahead of technological advancements. It was formed midway through FY 2025-26 by reallocating existing funding from other divisions.

The **Operations Bureau** is essential in ensuring that day-to-day policing operations run efficiently and effectively across the community. The Bureau includes various divisions that work together to provide a comprehensive approach to law enforcement:

- The *Patrol Operations Division* shoulders the primary responsibility for the bulk of police services provided by our department. This division is crucial in maintaining public safety and providing a visible police presence throughout the city.
- The *Criminal Investigations Division* is staffed with skilled detectives and forensics staff dedicated to a wide range of reported offenses, including the most serious crimes. Their expertise and commitment are crucial in maintaining public safety and holding offenders accountable.
- The *Community Engagement Division* consists of three units: Community Resource Officers, who manage outreach programs and collaborate with service providers; the Public Housing Unit; and School Resource Officers, all working to strengthen community relations and address local issues.

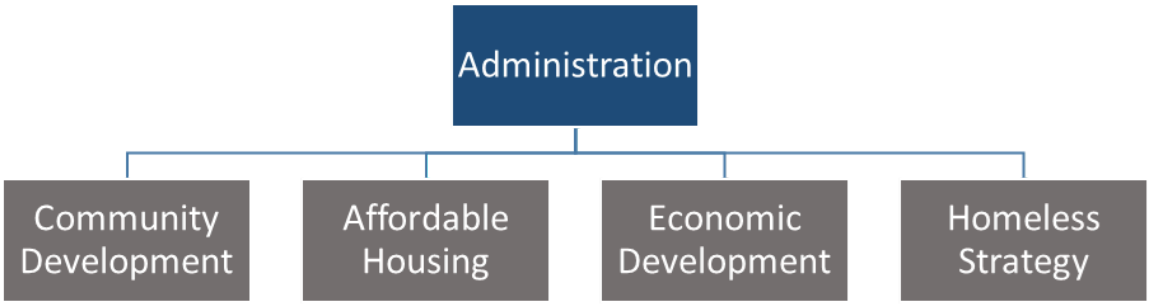
Department Priorities

- Develop and execute effective recruitment strategies to attract and onboard a diverse pool of highly qualified candidates to cultivate a workforce that reflects the vibrant diversity of our community, ensuring a more inclusive and effective law enforcement agency.
- Steadfast dedication to our employees' health and wellness, including exploring innovative strategies such as initiatives to enhance financial wellbeing to further develop our wellness program. Equip our officers with the tools to navigate the inherent challenges of police work effectively through health screenings, mental health assessments, updated training sessions, and comprehensive employee wellness programs.
- Select, implement, and integrate technological and equipment advancements to enhance operational efficiency and outcomes. By harnessing the potential of these innovations, we aim to drive positive changes in policing practices, ultimately fostering greater trust and legitimacy within our communities.
- Support and fund impactful training opportunities and programs for officers. Such training enhances officers' comprehension and responsiveness to community needs and safeguards their well-being and that of the individuals they serve.
- Re-staff the Public Housing Unit to strengthen community engagement, improve safety, and enhance overall quality of life in public housing areas.
- Committed to focusing on retention by exploring structured opportunities and incentives for growth and advancement to retain experienced officers. The goal is to encourage long-term commitment, offering fulfilling career development that motivates and retains senior officers.


Community &
Resident Services
Department
Summaries

Housing & Economic Development

The Housing and Economic Development Department works to preserve and increase the availability of affordable housing, improve access to services, create paths toward economic mobility, promote resiliency, and support sustainable growth. The department collaborates with community partners, other government agencies, businesses, and residents to enhance the quality of life and availability of opportunities for all in Asheville.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	1,219,345	1,454,158	1,509,288	1,528,288	1,644,002
Benefits	504,992	611,799	645,670	645,670	725,633
Operating Costs	928,922	876,983	2,087,800	2,068,800	1,538,991
Cost Transfers	(580,519)	(564,216)	(653,483)	(653,483)	(687,060)
Total	**2,072,740**	**2,378,724**	**3,589,275**	**3,589,275**	**3,221,566**
POSITIONS					
Total	**20.00**	**21.00**	**21.00**	**26.00**	**26.00**

Budget Highlights

- The FY 2026-27 Proposed Budget includes a reorganization of $106,000 and moving the Real Estate Manager position from Housing and Economic Development to the Capital and Asset Management Department; and also adds an Affordable Housing Bond Manager to handle the growing portfolio of affordable housing projects the city is administering.
- The FY 2026-27 Proposed Budget reduced operating expenses due to the completion of economic incentive agreements in FY 2025-26.
- The FY 2026-27 Proposed Budget also includes a position realignment between divisions as a technical adjustment to clean up accounts.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Economic Development	1,282,299	1,534,428	2,427,111	2,419,611	1,469,980
Community Development	381,117	368,312	671,099	671,099	630,901
Homeless Support	409,324	475,984	491,065	498,565	783,513
Affordable Housing	-	-	-	-	337,172
Total	**2,072,740**	**2,378,724**	**3,589,275**	**3,589,275**	**3,221,566**
POSITIONS					
Economic Development	9.00	10.00	10.00	12.00	6.00
Community Development	9.00	9.00	9.00	12.00	12.00
Homeless Support	2.00	2.00	2.00	2.00	5.00
Affordable Housing	0.00	0.00	0.00	0.00	3.00
Total	**20.00**	**21.00**	**21.00**	**26.00**	**26.00**

The **Economic Development Division** includes the following programs: the City of Asheville Youth Leadership Academy (CAYLA) program, a partnership with the Asheville City Schools Foundation which recruits, trains, and places local high school students at meaningful summer jobs; the Asheville Business Inclusion Office, which seeks to build capacity for government contracting with minority- and women-owned business enterprises (MWBE); Economic Development, which supports business recruitment, retention, and expansion.

The **Community Development Division** manages and administers programs that are funded by the US Department of Housing and Urban Development for Asheville and a four-county consortium consisting of Buncombe, Henderson, Transylvania and Madison counties. The Community Development Block Grant (CDBG) and the HOME Investment Partnership Grant provide affordable housing, economic opportunities, and other benefits for low- and moderate-income residents. Community Development is also managing, administering, and monitoring the Community Development Block Grant - Disaster Recovery (CDBG-DR) program as part of Tropical Storm Helene recovery.

The **Homeless Strategy Division** serves as the designated Lead Agency for the NC-501 Asheville-Buncombe Continuum of Care (CoC), and in that role facilitates community access to federal funding for homeless and housing programs, manages the Homeless Management Information System, and supports the Continuum of Care governance board overseeing policy, strategy, and federal resource allocation.

The **Affordable Housing Division** leads City-funded affordable housing initiatives including development on City-owned land and the funding resources including the Land Use Incentive Grant program (LUIG), Housing Trust Fund, and Bond funding for affordable housing.

Department Priorities

- Advance and support the implementation of the CoC's 2025-2028 Strategic Plan through improved system governance, data collection, efficiency and coordination of government agencies and community partners with the goal of long-term reduction in the number of people experiencing homelessness.
- Continue to implement recommendations from the 2023 Disparity Study to improve the City's utilization of minority and women-owned businesses.
- Implement the 2025-2026 Consolidated Plan as required by the U.S. Department of Housing and Urban Development for federal funding programs that support affordable housing, community development, and economic development activities. These programs include the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grants (ESG).
- Implement a federally required allocation plan for $4.7 million in supplemental funding provided through the American Rescue Plan Act for use in Buncombe, Henderson, Transylvania, and Madison Counties to address homelessness.
- Continue to implement key strategies from the Affordable Housing Plan, including the implementation of the 2024 Affordable Housing Bond for $20 million.
- Pursue the strategic disposition of specific City-owned, underutilized properties, with a focus on future uses that support affordable housing and economic development in key areas of the City.
- Advance three key planning efforts - the Economic Development Strategic Plan, Deaverview Master Plan for Housing, Education and Recreation, and Emergency Shelter Plan - that will serve as the basis for key activities that will be undertaken by the Department in the future.
- Manage the implementation of the Community Development Block Grant - Disaster Recovery (CDBG-DR) funds totaling $225 million. The grant will fund programs relating to Housing, Economic Revitalization, and Infrastructure.

Housing Trust Fund

The Housing Trust Fund was established by the Asheville City Council in 2000 to fund the construction of affordable housing units in our community.

Budget Summary

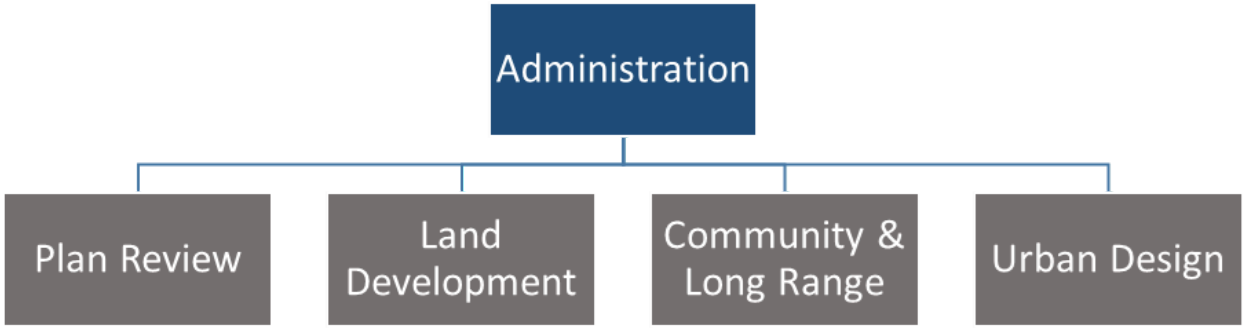
	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
General Fund Contribution	500,000	500,000	-	-	-

Budget Highlights

- The General Fund contribution to the Housing Trust Fund will continue to be paused in FY 2026-27 Proposed Budget. There are additional contributions that are not part of the General Fund, including capital dollars from the 2024 General Obligation Bonds and CDBG-DR funding, which will allow the Housing Trust Fund to continue supporting new affordable housing projects.

Planning & Urban Design

The Planning & Urban Design Department works hand-in-hand with our community to guide growth and development patterns that are consistent with the future vision outlined in Asheville's Comprehensive Plan and other plans. The department provides: professional urban design, public art and culture, public space management, urban forestry, and historic preservation services; management of by-right and entitlement review processes for all proposed development; project management and community engagement for special initiatives; and assistance in creating and implementing comprehensive, small area, and site plans.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	1,524,010	1,602,218	1,787,595	1,787,595	1,695,911
Benefits	669,518	712,753	790,369	790,369	818,036
Operating Costs	263,958	160,362	148,125	148,125	103,473
Cost Transfers	-	(22,436)	-	-	-
Total	**2,457,485**	**2,452,897**	**2,726,089**	**2,726,089**	**2,617,420**
POSITIONS					
Total	**25.00**	**25.00**	**25.00**	**25.00**	**23.50**

Budget Highlights

- The FY 2026-27 Proposed Budget pauses the funding for public art maintenance resulting in the reduction in operating costs from FY 2025-26. Any public art needs that arise over the course of the year can be funded through the existing Public Art allocation in the General Capital Projects Fund.

- The FY 2026-27 Proposed Budget reduced 1.5 vacant positions as a General Fund budget balancing strategy.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Plan Review Coordination	1,366,735	1,406,663	1,555,301	2,051,163	1,604,140
Land Development	929,557	915,688	978,165	482,303	893,115
Community & Long Range Planning	101,959	112,766	152,623	152,623	115,165
Urban Design & Place Strategies	59,233	17,779	40,000	40,000	5,000
Total	**2,457,485**	**2,452,897**	**2,726,089**	**2,726,089**	**2,617,420**
POSITIONS					
Plan Review Coordination	13.00	13.00	13.00	13.00	12.00
Land Development	10.50	10.50	10.50	10.50	10.00
Community & Long Range Planning	1.50	1.50	1.50	1.50	1.50
Urban Design & Place Strategies	0.00	0.00	0.00	0.00	0.00
Total	**25.00**	**25.00**	**25.00**	**25.00**	**23.50**

The **Plan Review** division provides customer service for applicants seeking to develop and improve their properties through the by-right zoning process. This function ensures technical compliance with development regulations, and includes the issuing of new addresses, approving the subdivision of land, and the coordination of interdepartmental review for signs, single family and smaller multifamily housing, and smaller commercial projects. This division also manages the Board of Adjustment.

The **Land Development** division shepherds large-scale or special use development applications, zoning map and text amendments, and use and rezoning applications through the public process required for approvals. This review process ensures consistency with design and development standards, the City's Comprehensive Plan, and other adopted plans. The division manages the Planning and Zoning Commission, the Design Review Committee, and the Technical Review Committee.

The **Community and Long Range Planning** division uses data-driven research, community engagement, and innovations in best practices to develop and implement planning, zoning and urban design policy that aligns with the city's Comprehensive Plan, and City Council and community goals. This team leads planning efforts related to residential neighborhoods, transportation corridors, special districts or sites, and citywide development.

The **Urban Design and Place Strategies** division implements the public's vision for Asheville by providing high-quality urban design advice for internal and external development proposals. The division stewards active management of the public realm, coordinates the visioning, design and implementation for public spaces and

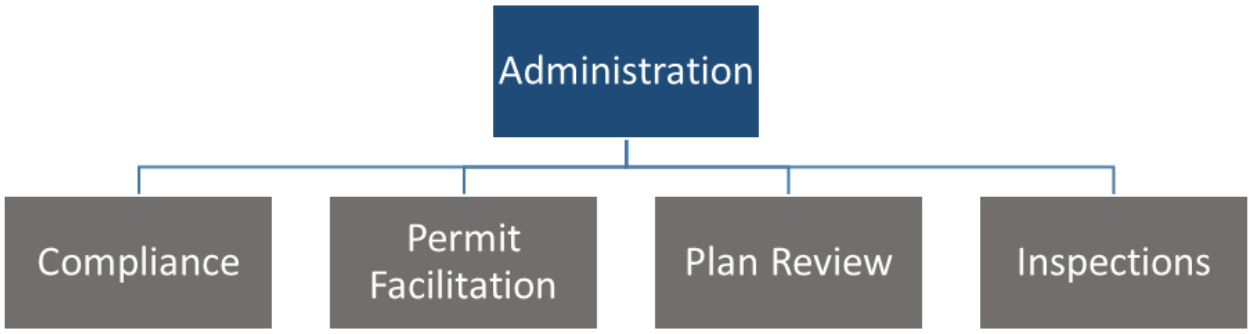
city-owned properties, promotes achievements on the City's Urban Forestry and Historic Preservation goals, and provides guidance and assistance on the coordination of strategic projects and investments, especially in mixed-use districts. The division manages the Historic Resources Commission, including the liaisons to the Downtown Commission, the Asheville Buncombe Riverfront Commission, Urban Forestry Commission, and the Public Art and Culture Commission, all of which are paused during the City's use of Helene Recovery Boards.

Department Priorities

- Perform a technical update to the City's Comprehensive Plan and rewrite the Unified Development Ordinance (UDO) to promote physical, social and economic resiliency and broader housing attainability for all; present Council with policies to support Anti Displacement and Affordable Housing goals in advance of UDO completion.
- Simplify the development plan review process for developers by monitoring outcomes and making changes to the Flood Assistance Support Team (FAST), the Development Liaison position, the Planner Of the Day function, and other plan-review related components of the City's permitting process.
- Improve the community's involvement in, and understanding of, City planning, development, and urban design activities by: creating internal standards for how public plans are created, maintained, and implemented; and prioritizing early notification tools, plain-language materials, accessible outreach formats and methods, opportunities for neighborhood-based input, and transparent documentation of public processes.
- Provide project scoping, design concepts and other planning and urban design services for the City's capital projects, including Boosting the Block, Historic Biltmore Village Public Realm, and Helene recovery projects.
- Complete the Urban Forestry Master Plan including a Tree Fee in Lieu Fund usage policy, and the prioritization of short term strategies to foster the growth of the community's tree canopy.
- Collaborate with other departments and the community on short and long term activation strategies that help the cultural, historic and economic hubs most impacted from Tropical Storm Helene: Asheville's riverfront districts and Downtown.

