Minutes for May 26, 2026, City Council Meeting

May 21, 2026, Agenda Briefing Worksession - 11:00 a.m.

Present

Mayor Esther E. Manheimer, Presiding; Vice-Mayor S. Antanette Mosley; Councilman Bo Hess; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Sage Turner; City Manager DK Wesley; Deputy City Attorney Jannice Ashley; and City Clerk Magdalen Burleson

Absent: Councilwoman Maggie Ullman

Summary

City Council held an agenda briefing worksession to discuss the upcoming and future agenda items. In addition, City Council reviewed upcoming City Council committees that will be taking place during the next two weeks.

Discussion occurred on the following other issues and updates: Quarter 3 Financial Report; and Asheville Rides Transit Comprehensive Operations Analysis draft network.

Closed Session

At 12:15 p.m., Councilman Hess moved to go into closed session for the following reasons: (1) To prevent disclosure of information that is privileged and confidential, pursuant to the laws of North Carolina, or not considered a public record within the meaning of Chapter 132 of the General Statutes. The law that makes the information privileged and confidential is North Carolina General Statute section 143-318.10(a)(1). The statutory authorization is contained in North Carolina General Statute section 143-318.10 (e); and (2) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee. The statutory authorization is contained in North Carolina General Statute section 143-318.11(a)(6). This motion was seconded by Councilwoman Turner carried on a 6-0 roll call vote.

At 12:53 p.m., Councilwoman Turner moved to come out of closed session. This motion was seconded by Councilwoman Roney and carried on a 6-0 roll call vote.

At 12:53 p.m., Mayor Manheimer adjourned the agenda briefing worksession.

May 26, 2026 - Regular City Council Formal Meeting - 5:00 p.m

Present

Mayor Esther E. Manheimer, Presiding; Vice-Mayor S. Antanette Mosley; Councilman Bo Hess; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Sage Turner; Councilwoman Maggie Ullman; City Manager DK Wesley; City Attorney Brad Branham; and Deputy City Clerk Michelle Smith

Pledge Of Allegiance

Mayor Manheimer led City Council in the Pledge of Allegiance.

Mayor Manheimer read a statement regarding Chamber decorum.

I. Proclamations:

Councilwoman Ullman read the proclamation proclaiming June, 2026, as "14th Annual Pollination Celebration! Month " in the City of Asheville. She presented the proclamation to Virgina Currie, member of the Bee City Asheville Leadership Committee, and others, who briefed City Council on some activities taking place during the month..

II. Consent Agenda:

A. Approval of the combined minutes of the agenda briefing worksession held on May 7, 2026, and the formal meeting held on May 12, 2026

B. Resolution Number 26-100 - Resolution approving an amendment to an installment financing contract to provide for the financing of additional projects and authorizing the City Manager or the Finance Director to pursue on behalf of the City debt financing for capital projects with a draw program that includes an installment financing and the related issuance of interim Limited Obligation Bonds in an amount not to exceed $40,000,000 for construction of various general government capital projects - Resolution Book No. 46 - Page 345

- The City has been utilizing a multi-year Capital Improvement Program (CIP) and Debt Model since fiscal year 2013-14.
- As a part of that multi-year financial model, the City routinely enters into

short-term draw programs with financial institutions through the issuance of interim Limited Obligation Bonds (LOBs).

- The short term draw programs provide cash to reimburse the City for capital expenses prior to the issuance of long term fixed rate financing.
- City Council held a public hearing on the issuance of the 2026 interim Limited Obligation Bonds (LOBs) at their May 12, 2026 meeting and also at that same meeting adopted a resolution authorizing the negotiation of an Installment Financing Contract associated with the LOBs.
- PNC Bank, National Association has agreed to purchase the Bond, and staff is seeking Council approval of the resolution authorizing the installment financing and related issuance of 2026 Interim Limited Obligation Bonds (LOBs) in an amount not to exceed $40,000,000.
- The projects covered under this debt issuance include a wide range of strategic capital goals the City wishes to meet in public safety, multi-modal transportation, parks & recreation, and facility maintenance.
- Specific projects of note covered under this debt issuance include repairs to the Municipal Building and as well other city facilities, maintenance to various parking garage structures, various street improvements/resurfacing, fire apparatuses and Transit buses.
- Motion to adopt a resolution of the City Council of the City of Asheville, North Carolina, approving an amendment to an installment financing contract to provide for the financing of additional projects and authorizing the City Manager or the Finance Director to pursue on behalf of the City debt financing for capital projects with a draw program that includes an installment financing and the related issuance of interim Limited Obligation Bonds (LOBs) in an amount not to exceed $40,000,000 for construction of various general government capital projects.

