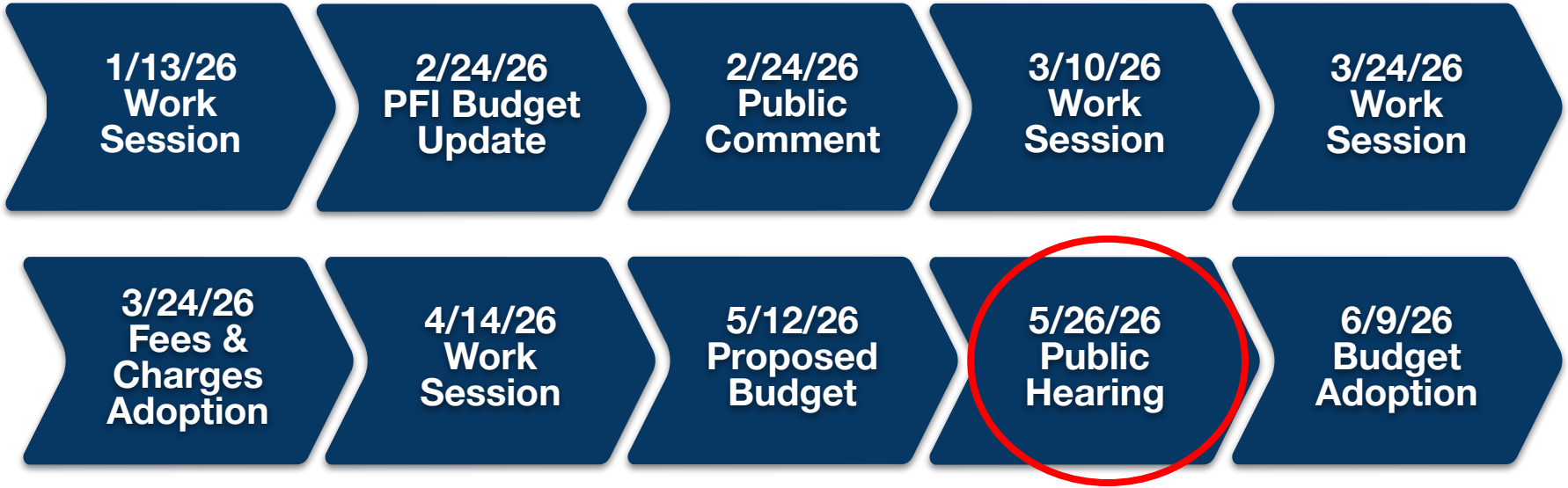
FY 2026-27 Budget Public Hearing

May 26, 2026

Tony McDowell & Lindsay Spangler
Finance & Management Services



FY27 Budget Next Steps



THE CITY OF ASHEVILLE

FY27 Budget Process Objectives

- **Structural Balance:** expenditures aligned w/revenues
- **Long-term Fiscal Stability:** avoid short-term fixes & advance multi-year planning
- **Core Services and Quality of Life:** focus on providing reliable service to the community
- **Prioritize Employees:** retain a dedicated & prepared workforce.
- **Helene Recovery:** focus on building back resiliently

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Proposed Budget Summary

	FY26 Adopted	FY27 Proposed	Change	
			$	%
General Fund	$ 182.82M	$ 187.46M	$ 4.64M	2.5%
Water Resources	$ 49.45M	$ 53.16M	$ 3.72M	7.5%
Transit Services	$ 15.23M	$ 16.08M	$ 0.86M	5.6%
Stormwater	$ 9.32M	$ 12.92M	$ 3.60M	38.6%
Parking Services	$ 7.14M	$ 7.37M	$ 0.23M	3.2%
Harrah's Center	$ 6.09M	$ 6.73M	$ 0.64M	10.5%
Street Cut Utility	$ 4.16M	$ 3.56M	-$ 0.60M	-14.4%
Total	**$ 274.20M**	**$ 287.28M**	**$ 13.08M**	**4.8%**
Interfund Transactions	-$ 17.84M	-$ 11.69M	$ 6.14M	-34.4%
Net Budget	**$ 256.36M**	**$ 275.58M**	**$ 19.22M**	**7.5%**