Development Services

The Development Services Department (DSD) promotes safety, livability, and sustainable economic growth by guiding development in Asheville. As the central hub for development activity, DSD coordinates permitting, comprehensive inspections, and records maintenance, offering resourceful, solutions-oriented customer service to help customers navigate the complex regulatory process.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	2,686,861	2,992,216	3,002,361	3,061,973	3,026,190
Benefits	1,303,971	1,435,760	1,479,886	1,496,428	1,637,559
Operating Costs	386,653	337,584	383,973	383,973	357,093
Cost Transfers	-	(219,737)	-	-	-
Total	**4,377,485**	**4,545,823**	**4,866,220**	**4,942,374**	**5,020,842**
POSITIONS					
Total	**47.00**	**47.00**	**47.00**	**48.00**	**48.00**

Budget Highlights

- In the FY 2026-27 Proposed Budget, the department is implementing a new process that will result in the City no longer paying the credit card transaction fees incurred when processing permit applications. Once fully implemented, it should result in a savings of around $110,000 per year.
- The FY 2025-26 Amended Budget includes an increase of one Fire Plan Reviewer position which was reallocated from the Fire Department.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Permitting & Inspections	3,572,122	3,781,146	4,015,684	4,015,684	4,138,423
Code Enforcement	805,362	764,677	850,536	926,690	882,419
Total	**4,377,485**	**4,545,823**	**4,866,220**	**4,942,374**	**5,020,842**
POSITIONS					
Permitting & Inspections	40.00	40.00	40.00	39.00	39.00
Code Enforcement	7.00	7.00	7.00	9.00	9.00
Total	**47.00**	**47.00**	**47.00**	**48.00**	**48.00**

The Compliance Division ensures adherence to City ordinances to protect community health, safety, and quality of life. The Division handles Animal Services, nuisance vehicles, minimum housing/unsafe structures, noise, signage, short-term rental violations, and zoning/development issues. Through education, investigation, and enforcement, the Compliance Division resolves concerns and enforces regulations.

Permit Facilitation is responsible for processing and issuing all development-related permits within the City. This team serves as the central point of coordination between the development community and internal City staff, guiding applications from intake through review and final issuance.

Building Plan Review is responsible for reviewing and approving plans to ensure compliance with all applicable state and local building, electrical, mechanical, plumbing, and fire codes. Serving as a critical component of the development review process.

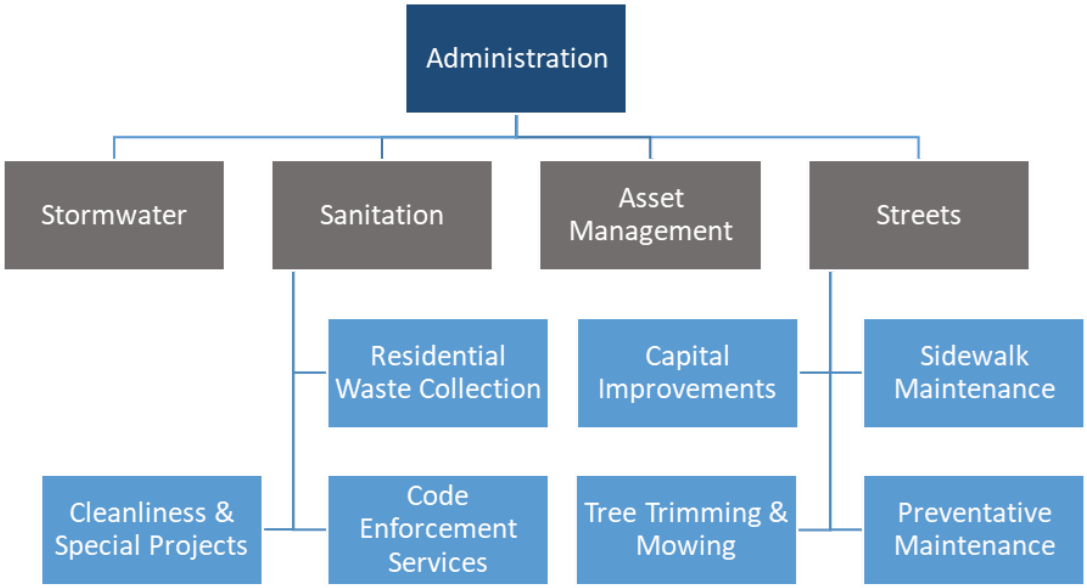
Inspections is responsible for overseeing construction activity across the entire City to ensure compliance with approved plans and applicable codes. This team conducts inspections for all permitted work, including building, electrical, mechanical, plumbing, and related systems, serving as the City's on-site presence throughout the construction process.

Department Priorities

- Strengthen and sustain core services while improving customer service delivery.
- Advance 18-month project to implement the Clariti permitting platform, including system configuration, testing and user adoption. The new system should streamline digital permitting, improve transparency and provide long-term system sustainability.
- Develop and deploy processes to identify, prioritize, and document affordable housing, City Council, and City-led development projects.
- Evaluate current workflows in the permit close-out process to identify inefficiencies and implement process improvements thereby reducing delays, increasing accuracy and providing faster project completion timelines.
- Build staff capacity and knowledge by developing curricula for departmental on-boarding, cross-training and apprenticeship programs resulting in improved readiness, retention and institutional knowledge.
- Facilitate the Tropical Storm Helene recovery by streamlining permitting processes to allow for a more efficient and resilient rebuilding.

Public Works

The Public Works Department provides essential core services for construction and maintenance of infrastructure including streets and stormwater, and solid waste management to Asheville residents and visitors in an efficient, safe, and environmentally and fiscally responsible manner. The Streets Division manages the enterprise Street Cut Utility Fund and the Stormwater Division operates as an enterprise fund. These enterprise funds are not reflected in the tables below.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	6,117,681	6,552,849	6,899,583	6,906,083	5,584,437
Benefits	2,995,874	3,011,778	3,194,811	3,194,811	2,861,963
Operating Costs	9,995,483	10,725,750	10,991,058	11,256,520	7,730,673
Cost Transfers	(3,809,717)	(5,745,616)	(4,774,127)	(5,074,127)	(426,163)
Capital Outlay	56,445	120,628	-	28,038	-
Total	**15,355,767**	**14,665,388**	**16,311,325**	**16,311,325**	**15,750,910**
POSITIONS					
Total	**111.05**	**112.05**	**112.05**	**112.05**	**92.05**

Budget Highlights

- The FY 2026-27 Proposed Budget includes a reorganization that moves 16 positions for the Fleet Management Division from Public Works to the Capital and Asset Management Department.
- The FY 2026-27 Proposed Budget also includes a reorganization moving a Special Projects Coordinator position from Public Works to the Communications and Public Engagement Department.
- The FY 2026-27 Proposed Budget reduced 3 vacant Equipment Operator IIIs as a General Fund budget balancing strategy.
- The FY 2026-27 Proposed Budget includes further operational budget balancing strategies including eliminating contracts for mowing and median maintenance, pausing the purchase of bear proof trash cans, and others.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Administration	1,087,872	875,934	982,396	982,396	943,923
PW Asset Management	125,343	161,207	178,694	178,694	179,140
Fleet Management	1,736,682	956,341	590,627	590,627	-
Sanitation	7,800,976	7,817,921	8,991,402	8,991,402	9,494,007
Streets & Sidewalks	4,604,894	4,853,985	5,568,206	5,568,206	5,133,840
Total	**15,355,767**	**14,665,388**	**16,311,325**	**16,311,325**	**15,750,910**
POSITIONS					
Administration	4.50	4.50	4.50	4.50	3.50
PW Asset Management	1.05	1.05	1.05	1.05	1.05
Fleet Management	16.00	16.00	16.00	16.00	0.00
Sanitation	43.00	44.00	44.00	44.00	44.00
Streets & Sidewalks	46.50	46.50	46.50	46.50	43.50
Total	**111.05**	**112.05**	**112.05**	**112.05**	**92.05**

The **Administration Division** oversees, leads, and directs the department. This division works to ensure high-quality service delivery through effective operational procedures and policies and continuous improvement in products, systems, and processes.

The **Asset Management Division** uses technology to improve internal business processes and creates and maintains the GIS data and technology solutions for Public Works assets.

The **Sanitation Division** promotes a healthy, safe, and sustainable community by providing efficient, reliable, and innovative waste management, and sanitation services including waste collection, litter and debris removal, and code enforcement. The division strives to deliver excellent customer service and to enhance the community and the environment through the implementation of an effective integrated waste management plan.

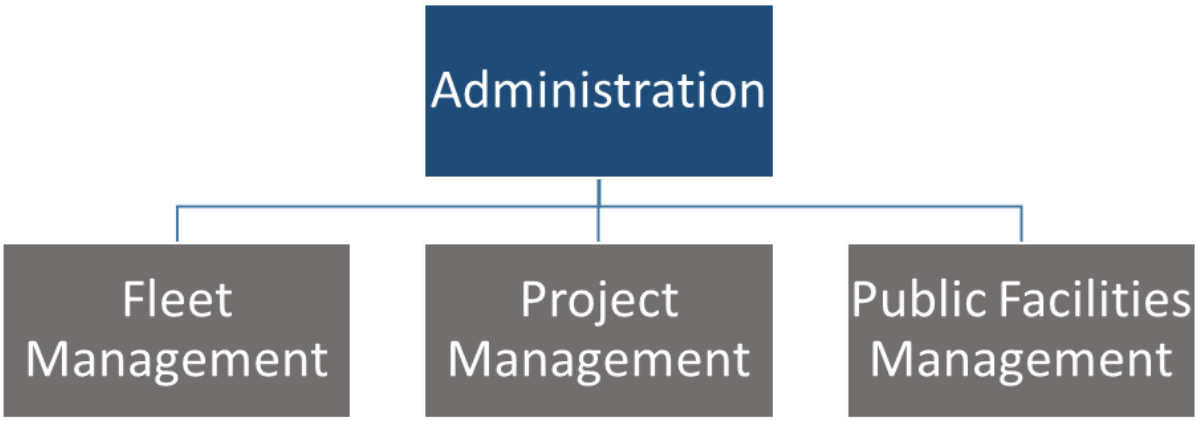
The **Streets Division** constructs and maintains the City's streets, sidewalks, trees, and rights-of-way and provides emergency weather response services. The Division ensures a safe, efficient, and clean road and sidewalk system through proper maintenance, rehabilitation, and replacement, including graffiti removal, mowing, and code compliance in the public right of way.

Department Priorities

- Pursue opportunities to optimize the Pavement Condition Index through asphalt resurfacing, preventive maintenance, crack sealing, and patching.
- Continue normalizing the use of the asset management system to improve effectiveness of infrastructure, personnel, equipment, and materials management.
- Maintain reliable solid waste and recycling collection; enforce City sanitation ordinances; implement measures to improve operational efficiency, customer service, and waste reduction programming; and develop a comprehensive Solid Waste Master Plan.
- Engage contractors to carry out ongoing cleanup of roadside litter and sites containing biohazardous material to address community cleanliness concerns.
- Pursue investments in employee recruitment and retention.
- Continue to make improvements and investments in safety policies, procedures, and equipment to minimize on-the-job hazards to safeguard the physical integrity of our staff.
- Collaborate with Capital and Asset Management to manage bond funded projects.
- Develop, implement, and manage Tropical Storm Helene recovery capital projects.
- Manage and administer the implementation of multiple layered federal funding sources for recovery projects, including funding from Federal Emergency Management Agency's (FEMA) Public Assistance Program (PA) and Hazard Mitigation Grant Program (HMGP), and the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant Disaster Recovery (CDBG-DR) program.

Capital & Asset Management

The Capital Management Department facilitates the design and construction of public projects in a reliable, cost-effective, and timely manner and manages the planning, operations, and maintenance of city facilities. Acting as a supporting department to internal city client departments, Capital and Asset Management endeavors to collaboratively deliver projects identified in the annual Capital Improvement Program to benefit the quality of life for Asheville residents and visitors.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	1,815,310	2,062,035	2,710,734	2,710,734	4,027,626
Benefits	886,590	950,759	1,169,377	1,169,377	1,184,556
Operating Costs	1,490,918	1,474,548	1,723,888	2,185,534	7,038,911
Cost Transfers	(884,848)	(1,018,388)	(1,195,462)	(1,195,462)	(5,909,899)
Capital Outlay	188,532	-	-	32,687	-
Total	**3,496,501**	**3,468,953**	**4,408,537**	**4,902,870**	**6,341,194**
POSITIONS					
Total	**38.00**	**38.00**	**38.00**	**38.00**	**51.00**

Budget Highlights

- The FY 2026-27 Proposed Budget reduces 3 vacant positions as a General Fund budget balancing strategy.

- The FY 2026-27 Proposed Budget includes a reorganization of 16 positions for the Fleet Management Division from Public Works to the Capital and Asset Management Department. Of the 16 positions reorganized, 1 vacant position is reduced as a General Fund budget balancing strategy.

- The FY 2026-27 Proposed Budget includes a reorganization moving the Real Estate Manager position from Housing and Economic Development to the Capital and Asset Management Department.

- The FY 2026-27 Proposed Budget includes an increase of $1.3 million for Parks facility security.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Administration	528,507	474,701	653,546	653,546	770,053
Project Management	38,591	126,894	414,638	456,638	398,413
Public Facilities Management	2,929,403	2,867,358	3,340,353	3,792,686	4,530,660
Fleet Management	-	-	-	-	642,068
Total	**3,496,501**	**3,468,953**	**4,408,537**	**4,902,870**	**6,341,194**
POSITIONS					
Administration & Project Mgmt.	8.00	8.00	7.00	7.00	7.00
Project Management	10.00	10.00	10.00	10.00	10.00
Public Facilities Management	20.00	20.00	21.00	21.00	19.00
Fleet Management	0.00	0.00	0.00	0.00	15.00
Total	**38.00**	**38.00**	**38.00**	**38.00**	**51.00**

The **Administration Division** supports the department through personnel management, budget management, and contract coordination. This division is responsible for coordination with the executive management of the organization and with the City Council. The efforts of this division are supported by the Business Services group.

The **Project Management Division** provides and facilitates design, project management, and inspection services for capital infrastructure projects within City maintained right-of-way and City-owned property. The division provides general engineering support, surveying, contract administration, and right-of-way acquisition support. The division is responsible for the development, management, and administration of federally funded recovery projects in response to Tropical Storm Helene.

The **Public Facilities Management Division** manages an array of services including maintenance, operations, planning, and asset management for the City's 60+ building inventory. Facility Maintenance tasks include work on mechanical, electrical, and plumbing systems to ensure City facilities operate efficiently and consistently. Direct operations services include custodial work, building security, and mail management and delivery services.

The **Fleet Management Division** is responsible for the acquisition and maintenance of fleet vehicles and equipment for the City and the maintenance of the City's fuel stations.