C. Resolution Number 26-101 - Resolution authorizing an increase in the total project funding for the Litter and Cleanliness Program and authorizing the City Manager to execute contract amendments with WNC Landscaping LLC and Steri-Clean of NC to increase each total contract amount for litter and and biohazardous debris collection and extend renewal periods - Resolution Book No. 46 - Page 348

- The total budget amount for Litter and Cleanliness is split between the 2 contracts.
- Funds in the Litter and Cleanliness budget are shared between the contracts and can be moved between the contracts as needed.
- Due to the unpredictable nature of hot spot and encampment clean up, moving funds between the contract has been necessary several times in the past.
- In 2023, City Council adopted resolutions authorizing the City Manager to enter into 2 contracts for the Litter and Cleanliness Program for a total combined project amount not to exceed $500,000, funded by American Rescue Plan Act (ARPA) grant funds .
- In Fiscal Year 2025, additional general fund savings were added to the contracts, bringing the total project amount to $618,640.

- In Fiscal Year 2026, additional ARPA and general funds were added to the contracts, bringing the total project amount to $818,640, and the contracts were extended until December 2026 or until funds are expended.
- Remaining ARPA funds in the Sanitation Division budget must be utilized by the end of 2026.
- Fiscal Year 2026 Sanitation general funds were allocated to this program and are available to add to the project contracts, requiring an increase in the total project not-to-exceed amount.
- Additional funds were requested as part of the Fiscal Year 2027 budget.
- Increasing the total project amount will enable service continuity through Fiscal Year 2027, pending Fiscal Year 2027 budget appropriation.
- As with the original project resolution, the new resolution will authorize the City Manager to execute any amendments and change orders to adjust the total amount of each individual contract, as well as change orders for individual contract renewals, within the new total project not-to-exceed amount of $1,073,640.
- Motion to adopt a resolution authorizing an increase in the total project funding for the Litter and Cleanliness Program of not-to-exceed $1,073,640 and authorizing the City Manager to execute contract amendments with WNC Landscaping LLC and Steri-Clean of NC to increase each total contract amount for litter and biohazardous debris collection and extending the renewal periods.

D. Resolution Number 26-102 - Resolution authorizing the City Manager to execute a contract amendment with Weisiger Group / d/ba/a Carolina Caterpillar for Heavy Truck Repair and Service to supplement Fleet Maintenance for 3 years if the final renewal is exercised - Resolution Book No. 46 - Page 349

- The Fleet Management Division of the Public Works Department maintains over 1,000 City owned vehicles and pieces of equipment.
- Contracted work is used to supplement existing staff resources at times of high demand or to provide services where the Fleet Division does not have suitable facilities or resources.
- Council approved Resolution 24-95 on May 14th, 2024 to enter into a contract based on Request for Proposals (298-RFP-HDRepair-FY24) advertised in February 2024.
- Weisiger Group / DBA Carolina Caterpillar was awarded a contract effective 7/1/2024.
    - The original Contract amount for the initial (1) one year term was $120,000 with a total not-to-exceed contract amount of $360,000 for all 3 years (if both optional renewals are exercised).
    - A Contract Amendment was previously approved by City Council on 12/10/2024 via Resolution 24-267 authorizing the amount to be increased to $240,000 with a total not-to-exceed contract amount of $720,000 for all 3 years (if both optional renewals are exercised).
- A contract amendment is needed in the amount of $120,000 for the second and third year, bringing the total not-to-exceed amount to $360,000 per year, for a total of $960,000 for all 3 years if the final optional renewal is exercised.
- The need for Heavy Truck Repair services has exceeded Fleet expectations.

