

Thursday – June 5, 2025 - 11:00 a.m.

Agenda Briefing Worksession - For June 10, 2025, Council Meeting

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 Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

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

Discussion occurred on the following other issues and updates:

- Budget Update
- Temporary Water System Next Steps
- Long Term Recovery Planning Initiative - Urban Land Institute (ULI) Advisory Panel

At 12:15 p.m., Mayor Manheimer adjourned the agenda briefing worksession.

Tuesday – June 10, 2025 - 5:00 p.m

Regular Meeting

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 Debra Campbell; City Attorney Brad Branham; and City Clerk Magdalen Burleson

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

I. PROCLAMATIONS:

II. CONSENT AGENDA:

At the request of Councilwoman Roney, Consent Agenda Items “E.1 and 2” were removed from the Consent Agenda for discussion and/or individual votes.

- A. APPROVAL OF THE COMBINED MINUTES OF THE AGENDA BRIEFING WORKSESSION HELD ON MAY 22, 2025, AND THE FORMAL MEETING HELD ON MAY 27, 2025**
- B. RESOLUTION NO. 25-121 - RESOLUTION AMENDING THE CITY OF ASHEVILLE’S RULES ON BOARDS & COMMISSIONS**

Action Requested: Adoption of a resolution amending the City of Asheville’s Rules on Boards & Commissions.

Background:

- Throughout the years, the City of Asheville's Rules on Boards & Commissions have been amended.
- The latest amendment to the City of Asheville's Rules on Boards & Commissions was adopted on September 13, 2022, via Resolution No. 22-204.
- Since that time, City staff have recognized several discrepancies between State law, practice, and out-of-date material.
- Major revisions to the Rules include:
 - Revision of Qualifications Section regarding the requirement for City residency for appointment to be amended so that City residents will be given preference to City-managed boards & commissions.
 - Requirement for boards to submit annual work plan to be posted on City website by August 30 each year
 - Requirement that all boards adopt the Rules of Procedure provided as approved by the City Attorney's Office
 - Clarification on voting rules, including unexcused absences and nonvotes
 - Inclusion of the Ethics Policy within the City of Asheville's Rules on Boards & Commissions document
 - Removal of the Conflicts of Interest section, to now be contained within the Ethics Policy

Council Goal(s):

- A Connected and Engaged Community
- Equitable and Diverse Community

Pros:

- Board members and residents have a clear and concise set of rules to follow for all boards and commissions.

Cons:

- None.

Committee(s):

- Policy Finance and Infrastructure Committee - June 10, 2025

Fiscal Impact:

- This action requires no City resources and has no fiscal impact.

Motion:

- Motion to adopt a resolution amending the City of Asheville's Rules on Boards & Commissions.

RESOLUTION BOOK NO. 45 - PAGE 435

C. RESOLUTION NO. 25-122 - RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A PLANNING GRANT FOR THE RIGHT AT HOME INITIATIVE AND TO EXECUTE ANY AGREEMENTS, IF AWARDED

Action Requested: Adoption of a resolution authorizing the City Manager to submit a planning grant for the Right at Home initiative and to execute any agreements if awarded.

Background:

- The City of Asheville is the designated Lead Agency for the Asheville-Buncombe Continuum of Care (CoC). The CoC oversees homelessness response in Asheville and Buncombe County.

- The CoC has been invited to participate in a 3-year pilot initiative on homelessness prevention called Right at Home.
- Right at Home is seeking to pilot prevention services (e.g. rental assistance, case management) in 10 communities across the country and has selected Asheville-Buncombe for inclusion in the pilot.
- The CoC Board unanimously approved this opportunity at its May 8, 2025 meeting.
- The City as the CoC's Lead Agency will submit and manage the planning grant on the CoC's behalf by entering into an agreement with Destination Home SV, a 501(c)3 organization, which serves as the fiscal manager for the Right at Home partnership.
- The planning grant will add a funded staff position to the Homeless Strategy Division in the Community and Economic Development Department for project management of the initiative during both the 6-12 month planning phase and the 3-year implementation period.
- Planning is expected to conclude by June 2026 with implementation to begin in July 2026. Plans will be approved by the CoC Board and by Right at Home prior to implementation.
- This funded opportunity will provide critically needed rental assistance to help households maintain housing and avoid entering homelessness.