Department Priorities

- Support the City's project scoping process to ensure that project estimates are accurate and appropriately prepared for inclusion in the annual CIP budget and/or future bond referendum.
- Develop a long range facility management plan that shows a 10 year comprehensive facility maintenance and reinvestment plan for the entire building inventory.
- Support the development of the Facility Management Division. Prioritize the facility management needs and work to implement strategies for the delivery of services as envisioned.
- Develop and implement the Tropical Storm Helene recovery capital plans and manage associated recovery projects.
- Manage and administer the implementation of multiple layered federal funding sources for recovery projects, including funding from FEMA Public Assistance (PA), CDBG-DR, and Hazard Mitigation Grant Program (HMGP).

Office of Recovery & Resilience

The Office of Recovery and Resilience, previously known as the Sustainability Department, works with departments across the City to incorporate City Council's strategic goals and resolutions pertaining to sustainability, climate change mitigation, and adaptation into municipal operations, infrastructure, and services. The Office of Recovery and Resilience also collaborates with community-led initiatives to support sustainability and resilience for area residents and businesses.

Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	-	290,270	283,482	283,482	264,889
Benefits	-	138,863	124,586	124,586	132,008
Operating Costs	-	180,700	434,302	434,302	407,473
Cost Transfers	-	(7,845)	-	-	-
Total	**-**	**601,988**	**842,370**	**842,370**	**804,370**
POSITIONS					
Total	**3.00**	**3.00**	**3.00**	**4.00**	**4.00**

Note: The amounts shown on this page include additional funding appropriated through the Green Savings program, and are therefore higher than the amount shown in the General Fund Summary.

Budget Highlights

- The FY 2025-26 Amended Budget added a Recovery Coordinator position funded from the City's CDBG-DR direct allocation.
- The FY 2026-27 Proposed Budget includes a pause of the Development Fee Rebate program as a General Fund

Department Priorities

- Continue phased implementation of the Municipal Climate Action Plan (MCAP).
- Expand renewable energy generation and storage opportunities to advance the 100% renewable energy goal.
- Strengthen neighborhood-led climate resilience and preparedness through Elevate AVL programming including resilience hub investment.
- Support incorporation of sustainability and resilience in Tropical Storm Helene recovery project development and implementation.

Office of Human Relations & Anti-Discrimination

The Office of Human Relations and Anti-Discrimination, previously known as Human Relations Anti-Discrimination and Compliance, promotes a fair, respectful, and inclusive city government by advancing anti-discrimination policies, strengthening internal practices, and fostering meaningful community engagement and public trust.

Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	253,750	152,190	351,358	351,358	214,507
Benefits	96,866	56,032	114,095	114,095	83,826
Operating Costs	64,743	16,400	72,860	72,860	41,860
Cost Transfers	-	(746)	-	-	-
Total	**415,359**	**223,875**	**538,313**	**538,313**	**340,193**
POSITIONS					
Total	**4.00**	**4.00**	**4.00**	**4.00**	**2.00**

Budget Highlights

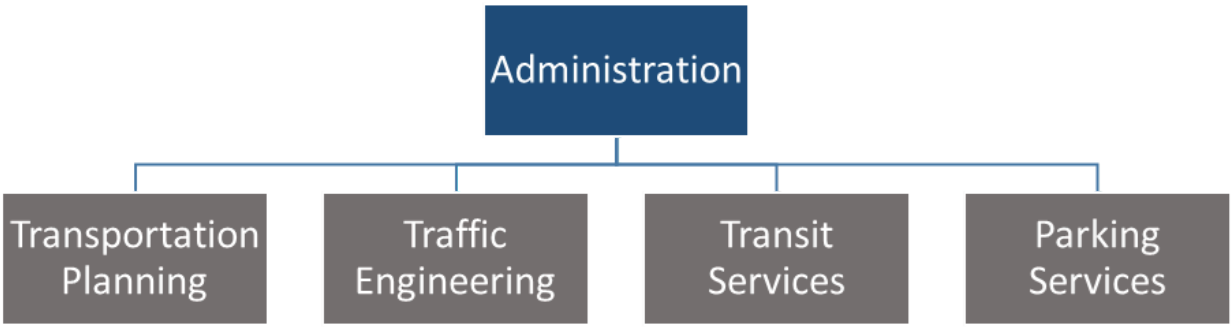
- The FY 2026-27 Proposed Budget reduces 2 vacant positions as a General Fund budget balancing strategy. Operating costs were decreased to match anticipated spending.

Department Priorities

- Use best practices from human relations and anti-discrimination frameworks to create action plans for each department and for the City as a whole. These plans will ensure that fairness, respect, and compliance principles are incorporated into all City policies, procedures, and practices, leading to improved and more consistent service delivery.
- Create and implement tools that guide the policies, practices, and procedures that prevent discrimination and support a culture of fairness and accountability.
- Partner and collaborate with public, nonprofit, and private organizations to promote human relations efforts, anti-discrimination initiatives, and compliance standards that serve the residents of Asheville.
- Work collaboratively with internal stakeholders to develop clear strategies for implementing any City Council approved recommendations received from the Community Reparations Commission.

Transportation

The Transportation Department provides safety, health, mobility, and quality of life for Asheville residents and visitors through the planning and administration of engineering, infrastructure, and transportation-related projects. The Transit Services Division manages the enterprise Transit Services Fund and the Parking Services Division operates as an enterprise fund. The enterprise funds are not reflected in the tables below.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	988,049	1,043,319	1,056,033	1,056,033	1,157,276
Benefits	454,894	471,342	488,929	488,929	597,675
Operating Costs	1,644,382	1,690,502	1,560,358	1,560,358	1,782,875
Cost Transfers	-	(27,673)	-	-	-
Total	**3,087,325**	**3,177,490**	**3,105,320**	**3,105,320**	**3,537,826**
POSITIONS					
Total	**14.34**	**13.84**	**13.84**	**13.84**	**14.84**

Budget Highlights

- The FY 2026-27 Proposed Budget includes the reallocation of an existing position into the Transportation Department for the addition of a Plan Reviewer.
- The FY 2026-27 Proposed Budget includes a $200,000 increase in streetlight funding due to increased utility rates.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Administration	351,971	305,192	371,121	371,121	398,636
Street Lighting	1,303,119	1,399,071	1,131,000	1,131,000	1,329,000
Traffic Engineering	1,047,425	1,079,529	1,201,488	1,201,488	1,363,486
Transportation Planning	384,810	393,697	401,711	401,711	446,704
Total	**3,087,325**	**3,177,490**	**3,105,320**	**3,105,320**	**3,537,826**
POSITIONS					
Administration	2.34	1.84	1.84	1.84	1.84
Traffic Engineering	9.00	9.00	9.00	9.00	9.00
Transportation Planning	3.00	3.00	3.00	3.00	4.00
Total	**14.34**	**13.84**	**13.84**	**13.84**	**14.84**

The **Administration Division** provides administrative and technical support to all four divisions, including the Parking Services and Transit Services enterprise funds.

The **Traffic Engineering Division** manages the planning, design, installation, operation, and maintenance of City traffic control devices (signs, signals, street markings) and collaborates with the NC Department of Transportation for state routes within the City. This division also conducts traffic studies and surveys, and reviews major developments and curb cut requests.

The **Transportation Planning Division** provides Citywide multimodal transportation planning services, including conducting public engagement, prioritization, grant-writing, and feasibility/concept studies for pedestrian, bicycle, greenway, and transportation safety projects.

Department Priorities

- Work with other departments and NCDOT to implement identified actions associated with the GAP Plan (Greenways, ADA Transition, & Pedestrian), to communicate and prioritize work creating a connected, safe, and accessible pedestrian network.
- Continue to work closely with the NCDOT as the I-26 Connector project construction begins and progresses.
- Continue to partner with the NCDOT to improve bicycle and pedestrian safety on City and State roadways.
- Update the Traffic Calming Policy and develop a more equitable and efficient process for responding to and resolving neighborhood traffic safety concerns.

Non-Departmental Community & Resident Services

The City provides funding to outside agencies (strategic partners) for the purpose of promoting community and economic development. The Housing & Community Development (HCD) City Council Committee develops funding recommendations for City Council review and approval.

Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
STRATEGIC PARTNERSHIP FUNDING ALLOCATIONS					
Partnership Funding	321,013	317,906	-	-	-
DIRECT ALLOCATIONS					
YMI Utilities	24,000	24,000	24,000	24,000	24,000
LEAF	40,000	40,000	40,000	40,000	40,000
In Real Life	45,000	45,000	45,000	45,000	45,000
Direct Allocations Total	**109,000**	**109,000**	**109,000**	**109,000**	**109,000**
Grand Total	**430,013**	**426,906**	**109,000**	**109,000**	**109,000**

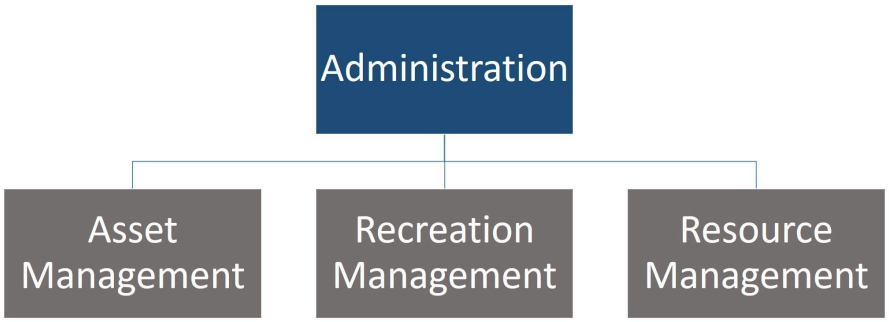
Budget Highlights

- Partnership Funding was paused in the FY 2025-26 Adopted Budget and will remain paused in the FY 2026-27 Proposed Budget.


Cultural &
Recreational
Services Department
Summaries

Parks & Recreation

Asheville Parks and Recreation is dedicated to enhancing citizens' quality of life by providing diverse recreational experiences.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	7,126,806	7,255,879	7,144,875	7,144,875	6,537,970
Benefits	2,901,809	2,920,254	3,013,885	3,013,885	3,159,693
Operating Costs	3,725,808	2,716,119	4,043,770	4,015,205	4,060,748
Cost Transfers	-	(89,646)	-	-	-
Capital Outlay	64,997	237,749	-	43,565	-
Total	**13,819,420**	**13,040,356**	**14,202,530**	**14,217,530**	**13,758,411**
POSITIONS					
Total	**102.50**	**102.50**	**102.50**	**102.50**	**98.50**

Budget Highlights

- The FY 2026-27 Proposed Budget includes a $384,000 reduction of temporary/seasonal position funding to reduce community center operating hours in the Fall, Winter, and Spring seasons.
- The FY 2026-27 Proposed Budget reduces 4 vacant positions as part of the General Fund budget balancing strategies.
- The FY 2026-27 Proposed Budget increased $40,000 for a facility relocation for parks maintenance operations due to facility damage caused by Tropical Storm Helene.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Resource Management	2,508,411	2,386,626	2,340,357	2,334,770	2,446,558
Asset Management	6,065,462	5,227,376	6,342,490	6,366,169	5,777,421
Recreation Management	5,245,546	5,426,354	5,519,683	5,516,591	5,534,432
Total	**13,819,420**	**13,040,356**	**14,202,530**	**14,217,530**	**13,758,411**
POSITIONS					
Resource Management	12.00	12.00	12.00	12.00	12.00
Asset Management	42.75	42.75	42.75	42.75	38.75
Recreation Management	47.75	47.75	47.75	47.75	47.75
Total	**102.50**	**102.50**	**102.50**	**102.50**	**98.50**

The **Asset Management Division** is responsible for asset protection, upkeep, and aesthetics, ensuring that preventative maintenance, rehabilitation, and replacement activities support the strategic decisions of the community for maintaining high-quality parks, open space, trails, and recreation assets.

The **Recreation Management Division** is responsible for building a strong community by providing access to programs and services to all citizens, including programs serving seniors, low-income participants, and underserved neighborhoods.

The **Resource Management Division** provides overall leadership and coordination of the department's activities and goals, coordinates with other departments, and is responsible for execution of the departmental comprehensive plan.

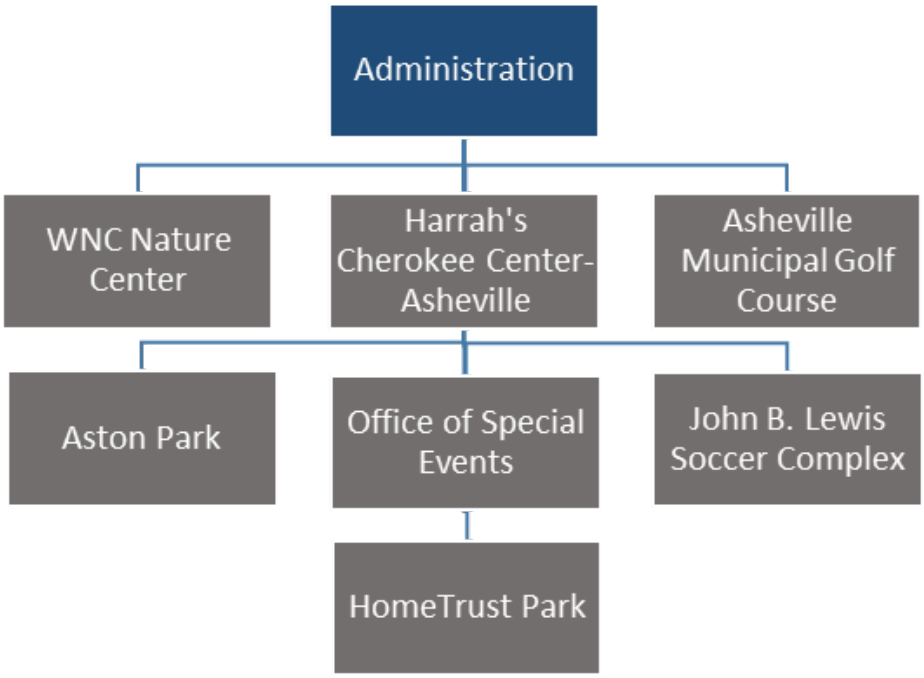
Department Priorities

- Continue implementing Recreate Asheville actions to bring the City's parks and programs into the future.
- Build healthy and safe neighborhoods with programs and events for community recreation opportunities by developing responsive programming to address under-activated park spaces, by identifying internal and external partnerships and by tracking customer satisfaction.
- Provide a quality and diverse park system reflective of neighborhood identity that supports opportunities for active and passive recreation by developing a park system plan that identifies community recreational needs, park improvements, and future growth priorities.
- Increase the percentage of annual maintenance schedule assignments completed to meet the levels of standards.
- Provide targeted athletic and outreach programming for teens and young adults in vulnerable neighborhoods that create safe spaces and aid in improving community safety.
- Collaborate with Capital and Asset Management on the planning and development of bond-funded projects.

- Establish timelines for the planning and redevelopment of the Parks Maintenance facility impacted by Tropical Storm Helene.
- Expand access to recreational programs by increasing the enrollment of SOAR (financial assistance) households.
- Maximize the impact of recreation program offerings by increasing program fill rates.