- Since July 1st, 2025 this Contract has been utilized 29 times for various repairs totaling approximately $224,000.
- Currently, multiple City of Asheville units require repairs in which this Contract will be used.
- Sanitation Unit 3085 requires extensive electrical and body repairs for concerns of safety and operation that will exceed the remaining available funds for the current year of this contract.
- Stormwater Units 1403 requires replacement of the pump to be able to operate. This repair will exceed $10,000.
- Motion to adopt a resolution authorizing the City Manager to execute a contract amendment to add an additional $120,000 per year to this contract for the second and third year renewals, with Weisiger Group / DBA Carolina Caterpillar for Heavy Truck Repair and Service to supplement Fleet Maintenance, for a total not-to-exceed amount of $960,000.

E. Resolution Number 26-103 - Resolution amending the 2026 City Council meeting schedule to revise the Policy, Finance & Infrastructure Worksessions to be the 4th Tuesday of every other month beginning in July, 2026 - with the following dates for the remainder of 2026 - June 23, July 28, September 22 and November 10 (rescheduled from November 24, 2026) - Resolution Book No. 46 - Page 350

Mayor Manheimer asked for public comments on any item on the Consent Agenda, but received none.

Councilwoman Roney moved for the adoption of the Consent Agenda. This motion was seconded by Councilwoman Ullman and carried unanimously.

III. Presentations & Reports:

Manager's Report - 3rd Quarter Fiscal Year 2025-26 Capital Update

Capital and Asset Management Director Walter Ear outlined his following key takeaways as follows: (1) Construction is moving - the Municipal Building and multiple sidewalk and park projects are entering or already in active construction in 2026; (2) Recovery-driven investment - Helene recovery efforts are actively underway, with major projects funded and in design; and (3) delivery across the portfolio - completed projects, new construction starts, and designs in progress show steady, broad advancement across the capital program.

He said completed projects include McCormick Field renovation; roof replacements at Thomas Wolfe Auditorium, 29 Haywood Road, and Senior Opportunities Center on Grove Street; WNC Nature Center Gateway to the Southern Appalachians; and Weaver Park Improvements are substantially complete.

Construction starts on Johnston Boulevard sidewalks; and Airport Road sidewalks.

He then reviewed the Municipal Building capital repair projects; the Biltmore Village Infrastructure Project; Biltmore Village lighting infrastructure recovery project; and other capital projects in various stages and upcoming milestones.

Mr. Ear responded to Councilwoman Roney when she asked how Boosting the Block fits in with that corner of the Municipal Building.

IV. Public Hearings:

A. Public Hearing on the Fiscal Year 2026-27 Annual Operating Budget

Budget Manager Lindsay Spangler said that this is 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. The public hearing was advertised on May 15, 2026.

- 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.

Ms. Spangler outlined the FY 2027 budget process objectives, along with the proposed budget summary. Regarding the General Fund summary, she reviewed the balancing progress from January to the present. She reviewed a chart of the General Fund revenue summary, along with the FY 2027 General Fund revenues. She then reviewed a chart of the General Fund expenditure summary, the FY 2027 General Fund major expenditure drivers, and the FY 2027 General Fund by function.

Regarding the FY 2027 property tax revaluation, (1) The current City property tax rate is 44.19 cents per $100 of assessed value; (2) 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; and (3) 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. She then reviewed the proposed property tax rate chart.

Regarding the Homeowner Grant Program, (1) FY 2027 budget includes $75K for the Homeowner Grant Program, established and managed by Buncombe County; (2) The County is proposing to use the funds for Health and Human Services General Assistance; (3) Unlike current program, assistance will not be limited to homeowner assistance. Open to a variety of areas including utilities, car repair, medical, education and/or housing expenses (for homeowners or renters); (4) Less restrictive qualifications, so will be utilized by more residents; and (5) Agreement to come to Council for approval in FY 2027.

As a follow-up from the May 21 agenda briefing, (1) In 2024, the City added a 1% matching program to eligible employees' 401(k); (2) 75% of eligible employees currently take advantage of this match (961 employees); (3) As a balancing strategy, the proposed budget eliminates the 1% match, leaving the existing 5% contribution - AFD 457 accounts are also not affected; and (4) 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.