THE CITY OF ASHEVILLE

General Fund Summary

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Balancing Progress

January

- One-time fixes from FY26
- Health care/retirement increases
- Transit/other contract increases
- GO Bond debt service
- **Gap: $30M**

February

- Continuation of some cuts from FY26
- Refined health care and personnel estimates
- **Gap: $26.4M**

March/April

- Fees and charges approved
- Budget balancing strategies
- Refined estimates
- **Gap: $10.5M**

May

- Additional savings & balancing strategies
- **Gap: $8.9M**

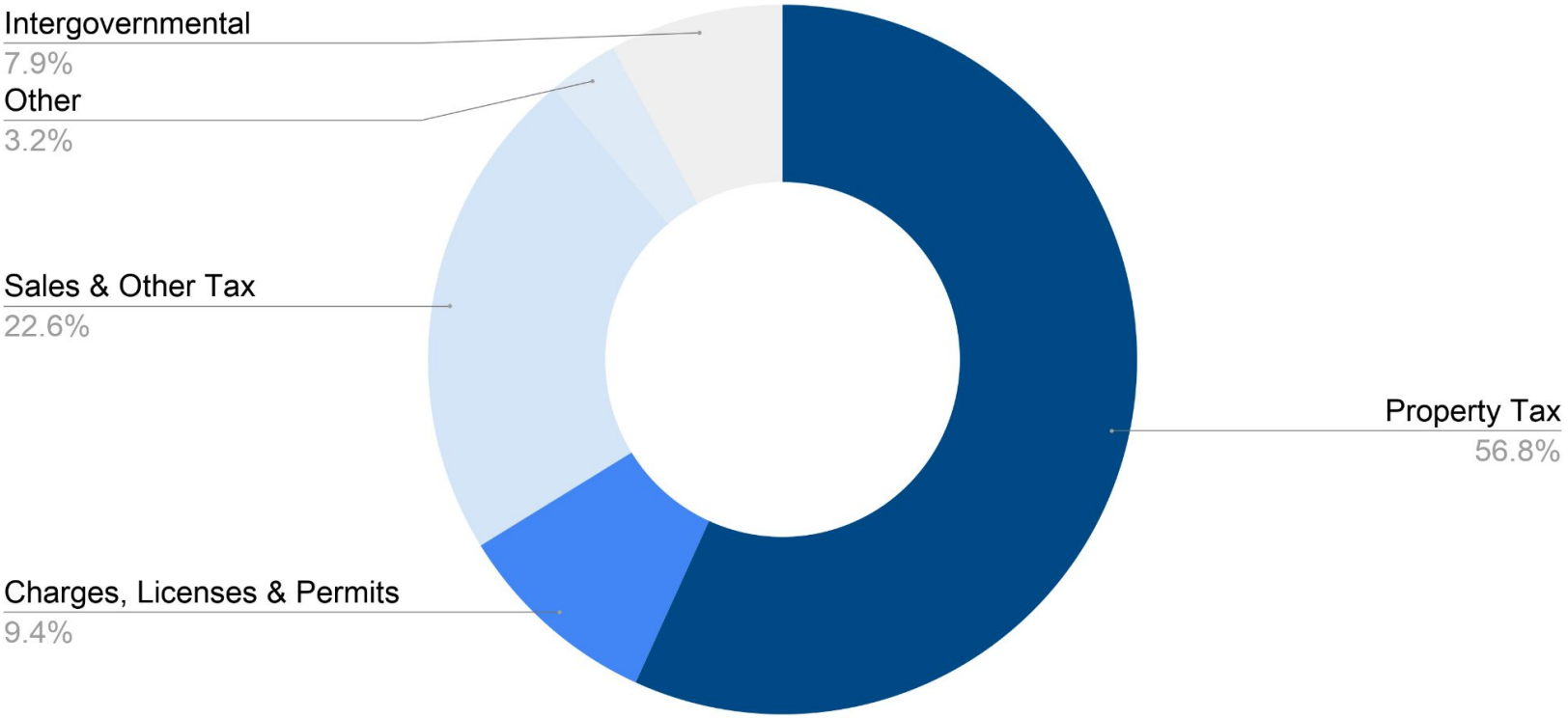
THE CITY OF ASHEVILLE

GF Revenue Summary

Revenues	FY26 Adopted	FY27 Proposed	$ Change	% Change
Property Tax	$ 91.51M	$ 106.47M	$ 14.96M	16.3%
Sales & Other Taxes	$ 42.27M	$ 42.43M	$ 0.16M	0.4%
Intergovernmental	$ 19.18M	$ 14.86M	-$ 4.31M	-22.5%
Licenses & Permits	$ 5.22M	$ 5.63M	$ 0.42M	8.0%