Community & Regional Entertainment Facilities

The Department of Community & Regional Entertainment (CREF) Facilities provides locals and non-locals with quality facilities. These facilities host a wide array of programming, from individual recreation, sporting leagues & tournaments, animal & environmental education and professional sports. Harrah's Cherokee Center - Asheville operates as an enterprise fund. The enterprise fund is not reflected in the tables below.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	1,468,374	1,497,518	1,594,310	1,594,310	1,586,539
Benefits	534,413	570,171	590,331	590,331	665,894
Operating Costs	1,234,114	964,635	1,251,488	1,256,059	1,121,704
Cost Transfers	-	(12,027)	-	-	-
Total	**3,236,900**	**3,020,297**	**3,436,129**	**3,440,700**	**3,374,137**
POSITIONS					
Total	**19.50**	**19.50**	**19.50**	**19.50**	**19.50**

Budget Highlights

- The FY 2026-27 Proposed Budget includes an increase for the HomeTrust Park utilities, as this will be the first full year the City assumes responsibility for the park's utility costs as part of the new lease structure which began January 2026. Additional incremental increases are reflected in the Golf Course and the Nature Center operating budgets, primarily driven by inflationary impacts.
- The FY 2026-27 Proposed Budget includes a reduction in operating costs as a General Fund balancing strategy.
- The FY 2026-27 Proposed Budget includes cost saving by transferring the AVL Arts Grant Program and support for holiday events to the Business Improvement District (BID) Fund.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Administration	328,499	346,294	390,347	390,347	245,262
Aston Park Tennis Center	343,987	335,575	388,227	392,798	399,118
Municipal Golf Course	383,741	164,669	350,000	350,000	310,000
WNC Nature Center	2,180,673	2,173,758	2,307,555	2,307,555	2,419,757
Total	**3,236,900**	**3,020,297**	**3,436,129**	**3,440,700**	**3,374,137**
POSITIONS					
Administration	1.00	1.00	1.00	1.00	1.00
Aston Park Tennis Center	2.00	2.00	2.00	2.00	2.00
WNC Nature Center	16.50	16.50	16.50	16.50	16.50
Total	**19.50**	**19.50**	**19.50**	**19.50**	**19.50**

- The **Administration Division** coordinates and oversees the department's programs, including support for event business recruitment, retention, and expansion. The *Office of Special Events* is part of this division.
- The **John B. Lewis Soccer Complex,** is managed by Asheville Buncombe Youth Soccer Association which hosts games, practices, and camps focusing on soccer and lacrosse in western North Carolina.
- The **HomeTrust Park,** a minor league baseball stadium managed by the Asheville Tourists, hosts 66 home baseball games per season. A $38.5 million renovation was completed before opening day of the 2026 season.
- The **Aston Park Tennis Center** is one of the finest public clay court facilities in the United States. There are 12 lighted clay courts providing recreation access and programming to all citizens.
- The **Asheville Municipal Golf Course**, home of the Skyview Golf Tournament is the last remaining affordable public fee golf course in Asheville. Due to Tropical Storm Helene damage, the course is currently operating with nine holes.

- The **Western North Carolina Nature Center** connects people with the animals and plants of the Southern Appalachian Mountain region by inspiring appreciation, nurturing understanding, and advancing conservation of the region's rich biodiversity.

Department Priorities

- Secure and produce new non-baseball events at HomeTrust Park following the completion of a significant renovation project.
- Increase safety and security of staff and users of the Aston Park Tennis Center. Grow youth tennis programming in partnership with Asheville Tennis Association.
- Begin rebuilding the Municipal Golf Course after destructive flooding caused by Tropical Storm Helene.
- The Nature Center will begin a feasibility study for the construction of new American Black Bear and North American River Otter exhibits.
- Monitor and assess attendance and revenue growth at the WNC Nature after an extended closure from September 2024 to March 2025 due to Tropical Storm Helene.


Management &
Support Services
Department
Summaries

Administrative Services & City Manager's Office

Administrative Services includes City Council, the City Manager's Office (CMO), and the City Clerk. These staff provide support to City Council, advisory and quasi-judicial boards, and the community through administrative oversight and organizational leadership in accordance with City Council's 2036 Vision.

Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	1,342,170	1,434,895	1,367,549	1,367,549	1,551,263
Benefits	524,736	546,262	552,459	552,459	665,643
Operating Costs	158,197	182,006	131,210	125,210	123,674
Cost Transfers	-	(53,743)	-	-	-
Total	**2,025,103**	**2,109,420**	**2,051,218**	**2,045,218**	**2,340,580**
POSITIONS					
Total	**11.00**	**11.00**	**11.00**	**11.00**	**11.00**

Budget Highlights

- The FY 2026-27 Proposed Budget includes the reallocation of an existing vacant position and funds for the addition of an Assistant City Manager to respond to recovery demands, fiscal pressure, and the need for clearer accountability. It reduces fragmentation and strengthens delivery while enhancing strategic leadership.
- The FY 2026-27 Proposed Budget maintains existing services with minor operating budget reductions.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
City Clerk	380,023	382,982	374,151	375,683	390,549
City Manager	1,381,386	1,434,675	1,409,731	1,402,199	1,651,096
Governing Body	263,695	291,764	267,336	267,336	298,935
Total	**2,025,103**	**2,109,420**	**2,051,218**	**2,045,218**	**2,340,580**
POSITIONS					
City Clerk	3.00	3.00	3.00	3.00	3.00
City Manager	8.00	8.00	8.00	8.00	8.00
Total	**11.00**	**11.00**	**11.00**	**11.00**	**11.00**

The **City Clerk** gives notice of Council meetings and all City-managed public bodies, oversees the administration of all boards and commissions to which City Council appoints members, maintains a journal of proceedings of City Council, is the custodian of all official City records, and performs other duties that may be required by law or City Council.

The **City Manager's Office** is responsible for managing and coordinating the operations of all City departments and for ensuring that City Council goals and priorities are effectively implemented across the organization. The Office provides strategic leadership, advises the Mayor and City Council on policy and operational matters, and leads cross-departmental initiatives. The City Manager's Office also facilitates intergovernmental coordination, supports community engagement efforts, and oversees special projects and organizational priorities. Additionally, the Office plays a key role in emergency response coordination and long-term recovery efforts.

The **Governing Body Division** includes funding for the salaries and operating expenses of the Mayor and City Council.

Department Priorities

- Ensure operational capacity, reliable delivery of services and long-term organizational resilience through strategic leadership, workforce stabilization, accountability, and cross-department alignment.
- Facilitate administrative support and training needs for City Council, Council committees, and advisory boards, including quasi-judicial boards.
- Work with stakeholders to recommend structural and operational improvements to the Boards and Commissions program to provide the community with a broader array of accessible ways to participate in policy discussions, and to give Council and board and commission members a clear path for connecting community ideas and input to Council policy decisions.

City Attorney's Office

The City Attorney's Office advises and represents the City of Asheville in all settings where legal advice and representation are needed or requested.

Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	884,960	936,371	983,963	983,963	881,165
Benefits	349,624	344,189	377,490	377,490	361,719
Operating Costs	129,643	306,984	458,743	502,743	309,816
Cost Transfers	-	(4,321)	-	-	-
Total	**1,364,227**	**1,583,222**	**1,820,196**	**1,864,196**	**1,552,700**
POSITIONS					
Total	**8.00**	**8.00**	**8.00**	**8.00**	**7.00**

Budget Highlights

- The FY 2026-27 Proposed Budget maintains existing services.The operating costs for FY 2025-26 were elevated due to a departmental reliance on increased use of outside counsel, necessitated by staffing vacancies. The FY 2026-27 Proposed Budget operating cost is reduced to reflect the department's return to full staffing.

- The FY 2026-27 Proposed Budget reduced 1 vacant position as a General Fund budget balancing strategy.

Department Priorities

- Protect the City's interests by providing comprehensive legal services to City Departments, individual staff members acting in their official capacity, City Boards and Commissions, and the City Council.
- Provide legal research and expertise to ensure that all City actions, agreements, initiatives, programs, and projects are executed within the confines of existing federal, state, and local laws, regulations, and ordinances.
- Maintain community standards by taking legal action against individuals and entities in breach of City ordinances and regulations, and providing legal defense for claims against the City, its elected officials and staff.
- Draft new and updated City Ordinances, policies, and other materials at the direction of City Council and City staff.
- Advise and support the City and its interests in State and Federal legislative matters, as well as managing the City's lobbying programs.
- Available on call to guide and support the City's response to emergencies and natural disasters.
- Minimize the City's legal costs by providing the vast majority of legal services in house.

Communication & Public Engagement

The Communication & Public Engagement (CAPE) Department is responsible for the city's strategic communications and coordination of public engagement efforts. Communication responsibilities include media relations, community relations, and internal communications. CAPE uses best practices in accessibility and inclusion to communicate organizational priorities in achieving policy objectives. The department designs and supports public engagement and community outreach efforts to inform and meaningfully engage residents, stakeholders and the media on City services, programs, and policy.

Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	606,654	692,506	672,610	672,610	809,701
Benefits	280,159	313,306	318,561	318,561	385,687
Operating Costs	198,702	169,640	200,045	200,045	268,315
Cost Transfers	-	(101,730)	-	-	-
Total	**1,085,516**	**1,073,722**	**1,191,216**	**1,191,216**	**1,463,703**
POSITIONS					
Total	**11.00**	**11.00**	**10.00**	**10.00**	**11.00**

Budget Highlights

- The FY 2026-27 Proposed Budget includes a reorganization moving a Special Projects Coordinator position from Public Works to CAPE.
- The FY 2026-27 Proposed Budget includes the addition of video editing software to ensure compliance with upcoming accessibility regulations.

Division Summary

The **Community Engagement Division** is responsible for coordinating and supporting the planning and execution of inclusive engagement across the organization. This includes the Neighborhood Services function and administration of the Neighborhood Matching Grants program.

The **Strategic Communications Division** is responsible for external mass communication, internal communication support, media relations and the development of communication and engagement plans which aim to maximize accessibility of information and opportunities for community input in decision making.

The **Media Production Division** is responsible for programming and maintaining the Government television station, Channel 193. Additionally, this division produces video and graphic design content and oversees the City's online engagement platform.

Department Priorities

- Oversee the organization's ongoing efforts to maintain digital accessibility.
- Support access to decision-making through the development of project communication and engagement plans.
- Support neighborhood resilience through the management of the Neighborhood Matching Grant program.
- Continue to build and maintain a sustainable crisis communications program for the organization.

Finance & Management Services

The Finance and Management Services Department provides financial management and oversight in support of all City functions while adhering to the principles of leadership, customer service, quality, integrity, and collaboration.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	2,515,958	2,590,578	2,647,486	2,647,486	2,516,372
Benefits	1,124,267	1,215,376	1,208,830	1,208,830	1,277,439
Operating Costs	475,215	487,953	621,825	564,354	582,321
Cost Transfers	-	(38,538)	-	-	-
Total	**4,115,439**	**4,255,369**	**4,478,141**	**4,420,670**	**4,376,132**
POSITIONS					
Total	**37.50**	**37.00**	**38.00**	**39.00**	**37.00**

Budget Highlights

- The FY 2026-27 Proposed Budget reduced 2 vacant positions as a General Fund budget balancing strategy while maintaining existing services.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Administration	1,008,357	1,065,867	1,139,900	1,135,014	1,109,871
Budget & Performance	824,964	691,206	804,720	809,099	787,529
Accounting Services	1,055,894	1,132,583	1,189,833	1,122,983	1,180,911
Purchasing	510,765	589,534	584,083	589,769	630,551
Risk Management	480,777	542,724	496,320	500,520	520,070
Internal Audit	234,682	233,456	263,285	263,285	147,200
Total	**4,115,439**	**4,255,369**	**4,478,141**	**4,420,670**	**4,376,132**
POSITIONS					
Administration	5.00	5.00	5.00	5.00	4.00
Budget & Performance	7.00	6.00	6.00	6.00	6.00
Accounting Services	14.00	14.00	15.00	16.00	16.00
Purchasing	5.50	6.00	6.00	6.00	6.00
Risk Management	5.00	5.00	5.00	5.00	5.00
Internal Audit	1.00	1.00	1.00	1.00	0.00
Total	**37.50**	**37.00**	**38.00**	**39.00**	**37.00**

The **Finance Administration Division** provides leadership for the variety of responsibilities assigned to the department. The Administration Division also includes the Strategic Services team. Services delivered by this team include: Internal Audit program management, agreements, partnerships & grants support, operational improvement reviews and support, as well as special projects.

The **Purchasing Division**'s functions include the procurement of all City commodities and the disposal of City-owned surplus personal property via public auction. Additionally, Purchasing administers the execution of contracts for the City of Asheville and provides guidance on procurement methods.

The **Risk Management Division** analyzes relative loss exposure for all City operations and activities and provides advisory services to City staff and departments. Risk Management places all non-health care insurance coverages for the City and leads alternative risk financing, risk transfer, loss prevention, and loss control techniques. It administers the City's self-insured claim program, including: workers' compensation and liability. In addition, Risk Management administers the City's occupational health/safety program and serves as the City's Title II ADA Coordinator.

The **Budget and Performance Division** plans, prepares, and monitors the City's operating and capital budgets including reviewing the efficiency of City activities and providing assistance in planning and budget forecasting to other departments. The Budget Division also provides assistance to the City Manager and other departments in performance management and evaluation through the organization-wide work plans, The organizational work plans prioritize, coordinate, communicate, and balance work throughout the fiscal year to provide the community and Council with improved transparency and accountability and to ensure that staff work is aligned with Council priorities.

The **Accounting Services Division** manages the operational and reporting aspects of Finance to ensure compliance with all city, state and outside agency regulations and accounting standards. This includes managing the City's cash,

investment, and debt portfolios in compliance with North Carolina General Statutes, federal requirements, and generally accepted accounting principle as well as management of the general ledger and sub-ledger accounting, the year-end audit, required annual financial reporting, and fiscal grant management. This division also handles payroll, accounts payable and receivable activities, treasury management, capital assets and procurement cards.

Department Priorities

- Complete the FY 2025-26 Audit & Annual Comprehensive Financial Report (ACFR).
- Lead the development of the City's FY 2027-28 Operating and Capital Budgets, with an internal emphasis on connecting the budget process to the organizational work plan.
- Work with the City's financial advisors and bond counsel to issue capital improvement debt for the General Fund and Water Fund as needed.
- Utilize the internal audit work plan to complete 3-4 internal audits to determine compliance with internal controls, City policies, and all laws and regulations; and provide internal business and operations analysis.
- Continue to review, update, revise and create administrative financial policies for use throughout the organization.
- Lead the City's cost recovery efforts to help maximize the federal resources the City receives as it recovers from Tropical Storm Helene.
- Assist with the creation of an Organization Work Plan each fiscal year and manage monitoring, reporting, and the development of performance metrics.
- Continue to manage $26.3M in American Rescue Plan (ARPA) funding designed to significantly impact affordable housing, homelessness, neighborhood resilience, and other Council priorities while creating a more collaborative grantmaking model for increased impact and transparency.

Human Resources

The Human Resources Department strategically partners with organizational leaders and teams to cultivate a high-performing environment. The team designs and implements programs aligned with the entire employee lifecycle, from initial recruitment to career development and promotion.

Guided by the organization's core values—Inclusion, Accountability, Collaboration, and Trustworthiness—the HR team ensures that every initiative supports the broader mission, goals, and services of the City.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	1,231,002	1,141,171	1,268,767	1,268,767	1,286,786
Benefits	597,175	529,871	597,953	595,453	711,220
Operating Costs	360,409	283,612	421,838	455,088	494,040
Cost Transfers	-	(3,473)	-	-	-
Total	**2,188,586**	**1,951,182**	**2,288,558**	**2,319,308**	**2,492,046**
POSITIONS					
Total	**18.00**	**18.00**	**18.00**	**18.00**	**17.00**

Budget Highlights

- The increase in operating costs in the FY 2026-27 Proposed Budget will support an evaluation of the City's approach to compensation and benefits.
- As part of the General Fund budget balancing strategy 1 vacant position was eliminated in the FY 2026-27 Proposed Budget.