Vendor Outreach Efforts:

- N/A

Council Goal(s):

- People
- Housing

Committee(s):

- Asheville-Buncombe Continuum of Care Board - May 8, 2025 - unanimous approval to submit a planning grant to participate in the Right at Home initiative

Pro(s):

- Secures new resource for homelessness prevention
- Adds funded project management capacity in Homeless Strategy Division

Con(s):

- None noted

Fiscal Impact:

- If awarded, matching funds will not be required for this grant.

Motion:

- Motion to authorize the City Manager to submit a planning grant for the Right at Home initiative and to execute any agreements if awarded.

RESOLUTION BOOK NO. 45 - PAGE 444

D. RESOLUTION NO. 25-123 - RESOLUTION AUTHORIZING THE CITY ATTORNEY TO ENTER INTO A CONTRACT FOR TWO YEARS WITH THE FERGUSON GROUP, LLC, FOR FEDERAL LOBBYING SERVICES, WITH TWO ADDITIONAL ONE-YEAR OPTIONAL RENEWAL PERIODS

Action Requested: Approval of a resolution authorizing the City Attorney to enter into a contract for two years with The Ferguson Group, LLC for federal lobbying services, with two additional one year optional renewal periods. The pricing structure will be: \$72,000.00 for contract year one, with

a five percent increase for each subsequent year - \$75,600.00 for contract year two, \$79,380 for the first optional renewal year, and \$83,349 for the second optional renewal year.

Background:

- Approval of the contract will allow the City's federal lobbyist to continue providing its services on behalf of the City to the Federal Government and related Federal entities.
- The City's lobbyist provides valuable services through advocating the City's legislative agenda, lobbying against bills which would be harmful to the City, and providing general counsel to the City and its elected officials on matters dealing with the Federal Government.
- The current contract will expire June 30, 2025.
- This type of agreement is exempt from competitive procurement.

Vendor Outreach Efforts:

- Vendor is self performing - not applicable.

Council Goal(s):

- A Connected and Engaged Community
- Well Planned and Livable Community

Committee(s):

- N/A

Pro(s):

- Provide continued federal lobbying services.

Con(s):

- None

Fiscal Impact:

- The contract will be at a rate of \$147,600.00 for the first two years, with two additional one year optional renewal periods with a rate of \$79,380 for the first optional renewal year and \$83,349 for the second optional renewal year.

Motion:

- Move to adopt a resolution authorizing the City Attorney to enter into a contract for legislative liaison services with The Ferguson Group, LLC for two years for a total amount of \$147,600.00 with options to extend for an additional two years at a rate \$79,380 for the first optional renewal year and \$83,349 for the second optional renewal year.

RESOLUTION BOOK NO. 45 - PAGE 445

- E. RESOLUTION TO ACCEPT THE 2025 HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA) GRANT ON BEHALF OF THE ASHEVILLE HIDTA BRANCH FROM THE OFFICE OF NATIONAL DRUG CONTROL POLICY AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS ASSOCIATED WITH THE GRANT**

BUDGET AMENDMENT TO ACCEPT THE HIDTA GRANT

These items were removed from the Consent Agenda for discussion and/or individual votes.

F. RESOLUTION NO. 25-125 - RESOLUTION FOR THE CITY OF ASHEVILLE TO EXPEND AND DISBURSE FEDERAL TRANSIT ADMINISTRATION GRANTS APPORTIONED TO THE ASHEVILLE URBANIZED AREA FOR FISCAL YEAR (FY) 2024 AND FY 2025 FROM THE SECTION 5307 URBAN TRANSIT FUNDING, SECTION 5307 JOB ACCESS REVERSE COMMUTE, AND FY 2024 SECTION 5310 ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES PROGRAMS; AND TO EXECUTE ALL NECESSARY AGREEMENTS BETWEEN THE CITY OF ASHEVILLE AND APPLICABLE TRANSIT SUBRECIPIENTS FOR THE DISBURSEMENT OF APPROVED FUNDS

ORDINANCE NO. 5139 - BUDGET AMENDMENT IN THE TRANSIT SERVICES MULT-YEAR FUND

Action Requested: Adoption of a resolution for the City Manager to expend and disburse Federal Transit Administration Grants apportioned to the Asheville Urbanized Area for FY 2024 and FY 2025 from the Section 5307 Urban Transit Funding, Section 5307 Job Access Reverse Commute, and FY 2024 Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Programs; to adopt a budget amendment in the amount of \$4,413,775 in the Transit Services Multi-year Fund; and to execute all necessary agreements between the City of Asheville and applicable transit Subrecipients for the disbursement of approved funds.

