# City of Asheville Staff Report

## City Council Meeting Date: May 26, 2026

## Staff Resources: Tony McDowell, CFO, Finance and Management Services Director, Lindsay Spangler, Budget and Performance Manager

## Action Requested: Conduct the public hearing on the City of Asheville Fiscal Year (FY) 2026-27 Proposed Annual Budget and inclusion of public input in City Council's consideration of the budget.

## Background:

- The FY 2026-27 Proposed Annual Budget was presented to City Council on May 12, 2026, and totals $275.6 million.
- In summary the Proposed Budget includes the following:
    - A recommended 4.95 cent property tax rate increase above the revenue neutral rate to sustain essential city services amidst fiscal challenges.
    - Various budget savings strategies totaling almost $9 million, including:
        - Net elimination of 16.5 vacant positions.
        - Departmental reductions to training, supplies, software, contracted services, etc.
        - Reduction of budgets to match historical trends.
        - Reduction of community center hours.
        - 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.
        - Continuing the pause of the Housing Trust Fund and the Other Post Employment Benefits Trust Fund contributions.
        - Pause of the Quality of Service Award program and elimination of the 1% 401(K) matching program.
    - 2.8% cost of living increase for all permanent staff.
    - A revenue neutral tax rate for the Business Improvement District.
    - A robust capital program which includes Helene recovery projects, General Obligation Bond projects, and other capital improvements.
- A detailed copy of the Proposed Budget is available for public review in the City Clerk's office, as well as on the City's website (www.ashevillenc.gov).
- In accordance with the North Carolina Local Government Budget and Fiscal Control Act (G.S. 159-12), a notice of the public hearing was published on May 15, 2026.
- Adoption of the FY 2026-27 Budget Ordinance is scheduled for June 9, 2026, at the regularly scheduled City Council meeting.
- The Proposed Budget may be adjusted by City Council before adoption.
- It may also be changed by budget amendment after adoption.

## Vendor Outreach: N/A

## Council Vision 2036 Focus Area(s):

- A Financially Resilient City

## Council Priority Recovery Area(s):

- Economic Recovery

## Committee(s): N/A

## Fiscal Impact: No impact to conducting the public hearing.

## Suggested Motion:

- Conduct the public hearing on the Proposed Annual Budget for FY 2026-27 and include public input in City Council's consideration of the budget.

## Attachment(s):

- N/A