Division Summary

The **Administrative Team** leadership and staff provide the strategic vision and operational support necessary to manage the City's human resources. By balancing high-level strategy with administrative oversight, the team ensures that operations run smoothly.

The **Compensation and Benefits Team** manages total rewards programs, Employee Health Services and compensation plans for the City of Asheville.

The **Organizational Effectiveness Team** connects strategy, programs, and data to drive employee performance and experience across the employee journey. Our work spans four core areas: employee performance and development, team effectiveness and initiatives, employee experience, and HR systems and data.

The **HR Operations Team** delivers comprehensive, end-to-end human resources services using a Strategic Business Partner model. The team supports the full employee lifecycle (from recruitment to development) and provides expert guidance in areas such as strategic planning and employee relations to foster a positive, equitable workplace culture.

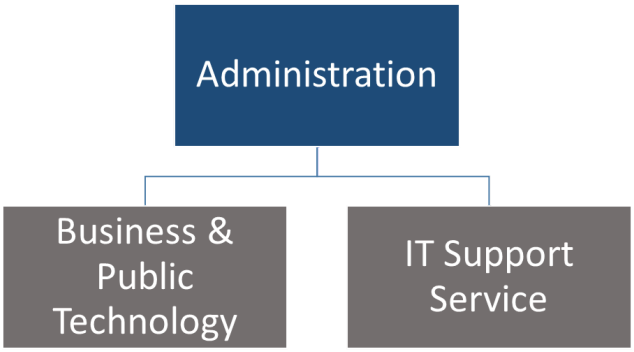
Employee Health Services, in partnership with Marathon Health, provides onsite professional medical care for employees enrolled in a City of Asheville medical plan at no cost to employees. EHS also manages The Asheville Project and provides care management for workers' compensation illnesses/injuries.

Department Priorities

- Establish modernized, standardized HR policies to ensure consistent application and transparency across all City departments.
- Enhance the employee experience by automating and streamlining the recruitment to onboarding lifecycle.
- Develop and implement a citywide performance management program that aligns individual goals with organizational objectives through regular feedback loops and standardized evaluation metrics.
- Offer market competitive total rewards that integrate updated compensation structures with retention initiatives
- Standardize workflows and documentation to eliminate administrative delays and improve data-driven decision making across the department.

Information Technology Services

The Information Technology Services Department strives to provide excellent customer service by delivering quality technology solutions with a high level of professionalism and responsiveness. The department adheres to principles of technical and fiscal stewardship with an end goal of high quality of life for employees and citizens.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	2,180,498	2,370,501	2,416,616	2,416,616	2,444,473
Benefits	904,008	980,352	1,021,477	1,021,477	1,170,272
Operating Costs	1,916,760	2,048,757	2,147,943	2,166,443	2,017,806
Cost Transfers	(502,264)	(562,665)	(507,000)	(507,000)	(507,000)
Capital Outlay	12,548	40,343	25,000	20,500	-
Total	**4,511,550**	**4,877,289**	**5,104,036**	**5,118,036**	**5,125,551**
POSITIONS					
Total	**27.00**	**28.00**	**28.00**	**28.00**	**28.00**

Budget Highlights

- The FY 2026-27 Adopted Budget maintains existing services with minor contract savings.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Administration	267,028	241,581	240,729	254,756	244,407
Business & Public Technology	1,615,762	1,713,085	1,824,061	1,858,680	1,874,872
IT Support Services	2,628,760	2,922,623	3,039,246	3,004,600	3,006,272
Total	**4,511,550**	**4,877,289**	**5,104,036**	**5,118,036**	**5,125,551**
POSITIONS					
Administration	3.00	3.00	3.00	3.00	3.00
Business & Public Technology	8.00	9.00	9.00	9.00	9.00
IT Support Services	16.00	16.00	16.00	16.00	16.00
Total	**27.00**	**28.00**	**28.00**	**28.00**	**28.00**

The **Administration Division** ensures technology services are deployed effectively.

The **Business & Public Technology Division** provides flexible, automated, and standards based application services and software to the City's business units.

The **IT Support Services Division** is the first point of contact for customers and ensures timely, efficient, and courteous transactions. The division provides centralized help desk service, documentation, knowledge management, and other task and project management tools.

Department Priorities

- Prioritize infrastructure agility and redundancy to ensure the department can pivot quickly to meet evolving organizational demands.
- Improve staff and community ability to use GIS, asset management, and data for equitable outcomes, accountability, and communication.
- Eliminate barriers to ensure all residents can efficiently identify and utilize essential government services.
- Maintain excellent customer service for both staff and community technology needs.

Non-Departmental Management & Support Services

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
911 Dispatch	1,920,592	2,547,899	2,563,591	2,433,524	1,500,000
City Stormwater Costs	-	-	-	125,000	140,000
Contingencies	-	1,004,295	-	125,067	-
County Tax Collections	1,109,703	1,066,085	1,167,150	1,167,150	1,167,150
Employee Transit Passes	1,922	1,033	-	-	-
Police ID Bureau	574,935	506,115	613,190	613,190	619,988
Reparations	500,000	500,000	530,604	530,604	541,216
Homeowner Grant Program	43,000	54,600	75,000	75,000	75,000
Other	156,700	144,881	205,110	192,360	205,610
Total	**4,306,853**	**5,824,908**	**5,154,645**	**5,261,895**	**4,248,964**
COST RECOVERY					
Cost Allocation Plan	-	-	-	(5,704,761)	(5,823,672)
GENERAL FUND TRANSFERS TO OTHER FUNDS					
CIP/Debt Service	18,351,888	16,927,290	16,586,091	16,586,091	21,525,479
HCCA Capital	228,527	228,527	228,527	228,527	228,527
Transit Transfer	7,049,000	8,429,293	8,429,293	8,429,293	8,429,293
Grant Fund Transfer	96,517	979,162	0	0	0
HCCA Transfer	1,025,437	1,125,437	1,125,437	1,125,437	0
Total	**26,751,369**	**27,689,709**	**26,369,348**	**26,369,348**	**30,183,299**

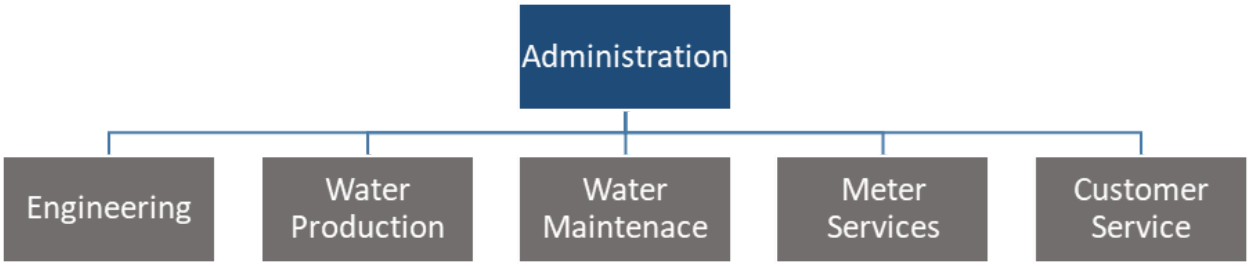
Budget Highlights

- The FY 2026-27 Proposed Budget decreases funding for the 911 Dispatch agreement with Buncombe County. The original cost sharing agreement with Buncombe County included a plan for phasing out the City's contribution after the property tax re-evaluation. It will continue to decrease in future years.
- In the FY 2025-26 Original Budget and prior year actuals, the Cost Allocation Plan (CAP) charges are reflected as revenue in the Charges for Services to the General Fund. The FY 2025-26 Amended Budget reduces $5.7 million in revenue and instead reflects CAP charges as an offset to expenditures in the General Fund. This is a technical adjustment and is a net-zero change in the General Fund. This is how CAP will be budgeted moving forward based on a recommendation from the City's external auditors.
- The FY 2026-27 Proposed Budget increases CIP/Debt Service funding for 2024 General Obligation Bonds by $4.95 million.


Enterprise Funds &
BID Fund Summaries

Water Resources Fund

The Water Resources Department manages and protects community resources, providing the highest quality of water service to customers through continuous improvement in products, systems, and processes to maximize customer satisfaction. The Department strives for continuous communication among and between staff, customers, and the governing board and continuous involvement with the community and region, valuing honesty, hard work, creativity, faith in each other, perseverance, and respect for diversity.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	10,290,899	11,937,797	11,437,864	11,437,864	12,367,219
Benefits	4,937,635	5,328,673	5,478,482	5,478,482	6,363,457
Operating Costs	13,988,214	13,430,582	14,170,169	14,162,169	16,193,931
Capital Outlay	6,675,793	8,000,000	9,027,600	9,035,600	10,750,000
Cost Transfers	-	(499,155)	-	-	-
Debt Service	7,128,110	7,619,767	9,330,885	9,330,885	7,485,393
Total	**43,020,650**	**45,817,665**	**49,445,000**	**49,445,000**	**53,160,000**
REVENUES					
Utility Charges	40,331,882	31,217,440	44,540,000	44,540,000	47,880,000
Investment Earnings	1,923,798	1,658,883	1,300,000	1,300,000	1,300,000
Other Operating	3,792,412	6,782,343	3,605,000	3,605,000	3,980,000
Total	**46,048,091**	**39,658,666**	**49,445,000**	**49,445,000**	**53,160,000**
POSITIONS					
Total	**174.38**	**178.88**	**178.88**	**178.88**	**178.88**

Budget Highlights

- During FY 2023-24, Water Resources undertook a cost of service study, with the goal of ensuring an equitable rate structure for all customer classes served by the water system. The FY 2026-27 Proposed Budget includes the third of three years of rate adjustments to implement the realignment recommended by the cost of service study. Rates were approved in April 2026, and are estimated to result in an additional $3.3 million in revenue to support ongoing capital investment and debt service.

- Operating costs for maintenance and repair and related materials (parts, tools, aggregate stone, etc.) have increased by roughly $680,000 across the department. One driver is an increased need for preventative and non-preventative maintenance and repairs to equipment, systems, and structures as those items age to extend the assets' useful life. A second driver is increased costs for and usage of aggregate stone materials, which is necessary for trenching and roadway patch work.

Division Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Administration	20,838,848	23,294,137	26,040,378	26,032,378	27,038,164
Customer Service	1,847,192	1,850,272	1,938,312	1,946,312	2,170,377
Engineering	986,081	1,093,905	1,180,255	1,180,255	1,266,737
Water Production	8,267,728	8,078,467	9,131,224	9,131,224	9,281,584
Water Maintenance	11,080,800	11,500,884	11,154,831	11,154,831	13,403,138
Total	**43,020,650**	**45,817,665**	**49,445,000**	**49,445,000**	**53,160,000**
POSITIONS					
Administration	14.50	14.00	14.00	14.00	14.00
Customer Service	25.00	25.00	25.00	25.00	25.00
Engineering	9.00	9.00	9.00	9.00	9.00
Water Production	48.88	48.88	48.88	48.88	48.88
Water Maintenance	77.00	82.00	82.00	82.00	82.00
Total	**174.38**	**178.88**	**178.88**	**178.88**	**178.88**

The **Administration Division** provides planning and management services for the Water Resources Department. The department's **Warehouse** is a support service to the many divisions within the department. The Warehouse is responsible for ensuring all necessary material, parts and safety equipment are on-hand for all workgroups. The Warehouse manages inventory of over 1,000 items.

Two divisions maintain approximately 1,699 miles of distribution:

- The **Water Maintenance Division** maintains distribution mains, service lines, valves, and hydrants of the water system. This division also maintains pressure reducing valves and performs special projects to maintain the system's water distribution lines.
- The **Water Production Division** protects and manages 22,000-acre of watersheds, operates and maintains the North Fork, Mills River, and William DeBruhl (Bee Tree) Water Treatment Plants, and maintains certified laboratories, pumps and storage tanks throughout the water system.

The **Customer Service Division** processes utility bill payments, establishes new water and sewer service, and assists customers with water and other City-related issues or concerns.

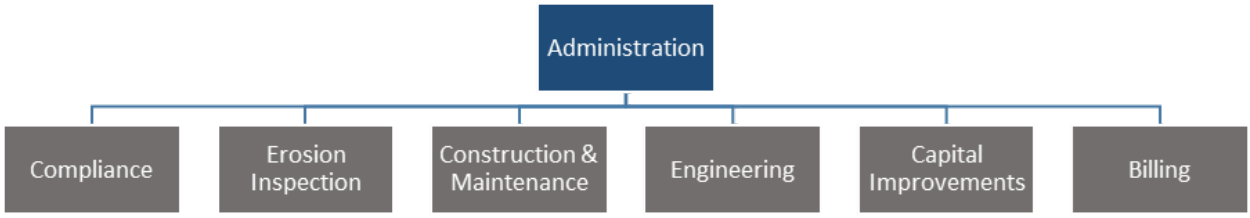
The **Engineering Services Division** provides timely plan review and inspection services including processing water availability requests, reviewing and approving water line extensions, designing waterline replacements for neighborhoods, and inspecting newly installed water lines. The division also maintains an accurate asset management and mapping system, including all water mains and lines, meters, pump stations, storage tanks, and other various assets.

Fund Priorities

- Prioritize Tropical Storm Helene recovery and resilience projects, including the treatment improvement projects at North Fork and William DeBruhl Water Treatment Plants and installation of the third transmission main at North Fork Water Treatment Plant.
- Ensure progress on the Mills River Water Treatment Plant project, with Phase 2 under construction and Phase 3 funding included in the five-year Capital Improvement Plan.
- Continue focus on distribution system maintenance and improvements, including operation of the Advanced Meter Infrastructure (AMI) system and implementation of Neighborhood Enhancement projects.
- Strengthen customer service by improving communication channels, increasing transparency, and implementing a fully functional customer portal that enables customers to easily access account information, monitor water usage, receive real-time notifications, and interact efficiently with utility services.
- Maintain the service line inventory dashboard, service line inspection program and consumer education campaign. Continue to explore funding options for consumer lead and galvanized service lines requiring replacement in accordance with the Environmental Protection Agency's 2024 Lead and Copper Rule Improvements.
- Enhance and maintain the Emergency Response Plan (ERP) to protect public health and safety by ensuring the continuity of safe water supply during incidents including implementing rapid response protocols (e.g., repairing leaks, managing contaminants), establishing clear personnel roles via an Incident Command System, and ensuring effective communication with customers and authorities.