Background:

- Federal Transit Administration (FTA) grant funds are apportioned to the Asheville Urbanized Area (AUZA) annually by the Federal Transit Administration and are disbursed by the City of Asheville, as the Designated Recipient, to the regional transit agencies (Subrecipients), including Buncombe County, Land of Sky Regional Council, Senior Companions - Caregiver Project and Buncombe County Agency on Aging.
- This action would authorize the expenditure and disbursement of City and Subrecipient transit grant funds for FY 2024 and FY 2025 from three annual programs that support existing transit services.
 - *Section 5307 Urban Transit Funds* - these funds are allocated annually to the Asheville Urbanized Area (AUZA) and are split between the City and Subrecipients based on a formula determined by the French Broad River MPO (FBRMPO). Funds can not be expended until approved in an executed FTA grant.
 - *Section 5307 Job Access Reverse Commute (JARC)* - the total amount of funds for this program originates from a 10% set-aside of Section 5307 Urban Transit funds. Each year, agencies must apply to the FBRMPO for JARC Funds. The City typically receives JARC funds to offset some of the cost of Routes 170, S3, and more recently the S6. In FY 2024, the City of Asheville was the only JARC recipient. The FY 2025 JARC application process will be completed by the MPO and City staff will bring forward the award at that time.
 - *Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities* - these funds are allocated annually to the AUZA. Each year, agencies must apply to the FBRMPO for 5310 funds.
- The City Attorney's Office and Purchasing Division have determined that a City Council resolution specifically authorizing the disbursement of funds to each Subrecipient, the amount being disbursed to each, and the execution of agreements, is necessary in order to provide reimbursements to Subrecipients.

The following table outlines the amounts being disbursed to each entity by program for FY 2024 and FY 2025.

Section 5307 Urban Transit Funds

FY24 Section 5307 Urban Transit Funding	
Subrecipient	Allocation Amount
JARC Set-Aside (City of Asheville)	\$412,909
City of Asheville	\$1,742,890
Buncombe County	\$1,185,462
Henderson County	\$787,831
Total	\$4,129,092

FY25 Section 5307 Urban Transit Funding	
Subrecipient	Allocation Amount
JARC Set-Aside	\$420,732
City of Asheville	\$1,775,907
Buncombe County	\$1,207,920
Henderson County	\$802,756
Total	\$4,207,315

Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities

FY24 Section 5310 Funds			
Subrecipient	Project	Amount Funded	Local Match (varies)
Buncombe County	Supplemental Elderly and Disabled Transportation Assistance Program (SEDTAP)	\$262,659	\$52,532
Buncombe County	RIDE Voucher Program	\$38,055	\$38,055
Land of Sky Regional Council	Senior Companions Program	\$56,604	\$56,604

FY24 Section 5310 Funds			
Land of Sky Regional Council	Senior Companions - Caregiver Project	\$56,590	\$56,590
Buncombe County Agency on Aging	Call - A - Ride Program	\$15,898	\$15,898
City of Asheville	Program Administration 10%	\$47,756	\$0.00
Total		\$477,562	\$219,679

Vendor Outreach Efforts:

- N/A. These funds are apportioned to the Asheville Urbanized Area (AUZA) annually by the Federal Transit Administration and are disbursed by the City of Asheville, as the Designated Recipient, to the regional transit agencies (Subrecipients), including Buncombe County, Land of Sky Regional Council, Senior Companions - Caregiver Project and Buncombe County Agency on Aging. etc.

Council Goal(s):

- Transportation and accessibility

Committee(s):

- N/A

Pro(s):

- This action would authorize the acceptance, expenditure and disbursement of City and subrecipient transit grant funds for FY 2024 and FY 2025 from two annual programs that support existing transit services.
- The authorization will allow the City to process reimbursement requests for the City's Transit Subrecipients.

Con(s):

- None

Fiscal Impact:

- The City's required matching funds are included annually in the Transit Fund operating budget.
- The City's local match for FY 2024 and FY 2025 Section 5307 Urban Transit funding, FY 2024 and FY 2025 JARC set-aside and FY 2024 5310 funding was already encumbered.
- The City "passes through" funding to each subrecipient and is not responsible for their local match.
- The total of pass-through funding in the amount of \$4,413,775 will be appropriated by the budget amendment in the Transit Services Multi-Year Fund.
- The amounts listed as City of Asheville in the above charts are included in the Transit Fund operating budget.