Regarding the FY 2027-2031 Capital Improvement Program (CIP), (1) 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; (2) Tropical Storm 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; and (3) Staff will continue to focus on long range capital planning in order to ensure strategic capital investment. She then reviewed the chart of the FY 2027-2031 proposed General Fund CIP.

Mayor Manheimer opened the public hearing at 5:49 p.m.

Several individuals spoke to Council about various items regarding the budget, some being, but are not limited to: concern of property tax increases; need to prevent violence before it happens through outreach, mentorship and conflict mediation, and not major long-term investments in surveillance and police strategies; respect our parks and public

lands and allow people to opportunity to recreate by not closing any recreation centers on Saturdays and Sundays; keep Montford Community Center open on Saturdays (provided community petition survey with 120 signatures in under 19 hours); urge Council to adopt a living wage rate of $24.10/hour for our employees; and urge Council to work to maintain and grow the transit system to align with the growing transportation needs in our community.

Mayor Manheimer closed the public hearing at 6:29 p.m.

Ms. Spangler, along with Human Resources Director Emily Provance, responded to various questions/comments from Council, some being, but are not limited to: confirmation that Fire Department employees will not receive the 1% 401 (k) match (but keep the existing 5% contribution); clarification regarding the recovery contingency, employee salaries, and Police Department vacancies; how did staff land at recommending the 2.8% cost of living adjustment (cola), noting that the 2.8% cola will bring all our permanent full-time staff up to the pledged living wage of $20/hour; confirmation that seasonal/temporary employees are eligible for overtime but they shouldn't be scheduled for 40 hours/week; when can we expect an update on how many employees hired as seasonal/temporary are actually working full-time hours; more information on how do we raise the minimum salary to $20/hour wage, not the $19.70/hour wage; what is the percentage of staff that are seasonal/temporary; hoped there would be a plan for the reduction of overtime; hoped surplus from sales tax revenue from Business Improvement District could contribute to help reduce the ask of the Police Department for their overtime; and consideration to giving all City employees the 1% 401 (k) match which would equate to $530,000.

Mayor Manheimer said that consideration of adoption of the Fiscal Year 2026-27 Annual Operating Budget will be held on June 9, 2026.

B. Public hearing to consider the submission of the 2026-2027 Annual Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnerships Program (HOME) to the U.S. Department of Housing and Urban Development

Community Development Division Manager James Shelton said that this is the consideration of a public hearing to consider the submission of the 2026-2027 Annual Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnerships Program (HOME) to the U.S. Department of Housing and Urban Development. This public hearing was advertised on May 15, 2026.

- The City of Asheville is an entitlement community and participating jurisdiction with the U.S. Department of Housing and Urban Development and receives formula funding through the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME).
- The City receives these allocations annually through a federal formula allocation process.
- CDBG funds support housing and community development activities within the City of Asheville. HOME funds support affordable housing activities within the

four-county Consortium region including Buncombe, Madison, Transylvania and Henderson counties.

- All funded activities must meet the goals and priorities as outlined in the City's Consolidated Plan 2025-2029.
- In order to access these funds for community development projects, the City must submit its Annual Action Plan to HUD following a public comment period in accordance with the Citizen Participation Plan.
- The Public Comment period opened May 4, 2026 and will remain open until June 5, 2026. The FY 2026-2027 Draft Annual Action Plan is available on the City's Community Development website and a Public Notice was announced on May 4 to the Asheville Citizen-Times.
- All public comments will be brought to the June 9, 2026 council meeting for approval of the FY 2026-2027 Annual Action Plan.

Mr. Shelton reviewed the following key takeaways from his presentation as follows: (1) The Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs are U.S. Department of Housing & Urban Development funding opportunities that support community development and affordable housing activities - Grant funding for Fiscal Year (FY) 2026-27 - CDBG = $1,046,468.00; and HOME = $1,075,138.48; and (2) Staff is seeking public comment on the 2026 - 2027 Annual Action Plan and the CDBG and HOME funding recommendations

Regarding the 2026-27 CDBG funding, the total available to award is $837,174.40. The 2026-27 CDBG award represents a 7.6% increase in funding from last year's award ($972,202) and is the highest award we have received since 2021. We typically factor in anticipated "program income" in each year's awards. However, program income has significantly decreased over the last year (particularly since the closure of the Charlotte Street ABC Store). Staff recommend waiting to see how much program income is collected in the coming year and using those funds to support FY27-28 activities.