Stormwater Fund

The Stormwater Division of the Public Works Department manages billing and outreach of the stormwater fee, inspects, cleans and maintains the city's stormwater system within the City's rights-of-way, sweeps the streets, and constructs replacement and new pipe networks. The division maintains the National Pollutant Discharge Elimination System's Municipal Separate Storm Sewer System permit and operates Floodplain Administration to reduce flooding. The division conducts plan reviews for commercial and residential improvements, inspects the construction community for compliance with erosion protection regulations, and responds to citizen's stormwater concerns.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	2,535,532	3,167,796	3,816,498	3,816,498	3,884,091
Benefits	1,263,248	1,438,749	1,820,320	1,820,320	2,046,452
Operating Costs	2,633,465	2,889,478	3,211,970	3,711,970	3,764,147
Capital Outlay	-	29,165	100,000	100,000	2,600,000
Cost Transfers	-	(324,556)	-	-	-
Debt Service	342,120	385,459	371,118	371,118	625,288
Total	**6,774,365**	**7,586,091**	**9,319,906**	**9,819,906**	**12,919,978**
REVENUES					
Utility Charges	7,764,788	8,883,856	8,385,000	8,385,000	9,516,250
Development Fees	406,980	402,101	427,100	427,100	427,300
Investment Earnings	164,367	166,863	100,000	100,000	120,000
Other	2,305	21,817	2,500	2,500	5,000
Appropriated Fund Balance	-	-	405,306	905,306	2,851,428
Total	**8,338,439**	**9,474,637**	**9,319,906**	**9,819,906**	**12,919,978**
POSITIONS					
Total	**54.85**	**62.85**	**62.85**	**62.85**	**62.85**

Budget Highlights

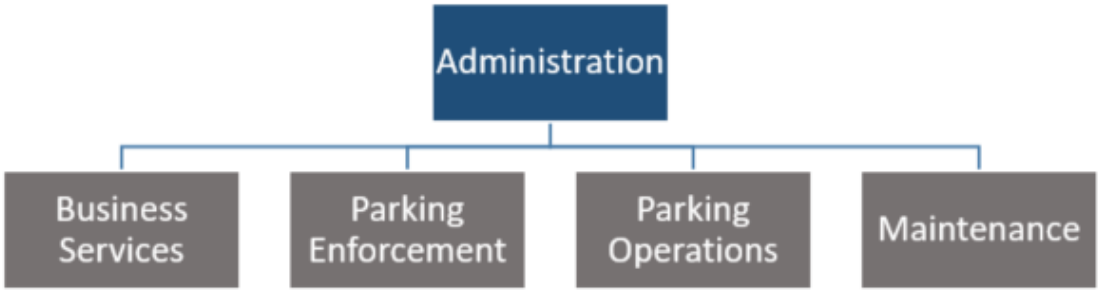
- The FY 2026-27 Proposed Budget includes a $2.6 million pay-go transfer to the Stormwater Capital Improvement Program funded from existing fund balance.
- The FY 2026-27 Proposed Budget includes $350,000 for one-time implementation costs from Phase 1 of the Stormwater Operations study funded from existing fund balance.
- The FY 2026-27 Proposed Budget includes an increase of $400,000 for growth and $700,000 to the Stormwater Utility Charges due the fee increases approved by City Council on March 24, 2026.

Fund Priorities

- Install approximately 5,000 linear feet of stormwater infrastructure through construction contracts and maintenance operations.
- Continue normalizing the use of the asset management system to improve effectiveness of infrastructure, personnel, equipment, and materials management.
- Continue Stormwater program analysis and fee study to improve overall effectiveness and provide guidance for future program implementation and budget needs.
- Continue to improve and maintain the stormwater network to reduce flooding, regulate stream buffers to enhance the beauty of Asheville's natural environments, reduce pollutants reaching the rivers and streams, permit responsible stormwater controls to reduce runoff and pollutants
- Collaborate with Capital Projects on the planning and development of bond-funded projects.
- Develop and implement Tropical Storm Helene recovery capital plans from funding sources including funding from FEMA Public Assistance, CDBG Disaster Recovery, and Hazard Mitigation Grant Program.

Parking Services Fund

The Parking Services Division of the Transportation Department is dedicated to providing safe, reliable, and efficient parking. The Division provides for the orderly turnover of parking and the maximum utilization of parking spaces through the management of on-street parking facilities, four parking garages, and several surface lots in downtown Asheville.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	1,214,095	1,376,919	1,643,627	1,643,627	1,757,461
Benefits	528,620	595,434	829,823	829,823	983,495
Operating Costs	2,037,878	1,993,394	2,654,067	2,654,067	2,782,829
Capital Outlay	1,176,659	1,186,038	540,000	540,000	390,000
Cost Transfers	-	(24,099)	-	-	-
Debt Service	561,733	541,465	525,983	525,983	505,192
Transfer to Transit Fund	951,892	-	950,000	950,000	950,000
Total	**6,470,877**	**5,669,150**	**7,143,500**	**7,143,500**	**7,368,977**
REVENUES					
Garage Parking	3,844,964	3,375,882	4,180,000	4,180,000	3,949,600
Lots & Peripheral Parking	126,910	113,450	125,000	125,000	114,500
Parking Meters	1,543,510	1,449,991	2,000,000	2,000,000	2,248,000
Citations	862,075	668,907	700,000	700,000	930,000
Miscell Revenue	32,153	22,738	25,000	25,000	-
Other	203,383	188,436	113,500	113,500	126,877
Total	**6,612,994**	**5,819,403**	**7,143,500**	**7,143,500**	**7,368,977**
POSITIONS					
Total	**28.66**	**27.91**	**27.91**	**27.91**	**29.91**

Budget Highlights

- The FY 2026-27 Proposed Budget revenues are adjusted to match historical revenue trends in the fund, including decreases of $200,000 in Garage Parking and $250,000 in Parking Meters.

- The FY 2026-27 Proposed Budget includes the expansion of on-street metered parking into South Slope, including $480,000 for the addition of a Parking Enforcement Supervisor and two part time Parking Enforcement Officers and the operating and capital costs of the meters. The anticipated increased revenue in FY 2026-27 is $500,000.

Fund Priorities

- Continue to implement the recommended maintenance and repairs from the Parking Facility Maintenance Study.
- Continue to implement the recommendations of the Parking Action Plan.

Transit Services Fund

The Transit Services Division of the Transportation Department provides public transportation service with the Asheville Rides Transit (ART) bus system, maximizing access to destinations necessary for the benefit and well-being of residents and visitors including health services, employment, recreation, service providers, and retailers.

Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	231,660	313,717	374,703	374,703	359,688
Benefits	87,262	114,839	147,974	147,974	158,300
Operating Costs	13,516,348	12,206,486	14,663,234	14,663,234	15,495,413
Cost Transfers	-	(2,724)	-	-	-
Debt Service	30,267	795,763	41,073	41,073	70,666
Total	**13,865,537**	**13,428,080**	**15,226,984**	**15,226,984**	**16,084,067**
REVENUES					
Federal/State Grants	5,869,193	6,927,865	3,908,203	3,908,203	4,428,052
Operating Revenue	576,698	399,902	615,000	615,000	580,000
Motor Vehicle Licenses	381,519	382,700	370,000	370,000	390,000
General Fund Subsidy	7,049,000	8,429,293	8,429,293	8,429,293	8,429,293
Parking Fund Subsidy	951,892	-	950,000	950,000	950,000
Grant Pass Through	87,793	-	-	-	-
Other	22,246	845,053	-	-	20,000
Appropriated Fund Balance	-	-	954,488	954,488	1,286,722
Total	**14,938,340**	**16,984,812**	**15,226,984**	**15,226,984**	**16,084,067**
POSITIONS					
Total	4.00	4.25	4.25	4.25	4.25

Budget Highlights

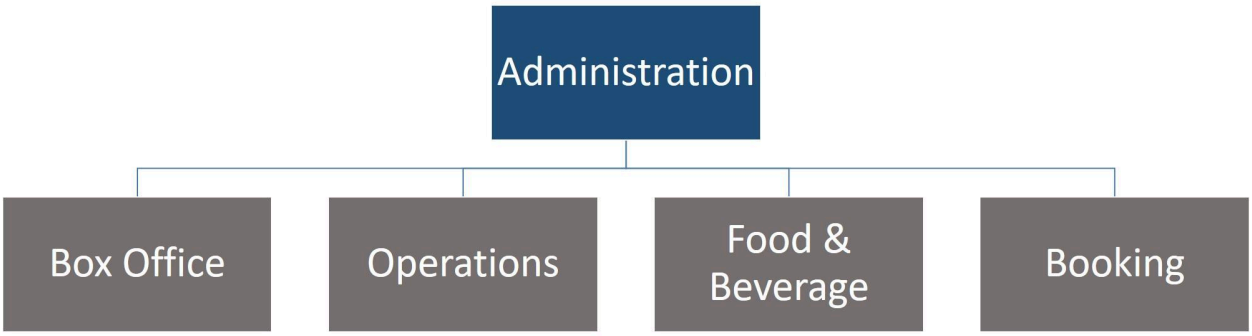
- The largest operating expense, the Transit Management and Operations contract, increased by $800,000 over the prior year due to the rebidding of the contract.
- As a result of increased expenses and decreased revenues, there is a one-time fund balance appropriation of approximately $1.2 million.

Fund Priorities

- Complete the ART Comprehensive Operational Analysis (COA), identifying how to optimize bus service delivery for the community while balancing transit needs with available resources.

Harrah's Cherokee Center - Asheville

The Harrah's Cherokee Center - Asheville fosters exceptional experiences for patrons and promoters in the heart of Asheville. The Center has been providing facilities for entertainment, convention, commercial, cultural, and sports activities for the City and surrounding community since 1974 and includes a 7,200-seat arena, a banquet hall, a 2,431-seat performing arts auditorium, and an exhibition hall.



Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	1,862,154	2,293,187	2,365,441	2,365,441	2,762,277
Benefits	664,770	826,217	939,027	939,027	1,102,580
Operating Costs	2,510,883	2,254,549	2,544,172	2,544,172	2,580,801
Capital Outlay	1,445,366	-	-	-	50,000
Cost Transfers	-	(34,496)	-	-	-
Debt Service	257,727	248,451	240,807	240,807	231,447
Total	**6,740,900**	**5,587,908**	**6,089,447**	**6,089,447**	**6,727,105**
REVENUES					
Admissions & Other Sales	1,521,914	1,520,273	1,538,000	1,538,000	1,963,295
Food & Beverages Sales	1,784,324	1,896,716	1,891,000	1,891,000	2,515,000
Investment Earnings	187,391	200,949	116,510	116,510	116,510
Rent	1,114,097	1,213,358	1,187,000	1,187,000	1,488,800
Other	192,105	285,712	231,500	231,500	643,500
General Fund Subsidy	1,025,437	1,125,437	1,125,437	1,125,437	-
Total	**5,825,268**	**6,242,445**	**6,089,447**	**6,089,447**	**6,727,105**
POSITIONS					
Total	**27.75**	**28.75**	**28.75**	**28.75**	**28.75**

Budget Highlights

- In FY 2026-27, the Proposed Budget includes $400,000 from the Harrah's Cherokee Center - Asheville fund balance to reduce reliance on the General Fund as a one-time budget balancing strategy.

- Harrah's Cherokee Center - Asheville is hosting more frequent events and experiencing increased attendance. The corresponding FY 2026-27 Proposed Budget increases in operating costs and revenues reflect this higher level of activity.

Fund Priorities

- Increase net per capita revenues to $21.00 or greater, per attendee per event.
- Ensure at least 60% of total ticket purchases are made by guests from outside of the Asheville Market.
- Increase recreational and amateur sports programming by 15% or greater aligning with Buncombe County TDA strategic long range goals.

Street Cut Utility Fund

The Street Cut Utility Fund in the Public Works Department is responsible for the repair of all utility street cuts on publicly maintained streets and sidewalks made by partner agencies including the Metropolitan Sewerage District (MSD), Dominion Energy, Duke Energy, and the City of Asheville's Water Department and Public Works Department's Stormwater division. The Fund also issues permits for non-partners to ensure that repairs in the right-of-way are made according to City of Asheville standards.

Budget Summary

	2023-24 Actual	2024-25 Actual	2025-26 Original Budget	2025-26 Amended Budget	2026-27 Proposed Budget
EXPENDITURES					
Salaries & Wages	599,834	651,292	1,133,460	1,079,987	1,110,660
Benefits	265,986	276,152	543,555	543,555	599,344
Operating Costs	1,009,477	921,297	838,202	840,489	1,200,763
Capital Outlay	-	666,402	1,015,000	1,066,186	493,900
Debt Service	-	-	25,000	25,000	152,010
Cost Transfers	-	(54,060)	-	-	-
Transfer to General Fund	-	-	600,000	600,000	-
Total	**1,875,297**	**2,461,083**	**4,155,217**	**4,155,217**	**3,556,677**
REVENUES					
Utility Charges	2,722,296	2,745,844	2,530,217	2,530,217	3,017,777
Other Financing Sources	76,779	50,696	625,000	625,000	538,900
Appropriated Fund Balance	-	-	1,000,000	1,000,000	-
Total	**2,799,075**	**2,796,540**	**4,155,217**	**4,155,217**	**3,556,677**
POSITIONS					
Total	**10.60**	**17.60**	**17.60**	**17.60**	**17.60**

Budget Highlights

- The FY 2025-26 Adopted Budget included a fund balance appropriation of $600,000 in permit fees and $400,000 in degradation fees that have been collected in prior fiscal years. The FY 2026-27 Proposed Budget does not include last year's one-time revenue, so the overall budget is decreased from last year.

Business Improvement District Fund

The City of Asheville created a Business Improvement District (BID) Fund for Downtown Asheville in FY 2024-25 to provide additional services within the district. The services are funded through a separate tax lavy added to property tax bills within the defined service area. Additional funding is collected through the ad valorem sales tax distribution method. The BID Fund is separate from the City's General Fund.

Budget Summary

	2024-25 Original Budget	2025-26 Original Budget	2026-27 Proposed Budget
EXPENDITURES			
Operating Costs	1,250,000	1,337,726	1,839,379
Total	**1,250,000**	**1,337,726**	**1,839,379**
REVENUES			
Property Tax	1,250,000	1,337,726	1,439,379
Sales & Other Tax	-	-	400,000
Total	1,250,000	1,337,726	1,839,379

Budget Highlights

- The FY 2026-27 Proposed Budget includes a small escalation for the contract with ADID that provides services to the Business Improvement District.
- The FY 2026-27 Proposed Budget also includes the collection of sales tax for the first time, since the BID began receiving sales tax after the FY 2025-26 Budget was adopted. A portion of the sales tax will be used to fund two downtown based items that were previously funded in the General Fund: the AVL Arts Grant Program and financial support for holiday events. Staff, in coordination with Downtown stakeholders, will present additional options to Council on how to utilize the remaining sales tax revenue at a later date.

BID Revenue Neutral Tax Rate Calculation

State law requires local governments to publish a revenue-neutral tax rate in the budget immediately following the completion of the reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide citizens with comparative information on tax rates before and after revaluation. The revenue-neutral tax rate, as defined by G.S. 159-11(e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred.

To calculate the revenue-neutral rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average

annual percentage increase in the tax base due to improvements since the last general reappraisal. The tables below walk the reader through the City of Asheville's revenue-neutral calculation for FY 2026-27.