Motion:

- Motion to adopt a resolution authorizing the City Manager to expend and disburse Federal Transit Administration Grants apportioned to the Asheville Urbanized Area for FY

2024 and FY 2025 from the Section 5307 Urban Transit Funding, FY 2024 and FY 2025 Section 5307 Job Access Reverse Commute, and FY 2024 Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Programs; and to execute all necessary agreements between the City of Asheville and applicable transit Subrecipients for the disbursement of approved funds.

RESOLUTION BOOK NO. 45 - PAGE 447
ORDINANCE BOOK NO. 36 - PAGE 203

G. ORDINANCE NO. 5140 - ORDINANCE ENACTING (1) A 20 MILES PER HOUR SPEED LIMIT ON SHORT COXE AVENUE FROM SOUTHSIDE AVENUE TO BILTMORE AVENUE; AND (2) A 20 MILES PER HOUR SPEED LIMIT ON CLINGMAN AVENUE EXTENSION FROM CLINGMAN AVENUE TO LYMAN STREET

Action Requested: Adoption of an ordinance enacting (1) a 20 mph speed limit on Short Coxe Avenue from Southside Avenue to Biltmore Avenue and (2) a 20 mph speed limit on Clingman Avenue Extension from Clingman Avenue to Lyman Street.

Background:

- N.C. Gen. Stat. § 20-141 gives the City the authority to regulate speed limits within its corporate limits.
- City staff received requests from citizens to consider changes to speed limits.
- City staff performed appropriate traffic engineering reviews along two streets: Short Coxe Avenue and Clingman Avenue Extension.
- The speed limit on the following streets will be set at 20 miles per hour:
 - Short Coxe Avenue from Southside Avenue to Biltmore Avenue
 - Clingman Avenue Extension from Clingman Avenue to Lyman Street
- Safety concerns were raised about speeding on both of these streets. The speed limit changes are recommended in order to establish lower, safer speed limits that are consistent with the context of these streets.
- The Asheville Police Department has reviewed the subject actions and they concur with them.
- Once the subject action is approved and prior to the installation of appropriate signs on the City-maintained streets, Transportation Department staff will coordinate outreach and public education with the Communication & Public Engagement Department (CAPE) and the Asheville Police Department.
- Subpart A, Article II, Section 18 of the City of Asheville's Charter requires revising or amending ordinance sections by repealing the original ordinance sections completely and replacing them with revised or amended ordinance sections.
- Staff is therefore requesting a repeal and replacement of the relevant ordinance sections to accomplish these speed limit changes.
- A short version of the ordinance changes is included with this staff report.

Council Goal(s):

- Transportation and Accessibility.

Committee(s):

- MMTC - not presented due to no scheduled meetings.

Pro(s):

- City staff have been able to respond favorably to citizens' requests.
- Provides a more appropriate posted speed limit in commercial and residential areas.
- Provides more appropriate posted speed limits for pedestrians, transit, and bicycle riders.

Con(s):

- None

Fiscal Impact:

- The cost of installing and maintaining speed limit signs is included in the Transportation Department operating budget.

Motion:

- Motion to repeal ordinance section and replace with the revised ordinance section to enact (1) a 20 mph speed limit on Short Coxe Avenue from Southside Avenue to Biltmore Avenue and (2) a 20 mph speed limit on Clingman Avenue Extension from Clingman Avenue to Lyman Street.

ORDINANCE BOOK NO. 36 - PAGE 204

H. RESOLUTION NO. 25-126 - RESOLUTION RATIFYING A CONTRACT WITH DEBRISTECH, LLC AND ALL PRIOR SPENDING AND FUTURE SPENDING UNDER SAID CONTRACT FOR THE PURPOSES OF TOWING AND DEBRIS MONITORING FOR TROPICAL STORM HELENE-RELATED RECOVERY EFFORTS

RESOLUTION NO. 25-127 - RESOLUTION RATIFYING A CONTRACT WITH TOWING AND TRANSPORT OF NC, INC; AND ALL PRIOR SPENDING AND FUTURE SPENDING UNDER SAID CONTRACT FOR THE PURPOSES OF TOWING AND DEBRIS MONITORING FOR TROPICAL STORM HELENE-RELATED RECOVERY EFFORTS

RESOLUTION NO. 25-128 - RESOLUTION RATIFYING A CONTRACT WITH HART'S TOWING LLC. AND ALL PRIOR SPENDING AND FUTURE SPENDING UNDER SAID CONTRACT FOR THE PURPOSES OF TOWING AND DEBRIS MONITORING FOR TROPICAL STORM HELENE-RELATED RECOVERY EFFORTS

Action Requested: Adoption of resolutions ratifying not-to-exceed contracts with DebrisTech in the amount of \$500,000; Carolina Towing and Transport of NC in the amount of \$725,000; and Hart's Towing in the amount of \$725,000; to include all prior spending and future spending under said contracts for the purposes of Tropical Storm Helene-related recovery efforts.

