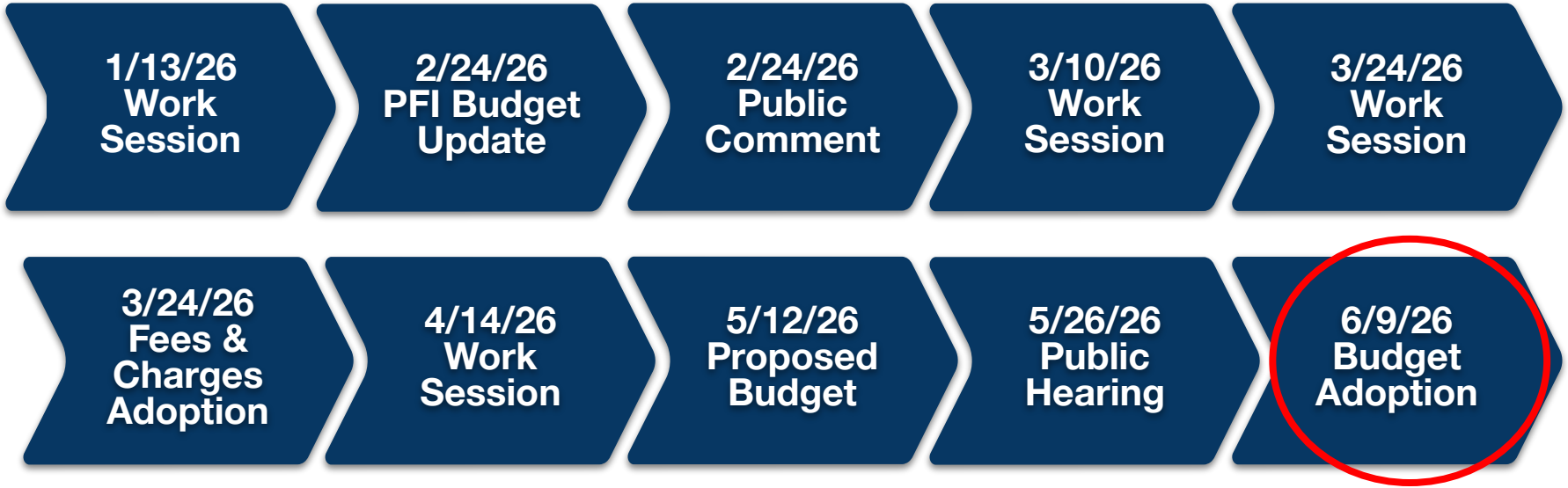
FY 2026-27 Budget Adoption

June 9, 2026

Tony McDowell & Lindsay Spangler
Finance & Management Services



FY27 Budget Timeline



THE CITY OF ASHEVILLE

Manager's Proposed Budget (May 12)

	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

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**
- **Budget balanced with proposed tax rate of 37.84 cents**

THE CITY OF ASHEVILLE

FY27 General Fund Investments

FY27 GF Investments: Public Health & Safety

AFD REST team provides needed support particularly downtown.

AFD will operationalize 4th shift, increasing hourly pay for firefighters.

APD will continue to fill their vacancies and provide increasing support in priority areas.

Increased support for Code Purple to meet increased demand.

Trash & recycling pick up will continue at the same levels, despite increased costs of taking waste to landfills and recycling.

THE CITY OF ASHEVILLE

FY27 GF Investments: Culture & Recreation

Parks will continue to provide quality and affordable year-round programming, 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, Muni Golf Course, etc.

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FY27 GF Investments: Community & Organizational Investments

- Support bus services with stricter performance standards, on-site crisis counselor, and enhanced metrics.
- Dedicated staff for affordable housing development.
- 2.8% cost of living salary adjustment to support existing staff in managing rising costs.
- Maintaining the vast majority of employee health care premiums despite rising costs.
- Funding to complete a salary study to make data-driven decisions.

THE CITY OF ASHEVILLE

Strategic Investments

Continued focus on access and engagement for our residents especially the City's historically underrepresented populations.

Support of the neighborhood matching grant program, providing funds for community projects directly to neighborhood groups.

Support for key organizations that provide community services

Contribution to County Homeowner Grant program.

Debt service for GO Bonds to support essential capital work for housing, parks, transportation, and public safety infrastructure.

THE 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, City staff has calculated the revenue neutral tax rate to be 32.89 cents per $100 of assessed value.
- **As of 5/12:** To balance the General Fund budget and partially budget the 2024 GO Bonds, the proposed budget included a FY27 tax rate of **37.84 cents** - 4.95 cents above revenue neutral.

THE CITY OF ASHEVILLE

Changes Since Proposed Budget

Budget Adjustments	Dollars $	Tax Rate Impact (cents)
Property Tax Collection Rate	-$ 0.47M	-0.17
BID Sales Tax for APD Personnel	-$ 0.23M	-0.08
Align with APD Academy Start	-$ 0.15M	-0.05
Community Center Security	-$ 0.11M	-0.04
Total	**-$ 0.96M**	**-0.341**

THE CITY OF ASHEVILLE

Tax Rate Impact

- The changes will decrease the proposed property tax rate from 37.84 cents to **37.50** cents per $100 of assessed value.

- The new proposed tax rate is 4.61 cents above the revenue neutral rate (versus 4.95).

THE CITY OF ASHEVILLE

Impact to Homeowners

Property Value	Average Homeowner Impact (Annual)	Average Homeowner Impact (Monthly)
$250,000	$115	$9.60
$350,000	$161	$13.44
$478,500	$220	$18.37
$550,000	$253	$21.12
$650,000	$300	$24.96
$750,000	$346	$28.80
$1,000,000	$461	$38.40

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

THE CITY OF ASHEVILLE

Budget Summary w/Adjustments

	FY26 Adopted	FY27 Proposed	Change	
			$	%
General Fund	$ 182.82M	$ 186.97M	$ 4.15M	2.3%
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**	**$ 286.79M**	**$ 12.59M**	**4.6%**
Interfund Transactions	-$ 17.84M	-$ 11.69M	$ 6.14M	-34.4%
Net Budget	**$ 256.36M**	**$ 275.10M**	**$ 18.73M**	**7.3%**

THE CITY OF ASHEVILLE

Council Actions

(1) Adoption of the Fiscal Year 2026-27 Annual Budget Ordinance;

(2) Recusal of Mayor Manheimer from voting on the attached budget amendment in accordance with N.C. Session Law 2021-191 (S.B. 473) (Economic Development Coalition);

(3) Adoption of a Fiscal Year 2026-27 budget amendment in the amount of $100,000 in the General Fund to allocate budget from City Manager's Contingency to fund the City's annual contribution to the Economic Development Coalition;

(4) Recusal of Councilwoman Turner from voting on the attached budget amendment in accordance with N.C. Session Law 2021-191 (S.B. 473) (Sports Commission); and

(5) Adoption of a Fiscal Year 2026-27 budget amendment in the amount of $45,000 in the General Fund to allocate budget from City Manager's Contingency to fund the City's annual contribution to the Sports Commission.

THE CITY OF ASHEVILLE