Fiscal Year (FY)	Assessed Valuation	Percent Growth
2026	$1,580,456,553	3.81%
2025	$1,522,462,707	
Average % Growth		**3.81%**

FY26 Tax Rate	0.0877
FY26 Assessed Valuation	$1,580,456,553
FY26 Levy	$1,386,060
FY27 Levy w/Avg. Growth Factor	$1,438,858
F27 Assessed Valuation	$1,886,921,020
FY27 Revenue Neutral Rate	**0.0763**


Capital
Improvement
Program

Capital Improvement Program

The City's Capital Improvement Program (CIP) funds maintenance, renovations, and new construction of City infrastructure and physical assets such as roadways, bridges, greenways, parks, playgrounds, recreation centers, public art, public safety stations, parking garages, water and stormwater systems, vehicles, heavy equipment, and information technology. Projects are selected for funding in the CIP based on criteria including:

- Required: High priority based on prior commitments, legal requirements, necessary maintenance, or resolving life and safety issues
- Right: Aligned with current Council and community priorities
- Ready: Well-defined scope and ready to be implemented once funding is in place
- Financially Feasible: Fits within existing funding capacity

In FY 2024-25, departments submitted ten-year capital requests of $804 million. In contrast, the City's annual capacity for General Fund CIP projects averages around $30 million. To help address these needs, City Council directed staff to prepare a GO Bond Referendum, which was included in the November 2024 general election. On November 5, 2024, voters approved $20 million each for Affordable Housing, Transportation, Parks and Recreation, and Public Safety Facilities projects. Funding was appropriated by the City Council on March 11, 2025. The current list of planned projects supported by the 2024 GO Bonds includes:

2024 GO BOND PROJECTS	PROJECT STATUS / PROJECTED START DATE
TRANSPORTATION	
Lexington Avenue Sidewalk	Design
London Road Sidewalk Phase 1	Design
North Reed Creek Greenway	Design
Pack Place Vision and Eagle/Market	FY 2027
Smith Mill Greenway	FY 2028
Street Resurfacing	Contracting
PARKS AND RECREATION	
Linwood Crump Shiloh Community Center	FY 2027
Malvern Hills Pool	Design
Murray Hill Park	FY 2027
Pickleball Courts	Design
Recreation Park Enhancements	FY 2028
2024 GO BOND PROJECTS	**PROJECT STATUS / PROJECTED START DATE**
PARKS AND RECREATION (continued)	
Tempie Avery Montford Center	FY 2027
Walton Street Park	Design
PUBLIC SAFETY FACILITIES	
Fire Station 8 Renovations	FY 2027
Fire Station Land Acquisition Activities	In Progress

Municipal Building Renovations	FY 2027
Oakley Civic Complex Phase I - Fire Station 9	Design
Oakley Civic Complex Phase II - Police Substation	FY 2027
Police Facility Improvements	FY 2027

In FY 2025-26, City Council approved $10 million of the 2024 Affordable Housing Bond for the Western North Carolina Affordable Housing Loan Fund. This allocation reflects City Council's vision to increase the supply of affordable housing within Asheville city limits. The loan fund is currently used to create and preserve affordable rental housing. In FY 2026-27, anticipated investments of remaining bond funds may include land acquisition, home repair, down payment assistance, and investments in City-owned land. The bond program areas and amounts will be reviewed by the Housing & Community Development Committee and City Council in the summer of 2026, in time for a fall or winter application cycle for affordable housing projects.

In addition to 2024 GO Bond projects, Tropical Storm Helene recovery projects will continue in FY 2026-27, including:

HELENE RECOVERY PROJECTS	PROJECT STATUS / PROJECTED START DATE
Azalea Parks and Infrastructure Recovery	Design
Biltmore Village Lighting Recovery	Design
French Broad Riverfront Parks Recovery	Design
Municipal Building Roof Replacement	Complete
Municipal Golf Course Front 9 Restoration	Design
Thomas Wolfe Auditorium Roof Replacement	Construction
West Euclid Parkway Pipe Replacement	Construction

To ensure that the City has adequate funding for expenses related to Helene recovery that may not be reimbursed through FEMA or other outside funders, and that these variances do not delay project implementation, a portion of the annual CIP capacity is being reserved as a funding buffer. In FY 2026-27, $7 million of contingency funding has been set aside in the CIP to support the $250 million in anticipated recovery investments.

It is within this context that the FY 2027-2031 CIP was developed. The following is a summary of the project budgets that are planned over the next five years for the General, Water, Parking and Stormwater Capital Funds. Project status updates for active CIP projects can be found on the City's website at the following link: *Link to the City's Capital Project website for additional project information*.

FY 2027-2031 Capital Improvement Plan Summary

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET					
	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUE SOURCES					
Pay-go (Cash)	12,550,000	29,814,746	16,117,118	20,330,851	23,864,948
Sponsorship Fee	340,000	500,000	225,000	225,000	150,000
Short-Term Installment Debt	7,076,000	6,893,000	6,881,290	7,039,020	7,631,330
Long-Term Debt	33,371,525	146,797,565	62,291,770	131,895,081	28,494,750
Grants & Donations	7,357,813	4,573,200	9,820,390	-	1,164,800
Revenue Total	**60,695,338**	**188,578,511**	**95,335,568**	**159,489,952**	**61,305,828**

PLANNED PROJECTS					
General Fund					
Facility Maintenance	2,011,758	1,920,561	7,250,000	9,500,000	3,904,000
Fleet & Equipment	7,787,000	8,351,000	8,474,910	8,584,401	8,699,650
Recreation & Entertainment Facilities	952,500	265,000	2,215,000	515,000	3,515,000
Streets & Sidewalks	12,958,500	13,457,024	9,581,000	2,500,000	4,083,500
Public Art Allocation	-	224,746	187,118	220,851	179,948
Sustainability Allocation	500,000	-	-	-	-
In-House Labor	953,580	982,180	1,011,640	1,041,980	1,073,230
CIP Contingency	750,000	750,000	750,000	750,000	750,000
TSH Recovery Contingency	7,000,000	7,000,000	5,000,000	5,000,000	3,000,000
Water Resources Fund	11,750,000	145,730,000	48,660,900	124,542,720	30,575,500
Parking Services Fund	10,260,000	1,088,000	875,000	300,000	300,000
Harrah's Cherokee Center - Asheville	625,000	1,875,000	875,000	375,000	2,875,000
Stormwater Fund	5,147,000	6,935,000	10,455,000	6,160,000	2,350,000
CIP TOTAL	**60,695,338**	**188,578,511**	**95,335,568**	**159,489,952**	**61,305,828**

General Capital Improvement Program

The General Fund Capital Improvement Program is divided into functional categories, including facility maintenance, fleet and equipment, recreation and entertainment facilities, and streets and sidewalks. This breakdown allows prioritization of similar projects while also ensuring all core services benefit from capital investments.

Funding is also set aside for additional purposes, including contingency, in-house labor to capture the cost of project management services provided by Capital and Asset Management staff, the annual Public Art Allocation, and a new Sustainability Allocation. In FY 2026-27, the Public Art Allocation, typically funded with a pay-go transfer from the General Fund, was reduced as a budget balancing strategy.

The Sustainability Allocation is a new allocation being utilized in FY 2026-27 to provide funding to capital projects to support costs arising from the inclusion of more sustainable and energy efficient design elements. Examples could include funding to purchase and install a more expensive HVAC system that would reduce the City's overall carbon footprint and result in electricity savings over the life of the system. Staff will evaluate this Sustainability Allocation and include future amounts in upcoming CIP's.

The tables below outline planned investments for each category.

Facility Maintenance

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUE SOURCES					
Grants & Donations	-	-	3,840,000	-	-
Long-Term Debt	2,011,758	1,920,561	3,410,000	9,500,000	3,904,000
Revenue Total	**2,011,758**	**1,920,561**	**7,250,000**	**9,500,000**	**3,904,000**
PLANNED PROJECTS					
City Hall Maintenance & Improvements	-	-	950,000	8,000,000	-
Facility Maintenance	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000
Fire Station #8	11,758	120,561	-	-	-
Municipal Building Repairs	-	-	-	-	2,404,000
Transit Maintenance Center	-	300,000	4,800,000	-	-
Total	**2,011,758**	**1,920,561**	**7,250,000**	**9,500,000**	**3,904,000**

Projects in the Facility Maintenance category fund major maintenance and renovations at all City facilities. The following projects are funded in FY 2026-27:

- Annual funding to address needs identified in the 2023 Comprehensive Facility Study.
- Supplemental funding for the 2024 Bond project at Fire Station #8 to ensure the project can be completed as scoped and on schedule.

Fleet & Equipment

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUE SOURCES					
Long-Term Debt	3,438,000	3,488,000	3,539,520	3,593,101	3,648,820
Short-Term Installment Debt	4,349,000	4,813,000	4,820,390	4,946,300	5,005,830
Pay-go (Cash)	-	50,000	115,000	45,000	45,000
Revenue Total	7,787,000	8,351,000	8,474,910	8,584,401	8,699,650
PLANNED PROJECTS					
Computer & Technology Replacement	500,000	500,000	500,000	500,000	500,000
Fire Apparatus Replacement	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Fleet Replacement	3,799,000	3,913,000	4,030,390	4,151,300	4,275,830
GovTV Broadcast Equipment Replacement	50,000	-	50,000	-	50,000
Network Switch Replacements	-	400,000	240,000	295,000	180,000
Server Replacements	-	50,000	115,000	45,000	45,000
Transit Bus Replacement	1,238,000	1,288,000	1,339,520	1,393,101	1,448,820
Total	**7,787,000**	**8,351,000**	**8,474,910**	**8,584,401**	**8,699,650**

Fleet and Equipment capital projects support the replacement of City-owned vehicles and equipment. The following projects are funded in FY 2026-27:

- Computer & Technology Replacement provides for annual replacements of computers/laptops, IT infrastructure, and security equipment.
- Fire Apparatus Replacement will fund end of life replacements for two apparatus: one squad/rescue apparatus and one engine.
- Fleet Replacement provides for vehicle and heavy equipment replacements managed by the Fleet Management division. Vehicles and equipment are replaced on a priority basis which considers equipment condition, age, frequency of use, and impact on City operations. Each year generally includes replacement of police cars, sanitation trucks, dump trucks, among other light vehicles and heavy equipment.
- Funding for GovTV Broadcast Equipment Replacement provides for maintenance and upgrades of technology used for the City's public access channel, ensuring the community has access to televised City Council meetings and other City programming.
- Transit Bus Replacement will provide for the purchase of one diesel bus. Transit and fleet staff continue to search for available vendors of hybrid and electric buses, as well as grants, to work towards a replacement schedule that supports a healthy transit fleet.

Recreation & Entertainment Facilities

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUE SOURCES					
Long-Term Debt	937,500	250,000	2,200,000	500,000	3,500,000
Pay-go (Cash)	15,000	15,000	15,000	15,000	15,000
Revenue Total	**952,500**	**265,000**	**2,215,000**	**515,000**	**3,515,000**
PLANNED PROJECTS					
JBL Turf Replacement	15,000	15,000	15,000	15,000	15,000
Murray Hill Park	-	250,000	-	-	-
Pickleball Courts	850,000	-	-	-	-
Recreation Park Enhancements	-	-	2,200,000	-	-
Shiloh Center Upgrades	87,500	-	-	-	-
Sweeten Creek Park	-	-	-	500,000	3,500,000
Total	**952,500**	**265,000**	**2,215,000**	**515,000**	**3,515,000**

Recreation & Entertainment Facilities CIP funding supports ongoing and major maintenance at City parks, sports fields, and special recreation facilities such as HomeTrust Park and the Western North Carolina Nature Center. The following projects are funded in FY 2026-27:

- Per an agreement with the Asheville-Buncombe Youth Soccer Association (ABYSA), the City continues to set aside funds on an annual basis for turf replacement at the John B. Lewis Soccer Complex, ensuring funding for full replacement is available on an agreed upon schedule. The next replacement is scheduled for FY 2027-28.

- Supplemental funding for the pickleball courts 2024 Bond project to ensure the project can be completed as scoped and on schedule.

- Supplemental funding for the Shiloh Community Center Upgrades 2024 Bond project to ensure the project can be completed as scoped and on schedule.

Streets & Sidewalks

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUE SOURCES					
Grants & Donations	7,357,813	4,573,200	5,980,390	-	1,164,800
Long-Term Debt	4,800,687	8,083,824	2,800,610	1,700,000	2,118,700
Pay-go (Cash)	800,000	800,000	800,000	800,000	800,000
Revenue Total	**12,958,500**	**13,457,024**	**9,581,000**	**2,500,000**	**4,083,500**
PLANNED PROJECTS					
Boosting the Block / Eagle Market	2,573,000	-	-	-	-
Bridge Maintenance	1,250,000	-	-	-	-
Craven Street Bridge	5,000,000	5,300,000	-	-	-
Deaverview Rd Pedestrian Improvements	710,000	-	7,200,000	-	1,456,000
I-26 Improvements	-	5,889,024	-	-	-
School Zone Pedestrian Safety	750,000	-	-	-	-
Smith Mill Creek Greenway	100,000	-	-	-	-
Streets Resurfacing	2,158,000	2,268,000	2,381,000	2,500,000	2,627,500
Traffic Signal & Pole Replacement	417,500	-	-	-	-
Total	12,958,500	13,457,024	9,581,000	2,500,000	4,083,500

The Streets & Sidewalks CIP includes funding for ongoing maintenance of the City's vehicular and pedestrian infrastructure, including street resurfacing, sidewalk replacement, and ADA improvements. The following projects are funded in FY 2026-27:

- Boosting the Block / Eagle & Market Streets will provide public realm investments that improve safety and accessibility, support cultural expression, and enhance the overall pedestrian experience in and around The Block in ways that align with the community's vision. This project is supported by both City funding and a grant from the Mellon Foundation.
- Bridges located on City-maintained roads are inspected annually. The Bridge Maintenance project provides funding to address small repairs as required by these inspection results.
- Craven Street Bridge provides City funding to match an NCDOT grant and project to construct a pedestrian bridge at Craven Street in the River Arts District.
- Deaverview Road Pedestrian Improvements is a joint project with NCDOT that will construct a multi-use path along Deaverview Road from Patton Avenue to Pisgah View Road.
- School Zone Pedestrian Safety creates safe routes from schools to neighborhoods to improve safety for pedestrians (mainly students) near Asheville's schools. This program is funded in large part by grants and appropriations in FY 2026-27 will fund construction.

- Street Resurfacing funds the repair and maintenance of a subset of City-maintained roadways every year. Locations are identified using pavement condition ratings, usage statistics, and traffic network considerations.
- Supplemental funding for the Smith Mill Creek Greenway 2024 Bond project to ensure the project can be completed as scoped and on schedule.
- Traffic Signal & Pole Replacement replaces this equipment at the end of its useful life.

Water Resources Capital Improvement Program

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUE SOURCES					
Long-Term Debt/Grants	-	118,000,000	33,900,000	105,000,000	10,000,000
Pay-go (Cash)	10,750,000	26,700,000	13,700,000	18,450,000	19,450,000
Short-Term Installment Debt	1,000,000	1,030,000	1,060,900	1,092,720	1,125,500
Revenue Total	**11,750,000**	**145,730,000**	**48,660,900**	**124,542,720**	**30,575,500**
PLANNED PROJECTS					
Central Avenue Waterline Replacement	-	7,500,000	-	-	-
Coxe Avenue Waterline Replacement	3,000,000	-	-	-	-
Equipment Replacement	1,000,000	1,030,000	1,060,900	1,092,720	1,125,500
Fairview Service Area Improvements	-	-	500,000	-	-
Lead Service Line Replacement	-	10,000,000	10,000,000	10,000,000	10,000,000
Master Plan/Large Waterline Projects	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Master Plan/Pressure Reduction & Open Systems Projects	-	1,000,000	1,000,000	1,000,000	-
Meter/Vault Repair	200,000	500,000	500,000	500,000	500,000
Mills River Filter Media Replacement	-	750,000	750,000	-	-
Mills River WTP Improvements - Phase 3	-	6,000,000	-	80,000,000	-
Mills River WTP Transmission Line Addition	-	1,000,000	5,000,000	15,000,000	-
NCDOT Projects	5,650,000	8,400,000	8,150,000	8,150,000	9,150,000
Neighborhood Enhancement Projects	-	6,000,000	-	6,000,000	7,000,000
North Fork & W. Debruhl Process Enhancements	-	101,000,000	-	-	-
Pump Station/Storage Tank Projects	-	300,000	500,000	500,000	500,000
SCADA Updates	200,000	250,000	200,000	200,000	200,000
South Buncombe Pump Station	-	-	18,900,000	-	-
System Enhancement Projects	200,000	500,000	600,000	600,000	600,000
Water Treatment Plant Projects	500,000	500,000	500,000	500,000	500,000
Total	**11,750,000**	**145,730,000**	**48,660,900**	**124,542,720**	**30,575,500**

Water Resources Capital Project Descriptions

Funding programmed in the Water Resources CIP will support repair, maintenance, and improvements of the City's water treatment and distribution infrastructure. The following projects are funded in FY 2026-27:

- Equipment Replacement including vehicles, light and heavy equipment. Equipment is replaced on a priority basis which considers condition, age, frequency of use, and impact on Department operations.
- Large Waterline Projects funds end of life replacements and other major improvements for system main lines. Similarly, the Small Waterline Replacement project provides end of life replacements for water lines other than system mains. Often Small Waterline projects impact a small residential community or a portion of a neighborhood.
- Pump Station and Storage Tank Projects include routine maintenance of pump stations and storage tanks throughout the system. Pump stations are used to move water to higher elevations, where water lines cannot be gravity-fed. Storage tanks are used to hold water at strategic locations to support gravity-fed lines or supply pump stations.
- System Enhancement Projects includes right-of-way clearing to allow easier maintenance access for water lines, and other work as needed that does not fit neatly into other project buckets.
- Water Treatment Plant Projects provide for routine maintenance at the three water treatment plants in the system.