Charges for Services	$ 16.17M	$ 12.02M	-$ 4.15M	-25.7%
Investment Earnings	$ 2.50M	$ 2.40M	-$ 0.10M	-4.0%
Miscellaneous	$ 3.22M	$ 3.06M	-$ 0.15M	-4.7%
Other Sources	$ 2.76M	$ 0.58M	-$ 2.18M	-79.1%
Total	**$ 182.82M**	**$ 187.46M**	**$ 4.64M**	**2.5%**

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FY27 General Fund Revenue



Total Budget: $187.5M

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GF Expenditure Summary

Expenditures	FY26 Adopted	FY27 Proposed	$ Change	% Change
Salaries & Wages	$ 80.93M	$ 83.30M	$ 2.38M	2.9%
Benefits	$ 36.44M	$ 40.48M	$ 4.04M	11.1%
Operating Costs	$ 38.53M	$ 32.95M	-$ 5.45M	-14.5%
Interfund Transactions	$ 9.55M	$ 8.43M	-$ 1.13M	-11.8%
Capital & Debt	$ 17.37M	$ 22.30M	$ 4.93M	28.4%
Total	**$ 182.82M**	**$ 187.46M**	**$ 4.77M**	**2.5%**

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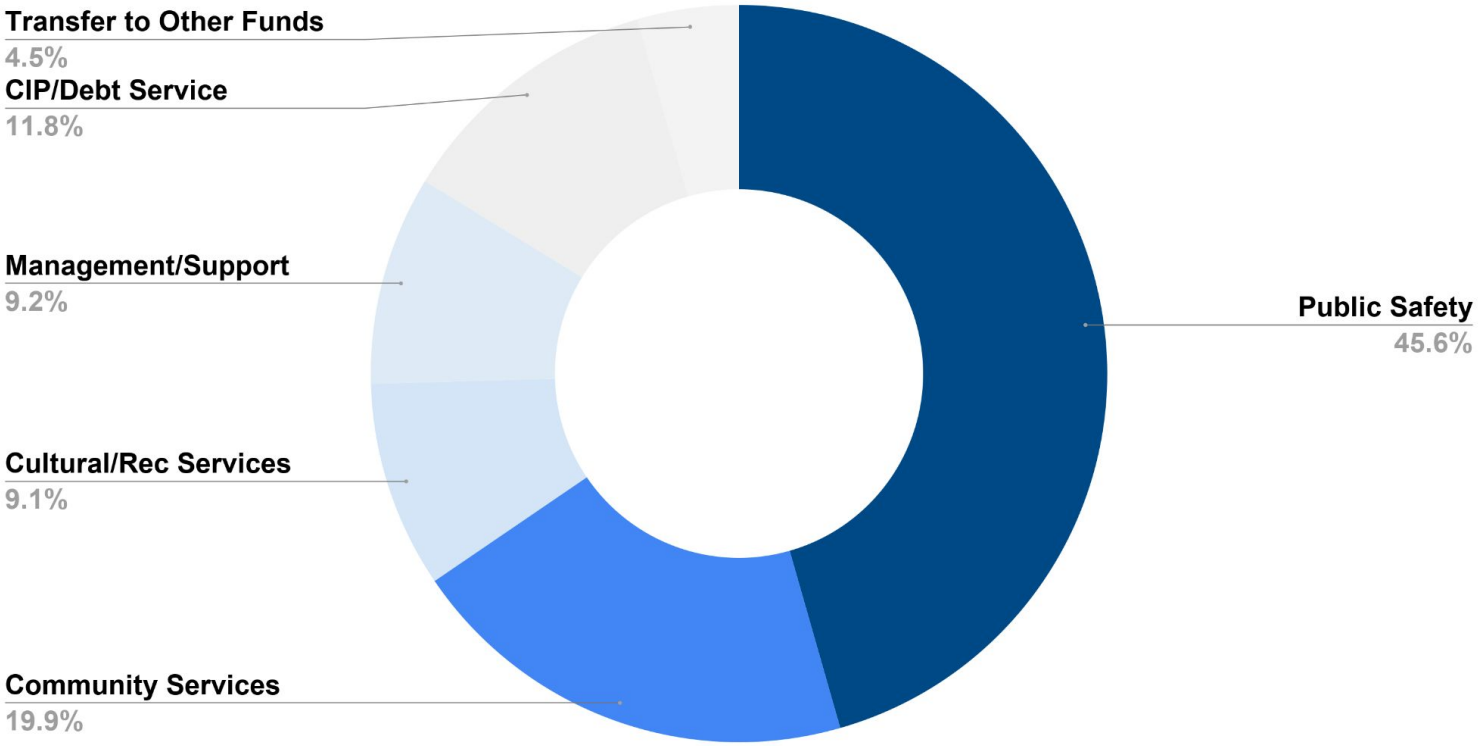
FY27 General Fund Major Expenditure Drivers

