City Council Staff Report

Council Meeting Date

- June 23, 2026

Subject

- Budget Amendment associated with the June 2026 refunding of the 2015 Water Revenue Bonds

Staff Resource(s)

- Tony McDowell, Director of Finance and Management Services

Action Requested

- Adoption of a budget amendment to the Fiscal Year (FY) 2025-26 Water Resources Fund (6100 Fund) budget in the amount of $16 million to account for the refunding of debt.

Background

- In June 2015, the City issued the 2015 Water Revenue Bonds in the amount of $50.625 million.
- On May 12, 2026, City Council approved the issuance of 2026 Water Revenue Bonds in an amount not to exceed $51 million, which included approximately $16 million to refinance the remaining outstanding amount from the 2015 Water Revenue Bonds.
- On June 3, 2026, the City closed on the 2026 Water Revenue Bonds.
- The funds generated from the refunding portion of the transaction were used to pay off the existing 2015 Bonds, which created an expense in the Water Resources Fund that requires budget authorization.
- The Fiscal Year (FY) 2025-26 budget did not include budget authorization to account for the issuance of the refunding bonds.
- This amendment incorporates these appropriations into the budget in order to ensure that the Water Resources Fund does not exceed the approved annual budget.

Vendor Outreach Efforts:

- N/A.

Council Vision 2036 Focus Area(s):

- Financially Resilient City

Council Priority Recovery Area(s):

- None

Committee(s):

- None

Fiscal Impact

- There is no net fiscal impact from this budget amendment.
- It will amend the FY 2025-26 budget in the Water Resources Fund to reflect the receipt of refunding proceeds from the bank and the subsequent payment to the bondholders to pay off the prior debt issuance.

Suggested Motion

- Motion to adopt a budget amendment in the amount of $16 million in the Water Resources Fund to account for the refunding of debt.

Attachment(s)

- Budget Amendment

City of Asheville Budget Amendment Ordinance Number ____

Be it Ordained by the City Council of the City of Asheville:

That the City of Asheville Fiscal Year 2026 Budget Ordinance be amended to provide an appropriation of $16,000,000 to refund the 2015 Water System Revenue Bonds.

Water Resources Operating Fund

Revenues:

Proceeds of Debt	$16,000,000
Total Revenue	$16,000,000

Expenditures:

Defease Debt/Cost of Issuance	$16,000,000
Total Expenses	$16,000,000

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 23rd day of June, 2026.

_____
Esther E. Manheimer, Mayor

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Brad Branham, City Attorney

_____
Magdalen Burleson, City Clerk