A number of large projects are included in the planning years, including Lead Service Line Replacements, North Fork and DeBruhl Process Enhancements, and Mills River Treatment Plant Improvements. Staff are actively seeking grant funding to support these projects. If grants are not received, projects may be delayed or rescoped to better align with debt funding capacity.

Parking Services Capital Improvement Program

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUE SOURCES					
Long-Term Debt	9,910,000	788,000	575,000	-	-
Pay-go (Cash)	350,000	300,000	300,000	300,000	300,000
Revenue Total	**10,260,000**	**1,088,000**	**875,000**	**300,000**	**300,000**
PLANNED PROJECTS					
Biltmore Parking Garage	2,730,000	-	-	-	-
Harrah's Parking Garage	5,500,000	-	-	-	-
Parking Facility Maintenance	350,000	300,000	300,000	300,000	300,000
Rankin Parking Garage	880,000	-	575,000	-	-
Wall Street Parking Garage	800,000	788,000	-	-	-
Total	**10,260,000**	**1,088,000**	**875,000**	**300,000**	**300,000**

Parking Services Capital Project Descriptions

Funding programmed in the Parking Services CIP will support general maintenance of the City's on- and off-street parking infrastructure. Examples include restriping of on-street parking spaces, meter and other technology replacements and upgrades, resurfacing and restriping of surface lots, and parking garage maintenance and repairs, including structural maintenance, stairway and elevator maintenance, lighting, entry/exit equipment, space restriping, and other functional and aesthetic repairs.

The Department completed a Parking Facility Assessment with support from the Capital and Asset Management Department and an engineering consultant. The assessment focused on the parking garages and outlined both immediate and long-term maintenance needs and potential replacement timelines for all of the City-owned garages. Funding in FY 2026-27 will continue to address needs identified by the study.

Stormwater Capital Improvement Program

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUE SOURCES					
Long-Term Debt	3,070,000	5,535,000	9,105,000	4,810,000	500,000
Pay-go (Cash)	350,000	350,000	350,000	350,000	350,000
Short-Term Installment Debt	1,727,000	1,050,000	1,000,000	1,000,000	1,500,000
Revenue Total	**5,147,000**	**6,935,000**	**10,455,000**	**6,160,000**	**2,350,000**
PLANNED PROJECTS					
Caribou Road Infrastructure	-	-	-	350,000	-
City Property Stormwater Projects	500,000	500,000	500,000	500,000	500,000
Druid Drive Phase 1 & 2	-	-	450,000	800,000	-
Edwin Place, Celia Place, and Canterbury Drive Drainage	2,400,000	1,985,000	-	-	-
Lake Craig Sediment Removal	-	-	400,000	-	-
Onteora Boulevard Infrastructure	-	-	105,000	-	-
Saint Dunstan's Infrastructure	-	-	-	160,000	-
Shiloh Neighborhood Infrastructure	-	800,000	2,500,000	-	-
Storm Structure Rehabilitation	350,000	350,000	350,000	350,000	350,000
Town Branch Infrastructure	170,000	-	-	-	-
Town Brand Mapping Study Projects	-	800,000	2,500,000	-	-
Vehicle and Equipment Replacement	1,727,000	1,050,000	1,000,000	1,000,000	1,500,000
Watershed Studies	-	750,000	-	-	-
Waynesville Avenue Drainage	-	700,000	1,900,000	-	-
Wellington Avenue Infrastructure	-	-	750,000	3,000,000	-
Total	**5,147,000**	**6,935,000**	**10,455,000**	**6,160,000**	**2,350,000**

Stormwater Capital Project Descriptions

Funding programmed in the Stormwater CIP will support maintenance and improvements to the City's stormwater infrastructure. The Stormwater CIP also includes funding for end of life equipment replacement

Harrah's Cherokee Center - Asheville Capital Improvement Program

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUE SOURCES					
Sponsorship Fee	340,000	500,000	225,000	225,000	150,000
Pay-go (Cash)	285,000	1,375,000	650,000	150,000	2,725,000
Revenue Total	**625,000**	**1,875,000**	**875,000**	**375,000**	**2,875,000**
PLANNED PROJECTS					
Facility Maintenance	340,000	615,000	225,000	225,000	150,000
Facility Upgrades	85,000	200,000	50,000	50,000	-
Thomas Wolfe Auditorium Improvements	200,000	1,060,000	600,000	100,000	2,725,000
Total	**625,000**	**1,875,000**	**875,000**	**375,000**	**2,875,000**

Harrah's Cherokee Center - Asheville Project Descriptions

Funding programmed in the Harrah's Cherokee Center - Asheville CIP will support general maintenance and upgrades of the event venue. Examples include stage equipment replacements, carpet replacements, audio and visual improvements, maintenance and repair of the concession stands, HVAC and vent systems maintenance and repair, and other upgrades.


Supplemental
Information

Glossary of Budget Terms

Accrual Basis – Method of accounting in which transactions are recognized at the time they are incurred as opposed to when cash is received or spent.

Adopted Budget – The budget approved by City Council and enacted via a budget appropriation ordinance, on or before June 30 of each year.

Ad Valorem Taxes – Commonly referred to as property taxes, ad valorem taxes are levied on the value of real, certain personal, and public utility property according to the property's valuation and the tax rate.

Appropriated Fund Balance – The amount of fund balance appropriated as a revenue for a given fiscal year to offset operating expenses that exceed current revenue.

Appropriation – An authorization made by City Council which permits the City administrative staff to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Assessed Value – The fair market value placed on personal and real property owned by taxpayers by the Buncombe County Tax Supervisor. Real property is reappraised and assessed value established every four years.

Basis of Budgeting – This refers to the form of accounting utilized throughout the budget process.

Bond – A written promise to pay a specified sum of money (principal) at a specific future date, along with periodic interest payments paid at a specified percentage of the principal.

Bond Rating – A rating designated by a credit rating agency (the two largest being Moody's and Standard and Poor's), which represents the creditworthiness of a bond and the likelihood that the debt will be repaid.

Budget – A plan of financial operation comprised of an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures (revenue estimates).

Budget Amendment – Formal action by City Council to change an appropriation or revenue estimate during the fiscal year.

Budget Calendar – The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

Budget Document – The official written statement prepared by the City's administrative staff which presents the proposed budget to the City Council.

Budget Message – A general discussion of the proposed budget presented to the City Council by the City Manager as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget Ordinance – The official enactment by City Council establishing the legal authority for City administrative staff to obligate and expend funds.

Glossary of Budget Terms

Budget Process – Activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital needs.

Capital Outlay – Items of significant value (more than $1,000) and having a useful life of several years, also referred to as fixed assets.

Capital Improvement Program (CIP) – A plan to identify, prioritize, and approve capital needs (over $25,000) for a six-year period.

Capital Projects – Projects established to account for the cost of capital improvements. Typically, a capital project encompasses a purchase of land and/or the construction of or improvements to a building or facility.

Certificates of Participation (COPs) – A financing mechanism in which certificates or securities are sold to investors who underwrite a project. The issuance of COPs is secured by lease-purchase agreements to which the City is a party.

Community Development Block Grant (CDBG) – A US Department of Housing & Community Development federal assistance grant to support the local provision of decent housing and a suitable living environment for persons of low and moderate-income.

Comprehensive Annual Financial Report – A financial document that describes the standing of a local government in accordance with accounting requirements from the Governmental Accounting Standards Board (GASB).

Contingency Reserve – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost Transfer – A reallocation of cost from one activity to another. The City uses cost transfers to avoid double counting expenditures associated with internal transactions between City departments. For example, when fleet maintenance repairs a fire engine, that expense is recorded in both the fleet division and the fire department. A negative expense or cost transfer is then entered into the fleet division to eliminate the double counting. The remaining expenses in the fleet division after all cost transfers represent the net cost of that activity to the City.

Debt Service – Payment of interest and principal on borrowed funds, such as bonds or lease-purchase payments.

Department – A management unit of closely associated City divisions and activities.

Departmental Mission – A brief statement explaining the general purpose and goal of the department in relation to the overall City mission.

Depreciation – An accounting charge associated with expiration in the service life of fixed assets. Depreciation is not recorded as an expense for budget purposes.

Division – A term used to describe a City cost center with distinct objectives and activities.

Enterprise Fund – A type of fund that accounts for governmental operations that are financed and operated in a manner similar to private business enterprises. It is financed primarily from charges to users for services provided. Included in this category are the US Cellular Center, Water Resources, Transit Services, and Parking Services Funds.

Encumbrance – The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Expenditures – The measurement focus of governmental fund accounting. Financial resources expended during a period for operations, capital outlay, and long-term principal retirement and interest. Expenditures reflect the cost incurred to acquire goods or services.

Expenses – The measurement focus of propriety fund accounting. Costs expired during a period, including depreciation and other allocations, as in business accounting. Expenses reflect the cost of goods or services used.

Fiscal Year (FY) – An accounting period extending from July 1 through the following June 30.

Fixed Assets – Assets, such as land, buildings, machinery, furniture, and other equipment, which are intended to be held or used over a long time period.

Full-Time Equivalent (FTE) Position – A unit for measuring staffing levels equal to one position working 37.5 hours per week for an entire year. Temporary/seasonal positions, such as summer Parks & Recreation staff, are not included in the FTE count.

Fund – A fiscal entity with a self-balancing set of accounts used to account for an activity(s) with common objectives.

Fund Balance – The cumulative excess of revenues over expenditures in a fund at the end of a fiscal year. With certain limitations, fund balance may be used to balance the subsequent year's budget.

General Fund – A type of governmental fund used to account for revenues and expenditures for regular day-to-day operations of the City, which are not accounted for in the proprietary funds; i.e., Enterprise and Intergovernmental Service Funds. The primary sources of revenue for this fund are local taxes and state-shared revenues.

General Obligation (GO) Bonds – Bonds issued by City government, usually requiring approval from a majority of voters at a referendum, that are backed by the City's full faith, credit, and taxing power.

General Statutes of North Carolina (GS or NCGS) – The compilation of state laws of North Carolina.

Generally Accepted Accounting Principles (GAAP) – The set of accounting rules and procedures used by governmental agencies to account for the receipt and expenditure of funds.

Goal – The underlying reason(s) for the provision of essential City services.

Governmental Accounting Standards Board (GASB) – The organization which sets forth the generally accepted accounting principles (GAAP) for state and local governments in the United States.

HOME Fund – A collection of funding provided by the US Department of Housing and Urban Development (HUD) to provide housing to low-income Americans. This fund is administered by the City.

Interfund Transfer – The movement of monies between funds of the same governmental entity.

Internal Charges – Charges for goods or services provided by one City department to other departments within the City on a cost-reimbursement basis.

Internal Service Fund – A type of proprietary fund used to account for the financing of goods or services provided by one City activity to other City activities on a cost-recovery basis.

Institute for Transportation Research and Education (ITRE) – An organization based at North Carolina State University, which uses a standard rating system to assess street pavement condition.

Lease-Purchase – A contractual agreement to purchase a fixed asset over a period of several years. Also known as installment purchasing.

Limited Obligation Bonds (LOBs) – A type of installment financing, also known as a Certificate of Participation, which the City can issue to finance real or personal property or improvements thereon, if it agrees to make debt service installment payments subject to the annual appropriation of City Council.

Line-Item Budget – A budget summarizing the detailed categories of expenditure for goods and services that the City intends to purchase during the fiscal year.

Local Government Budget and Fiscal Control Act – The legal guidelines of the State of North Carolina which govern budgetary and fiscal affairs of local governments.

Local Government Commission (LGC) – Part of the North Carolina Department of State Treasurer; assists local governments on significant financing issues such as bonds.

Modified Accrual Basis – A method for recording receipts and expenditures in which expenditures are recognized when the goods or services are received, and revenues are recognized when measurable and available to pay expenditures in the accounting period.

NCAC – North Carolina Administrative Code; contains all administrative rules, which are written to fully interpret statutes.

NCDOT – North Carolina Department of Transportation.

Net Interest Cost (NIC) – A way to compute the average annual interest expense for a bond issue.

Operating Budget – The City's financial plan which outlines proposed expenditures for the fiscal year and estimates the revenues which will be used to finance them.

Pay-As-You-Go Financing – A method of paying for capital projects that relies on current revenue rather than on debt.

Payment In Lieu of Taxes (PILOTs) – Money transferred from an outside non-profit agency into the General Fund. The principle underlying such transfers is that the City would have received the equivalent amount in taxes had the service been provided by a private firm.

Performance Measure – Indicators used to determine how effectively and efficiently a department achieved its objectives.

Performance Objective – A statement of expected results or impacts which is specific, measurable, realistic, and consistent with overall departmental and organizational goals.

Powell Bill – A North Carolina statute that designates city and town streets as part of the state public roads system, and therefore allocates funding from the General Assembly to municipalities, to maintain, repair, and construct city streets that are not part of the state highway system.

Proposed Budget – The City Manager's recommended balanced budget, which is submitted to City Council prior to June 1.

Proprietary Fund – A type of fund that accounts for governmental operations that are financed and operated in a manner similar to a private business enterprise. It is financed primarily from charges to users for services provided. Proprietary funds used by the City of Asheville include the Enterprise and Internal Service Funds.

Revenue – A term used to represent actual or expected income to a specific fund.

Special Obligation Bonds (SOBs) – A type of installment financing which the City can issue to finance downtown revitalization projects, urban area revitalization projects, drainage projects, or off-street parking facilities, pledging the revenue of any tax that it receives but does not levy (e.g., sales tax levied by Buncombe County and remitted to the City), and other fees received by the City (e.g., user fees).

Strategic Partnership Funds – A collection of funds which the City grants to partner organizations in the community to provide public services.

Tax Collection Rate – The percentage of the tax levy that can reasonably be expected to be collected during the fiscal year.

Tax Rate – The level at which taxes are levied. For example, the tax rate is $0.46 per $100 of assessed value.

Tax Levy – The total dollar amount of tax that optimally should be collected based on tax rates and assessed values of personal and real properties.

True Interest Cost (TIC) – The real cost of taking out a loan, including finance charges, possible late fees, discount points, and prepaid interest; also refers to the actual cost of issuing a bond.

TIGER (Transportation Improvements Generating Economic Recovery) VI – A grant from the Federal Highway Administration, which is being used in Asheville to fund a suite of capital projects aiming to revitalize transportation and improve the City economy.

Transmittal Letter – A letter from the City Manager summarizing the major differences between the proposed budget and the adopted budget.