He said in November 2025, CD staff consulted with the HCD Committee and established the following strategies for this year's funding cycle - (1) Encourage internal City departments to apply for funding (a) Direct investments for LMI neighborhoods and residents; (b) Lean into and build upon city-wide expertise in federal grant administration; and (c) Potential to develop a year-to-year pipeline of capital projects; and (2) Establish Award Minimums (a) Reduces the overall number of awards made to increase impact of investments; and (b) Increases staff capacity to effectively administer grant agreements and disaster recovery initiatives (i) Public Services: $40,000; and (ii) Non-Public Services: $100,000,

He then reviewed the application cycle and Action Plan timeline. He then reviewed the following chart of the 2026-27 CDBG proposed CDBG awards:

Recipient	Program Type	Project Description	Award Amount	Anticipated Outcomes
Asheville Water Resources Department	Home Repair (<80% AMI)	Replacing lead service lines on the homeowner	$ 500,000.00	142 Households

		water connection		
Asheville Area Habitat for Humanity	Home Repair (<80% AMI)	Repairing and alleviating emergency health, safety, and accessibility issues	$ 177,163.40	7 Households
Helpmate, Inc.	Housing Services (<60% AMI)	Administration of Tenant Based Rental Assistance (funded with HOME Program) to domestic violence survivors and those fleeing DV	$ 100,038.00	6 Households
Pisgah Legal Services	Public Services (<80% AMI)	Homelessness prevention	$ 60,000.00	350 Households
Administrative Costs	Administration	Staff salaries and benefits	$ 209,293.60	-
Total			**$ 1,046,468.00**	**505 Households**

Regarding the HOME investment Partnership Program, HOME funding is steered by the Asheville Regional Housing Consortium (ARHC or HOME Consortium) (1) Consortium member governments represent municipalities within: Madison, Buncombe, Henderson, and Transylvania Counties; and The City of Asheville serves as the participating jurisdiction (or lead entity) for the consortium; (2) The ARHC voted unanimously on January 14, 2025 to recommended that the City undertake Affordable Rental Construction as the sole activity type for this year; (3) Council authorized staff on March 10th to submit an amendment to the 2025-2029 Consolidated Plan to undertake this activity type; and (4) HUD approved the amendment on March 24th, clearing the path for us to undertake this activity type in the 2026-2027 Annual Action Plan. The 2026-2027 Annual Action Plan will allocate all 26/27 HOME funds for Affordable Rental Construction (1) New construction and/or substantial rehabilitation of rental housing that is affordable to households at 60% AMI or less; (2) Projects are 5 units or more; and (3) HOME funding typically represents 10% - 20% of a construction project's total development cost. Applications for HOME Rental Construction Funding will be held this fall to align with the NCHFA's LIHTC cycle (1) Staff will review applications along with the ARHC; and (2) The ARHC will then make an award recommendation and City Council will review that recommendation and authorize any awards from this funding cycle next spring.

He then reviewed the HOME Program funding, along with the annual Action Plan approval process.

Mr. Shelton responded to various questions/comments from Council, some being,

but are not limited to: what programs were not funded and some context on why some regular funding recipients did not receive funding this year; what is the plan to make sure the replacing lead service line on the homeowner water connection will move forward; and regarding the Asheville Habitat home repairs, confirmation that the seven households can be for Tropical Storm Helene home repairs, or other households in need of repair.

When no one spoke, Mayor Manheimer opened and closed the public hearing at 7:12 p.m.

Mayor Manheimer said that consideration of adoption of the submission of the Community Development Annual Action Plan amendment will be held on June 9, 2026.

V. Unfinished Business:

VI. New Business:

VII. Informal Discussion And Public Comment:

Several individuals spoke to City Council about various matters, some being, but are not limited to: financial challenges for Homeward Bound and advocate for CDBG funding this year; public would like to have a window into deliberations in high stake matters; and recommendation to cap or reduce the top of your pay scale in order to raise base pay.

VIII. Adjournment:

Mayor Manheimer adjourned the meeting at 7:28 p.m.

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Esther E. Manheimer, Mayor

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Magdalen Burleson, City Clerk