Expense Increases	$ (in millions)
Health Care & Retirement	$5.1
2.8% Cost of Living Adjustment	$2.6
APD Staffing (budget for existing vacancies)	$1.8
Community Center Security	$1.3
Fleet Maintenance	$0.5

The proposed General Fund budget does not include any new programs.

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FY27 General Fund by Function



Total Budget: $187.5M

CITY OF ASHEVILLE

FY27 Property Tax Revaluation

- The current City property tax rate is **44.19 cents** per $100 of assessed value.
- Based on the revaluation numbers provided by the Buncombe County Tax Assessor as of April 22, City staff has calculated the revenue neutral tax rate to be 32.89 cents per $100 of assessed value.
- To balance the General Fund budget and partially budget the 2024 GO Bonds, the proposed budget includes a FY27 tax rate of **37.84 cents** - 4.95 cents above revenue neutral.

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Calculate Your City Tax Bill

(Home Value (available on Buncombe County website) X Tax Rate: 0.3784) / 100 = City Tax Bill

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Proposed Property Tax Rate

Property Value	Average Homeowner Impact (Annual)	Average Homeowner Impact (Monthly)
$250,000	$124	$10.31
$350,000	$173	$14.44
$478,500	$237	$19.73
$550,000	$272	$22.68
$650,000	$322	$26.81
$750,000	$371	$30.93
$1,000,000	$495	$41.24

Post-revaluation median home price is $478,500.

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Homeowner Grant Program

- FY27 budget includes $75K for the Homeowner Grant Program, established and managed by Buncombe County.
- The County is proposing to use the funds for Health and Human Services General Assistance.
- Unlike current program, assistance will not be limited to homeowner assistance. Open to variety of areas including utilities, car repair, medical, education and/or housing expenses (for homeowners or renters).
- Less restrictive qualifications, so will be utilized by more residents.
- Agreement to come to Council for approval in FY27.

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Agenda Briefing Follow-Up: 401(k) Match

- In 2024, the City added a 1% matching program to eligible employees' 401(k).
- 75% of eligible employees currently take advantage of this match (961 employees).
- As a balancing strategy, the proposed budget eliminates the 1% match, leaving the existing 5% contribution.
  - AFD 457 accounts are also not affected.
- Eliminating the match is a **$530K** savings to the GF. If we were to add the program back to the budget, it would require a **0.19 cent** property tax rate increase.