Background:

- Over the course of September 26-29, 2024, the City of Asheville experienced unprecedented rainfall both from Tropical Storm Helene and a predecessor heavy rain event, resulting in catastrophic damage, primarily from the ensuing flooding and landslides.
- A state of emergency went into effect in Asheville on September 25th in relation to these damaging storms.
- The equipment and staffing capacity needed for recovery efforts exceeded that which was available of the City's internal capacity, rendering it necessary to contract for these services.
- The following vendors were selected and associated contracts executed for the purposes of Tropical Storm Helene-related recovery efforts:
 - General Services Contract 92500474 with DebrisTech, LLC, for a total authorized not-to-exceed amount of \$500,000.

- General Services Contract 92500470 with Carolina Towing and Transport of NC, Inc., for a total authorized not-to-exceed amount of \$725,000.
- General Services Contract 92500471 with Hart's Towing, LLC, for a total authorized not-to-exceed amount of \$725,000.
- Contracted services consist of the following:
 - Remove titled property from City right-of-ways, private property, City property, or other areas within City limits as directed;
 - Document towing, storage, and disposal processes in accordance with state and federal regulations, and provide all requested documentation to City of Asheville; and
 - Debris monitoring services to oversee the above-mentioned processes.

Vendor Outreach Efforts:

- General Services Contract 92500474 with DebrisTech, LLC, was completed under NC State Contract 19-IFB-015120-DAD, thus no outreach efforts conducted by the City.
- An ABI Policy Exemption was granted for the Helene Towing 2025 Bid, which resulted in the contracts with Hart's Towing and Carolina Towing and Transport of NC, Inc.

Council Goal(s):

- Clean, Safe, and Healthy Environment

Committee(s):

- None

Pro(s):

- Public Works will be able to contract for services needed to complete Tropical Storm Helene-related recovery efforts, which exceeds the department's internal capacity.

Con(s):

- None.

Fiscal Impact:

- The fiscal impact will vary depending upon utilization, but will not exceed the cumulative contract limits of \$1,950,000.
- The City has already incurred costs associated with this service. Towing operations were delayed pending this contract but are essential to debris cleanup. The services commenced immediately upon signing a contract with these vendors.
- Services rendered will be paid from the funds allocated to Public Works for the purposes of Tropical Storm Helene-related expenses. These funds have been authorized for the purpose of immediate response and recovery efforts.
- The contracted services are for the purposes of Tropical Storm Helene-related recovery efforts and are expected to be eligible for FEMA reimbursement. These expenses are being submitted through the FEMA Public Assistance process.

Motion:

- Move to adopt resolutions ratifying not-to-exceed contracts with DebrisTech in the amount of \$500,000; Carolina Towing and Transport of NC in the amount of \$725,000; and Hart's Towing in the amount of \$725,000; to include all prior spending and future spending under said contracts for a cumulative not-to-exceed total of \$1,950,000, for services rendered for Tropical Storm Helene-related recovery efforts.

RESOLUTION NO. 25-126 - RESOLUTION BOOK NO. 45 - PAGE 450
RESOLUTION NO. 25-127 - RESOLUTION BOOK NO. 45 - PAGE 451
RESOLUTION NO. 25-128 - RESOLUTION BOOK NO. 45 - PAGE 452

I. RESOLUTION NO. 25-129 - RESOLUTION RATIFYING THE CITY'S EMERGENCY CONTRACT WITH HERC RENTALS INC. FOR THE PROVISION OF PARKS & RECREATION OPERATIONS VEHICLES DAMAGED BY TROPICAL STORM HELENE AND WAIVE ANY CONTRACTING PROCEDURES THAT MIGHT HAVE OTHERWISE APPLIED

Action Requested: Adoption of a resolution ratifying a contract with Herc Rentals, Inc., entered into on an emergency basis in the immediate aftermath of Tropical Storm Helene.