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FY 2027-2031 Capital Improvement Program

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FY 2027-2031 CIP Summary

- Over the next 5 years, the CIP will support some significant capital investments, which will include relying upon external funding partners to support some of the identified projects
- Helene recovery will occupy a large portion of the City project delivery resources over the next 5 years. A portion of the annual CIP capacity will be reserved as a funding buffer.
- Staff will continue to focus on long range capital planning in order to ensure strategic capital investment

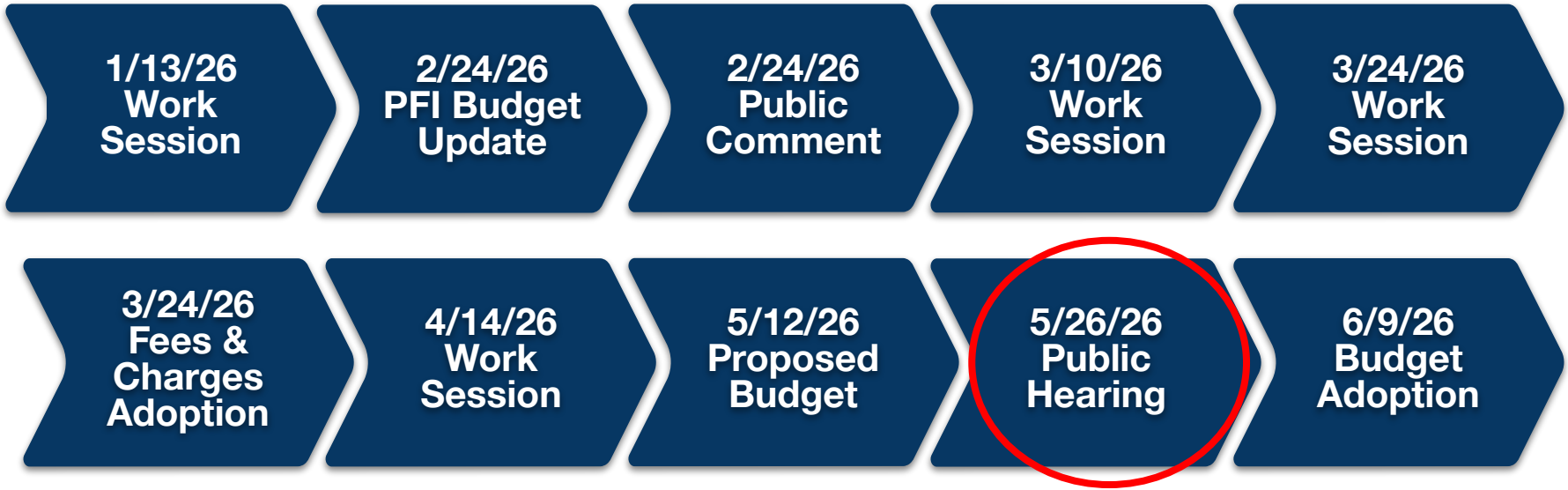
THE CITY OF ASHEVILLE

FY 2027-2031 Proposed General Fund CIP

	FY27	FY28	FY29	FY30	FY31
Facility Maintenance	$ 2.01M	$ 1.92M	$ 8.50M	$ 9.50M	$ 5.00M
Fleet & Equipment	$ 7.79M	$ 8.35M	$ 8.47M	$ 8.58M	$ 8.70M
Recreation & Entertainment Facilities	$ 0.95M	$ 0.27M	$ 2.22M	$ 0.52M	$ 3.52M
Streets & Sidewalks	$ 12.96M	$ 13.46M	$ 9.58M	$ 2.50M	$ 4.08M
Sustainability Allocation	$ 0.50M	-	-	-	-
In-House Labor	$ 0.95M	$ 0.98M	$ 1.01M	$ 1.04M	$ 1.07M
Public Art Allocation	-	$ 0.22M	$ 0.20M	$ 0.22M	$ 0.19M
CIP Contingency	$ 0.75M	$ 0.75M	$ 0.75M	$ 0.75M	$ 0.75M
TSH Recovery Contingency	$ 7.00M	$ 7.00M	$ 5.00M	$ 5.00M	$ 3.00M
Total	*$ 32.91M*	*$ 32.95M*	*$ 35.73M*	*$ 28.11M*	*$ 26.32M*

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FY27 Budget Next Steps



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Thank You

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