Background:

- In late September, the City of Asheville experienced unprecedented rainfall both from Tropical Storm Helene and a predecessor heavy rain event. A state of emergency covering Asheville was declared on September 25th in relation to Tropical Storm Helene.
- Flooding of the Swannanoa River rose to levels that destroyed the Parks Operations Facility and Fleet, located at 81 Thompson Street.
- The damage caused by Helene required an immediate response by the City to secure public safety, provide aid to the community, and secure public infrastructure.
- During this crisis, the City of Asheville engaged Herc Rentals, Inc. to augment City staff and expand its equipment capacity, including a skid steer, utility bed trucks, and pickups, to aid staff in meeting community needs.
- This rental was determined to be necessary in order to address a special emergency involving the health and safety of the people or their property, and therefore exempt under N.C. Gen. Stat. § 143-129(e)(2) from standard contracting processes in state law.
- This purchase was further needed to address an emergency or exigency within the meaning of 2 CFR § 200.320(c)(3).
- Staff is now requesting that Council ratify the City's contract with Herc Rentals, Inc. for this procurement and waive any contracting policies or procedures that would normally have applied.

Council Goal(s):

- Clean, Safe, and Healthy Environment

Committee(s):

- None

Pro(s):

- Allowed the City to immediately act to address an emergency without delay.
- Allowed the City to continue to return parks to a safe, usable condition following TS Helene.

Con(s):

- None

Fiscal Impact:

- The total cost of this contract is to not exceed \$250,000.
- The contract is expected to be fully funded with previously approved FY25 & anticipated FY26 Parks & Recreation operating funds.

Motion:

- Motion to adopt a resolution to ratify the City's emergency contract with Herc Rentals, Inc., for the provision of Parks & Recreation fleet rentals in an amount not to exceed \$250,000.00 in response to Tropical Storm Helene Emergency Response and waive any

contracting policies and procedures that might have otherwise applied and formally ratifies the same.

RESOLUTION BOOK NO. 45 - PAGE 453

J. RESOLUTION NO. 25-130 - RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND A CONTRACT WITH HAGERTY CONSULTING INC. FOR RECOVERY MANAGEMENT SERVICES FROM TROPICAL STORM HELENE

ORDINANCE NO. 5141- BUDGET AMENDMENT TO FUND CONTRACT AMENDMENT WITH HAGERTY CONSULTING INC.

Action Requested: Adoption of a resolution authorizing the City Manager to amend a contract with Hagerty Consulting, Inc. for recovery management services from Tropical Storm Helene, and a budget amendment to fund the contract amendment.

Background:

- Over the course of September 26-29, 2024, the City of Asheville experienced unprecedented rainfall both from Tropical Storm Helene, and a predecessor heavy rain event.
- The damage caused by Helene required an immediate response by the City to secure public safety, provide aid to the community, and secure public infrastructure.
- In responding to this crisis, the City of Asheville entered into emergency contracts to address the needs of the community when those needs exceeded the capacity of City staff.
- Under one such contract, the City engaged Hagerty Consulting, Inc., for recovery management services.
- That contract was ratified by the City Council on November 12, 2024.
- This contract was amended January 28, 2025 for a total amount not to exceed \$5,994,885 for work occurring through June 30, 2025 (Fiscal Year 2024-2025).
- Accomplishments from the Fiscal Year 2024-2025 (FY25) contract include but are not limited to the development of the Community Development Block Grant - Disaster Recovery (CDBG-DR) Action Plan and associated policies and procedures and oversight of 842,706 cubic yards of debris removed from the Right of Way (ROW), waterways and private property.
- This contract amendment will increase the contract by \$6,831,140 for work to occur in Fiscal Year 2025-2026 (FY26) and brings the total to a not to exceed amount of \$12,826,024.
- The contract for FY26 is anticipated to support work to complete debris removal and a significant increase in infrastructure projects working through the FEMA Public Assistance program.
- There is no definitive end date for this contract. Staff anticipates bringing contract amendments to Council as needed but will attempt to limit the amendments to one per fiscal year.
- The scope of work is intended to be flexible and scalable, allowing the City of Asheville to activate services as needed based on the specific requirements of each disaster event
- The scope of work includes capacity and support to the City in working with specific federal agencies to maximize access to direct financial reimbursement, grant support and technical assistance.
- The federal agencies referenced in the scope of work are: FEMA (Public Assistance, Individual Assistance, Hazard Mitigation), HUD, and the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) disaster recovery programs:

- It is expected that 90% of this expense will be reimbursed by FEMA and CDBG-DR. Remaining expenses may be eligible for additional revenue sources.
- To date Hagerty Consulting's support resulted in the obligation of \$10.3 million dollars to the City through the FEMA Public Assistance Program.
- Hagerty Consulting's support resulted in an approved Action Plan from HUD for the \$225 million direct allocation for CDBG-DR.
- Ongoing work will focus on maximizing cost recoverable opportunities and funding resources to support the City's infrastructure, housing and economic recovery efforts.

Council Goal(s):

- Clean, Safe, and Healthy Environment
- A Financially Resilient City

Committee(s): None

Pro(s): Allows the City to continue to act to address an emergency without delay.

Con(s): None, aside from the expenses incurred.

Fiscal Impact:

- This amendment adds \$6,831,140 to the contract bringing the total amount not to exceed \$12,826,024. It is expected that the majority of the amended contract (approximately \$6.6 million) will be reimbursable through the Federal Emergency Management Agency (FEMA) Public Assistance Program and Community Development Block Grant -Disaster Recovery Grant (CDGB-DR). If future costs are deemed ineligible for federal funds or additional revenue sources are not identified, General Fund fund balance will be utilized if needed.

Motion:

- Motion to adopt a resolution authorizing the City Manager to amend a contract with Hagerty Consulting, Inc. for recovery management services from Tropical Storm Helene and approve a budget amendment to fund the contract amendment as described in the accompanying staff report.

**RESOLUTION BOOK NO. 45 - PAGE 454
ORDINANCE BOOK NO. 36 - PAGE 209**

K. MOTION AMENDING THE 2025 CITY COUNCIL MEETING SCHEDULE TO (1) MOVE THE 11:00 A.M. VIRTUAL CITY COUNCIL AGENDA BRIEFING FOR THURSDAY, JULY 17, 2025, TO THURSDAY, JULY 24, 2025; AND (2) MOVE THE 5:00 P.M. IN-PERSON CITY COUNCIL FORMAL MEETING SCHEDULED FOR TUESDAY, JULY 22, 2025, TO TUESDAY, JULY 29, 2025

L. MONTHLY MUNICIPAL PROPERTY TAX REFUNDS OR RELEASES PER N.C. GEN. STAT. SEC. 105-381

Action Requested: Adoption of City of Asheville property tax refunds and releases for the month of April 2025..

Background:

- Buncombe County currently bills and collects City property taxes
- At the August 22, 2023, meeting, City Council approved an addendum to the existing tax collection agreement with Buncombe County to ensure that it fully conforms to the

provisions of Chapter 105 of the North Carolina General Statutes, entitled The Revenue Act.

- As part of that compliance, the City Council must, on a monthly basis, approve all property tax releases and refunds that have been approved by the Buncombe County Board of Commissioners.
- City of Asheville refunds and releases for April 2025 are included in the document.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Ensures compliance with provisions of Chapter 105 of the North Carolina General Statutes, entitled The Revenue Act.

Con(s):

- None

Fiscal Impact:

- None.

Suggested Motion:

- Motion to adopt City of Asheville property tax refunds and releases for the month of April 2025..

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

Mayor Manheimer said that members of Council have been previously furnished with a copy of the resolutions and ordinances on the Consent Agenda and they would not be read.

Councilwoman Turner moved for the adoption of the Consent Agenda, with the deletion of Consent Agenda Items "E.1 and 2." This motion was seconded by Councilwoman Ullman and carried unanimously.

ITEMS REMOVED FROM THE CONSENT AGENDA FOR DISCUSSION AND/OR INDIVIDUAL VOTES

E. RESOLUTION NO. 25-124 - RESOLUTION TO ACCEPT THE 2025 HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA) GRANT ON BEHALF OF THE ASHEVILLE HIDTA BRANCH FROM THE OFFICE OF NATIONAL DRUG CONTROL POLICY AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS ASSOCIATED WITH THE GRANT

ORDINANCE NO. 5138 - BUDGET AMENDMENT TO ACCEPT THE HIDTA GRANT

Action Requested: Adoption of a resolution to accept the 2025 High Intensity Drug Trafficking Areas (HIDTA) Grant on behalf of the Asheville HIDTA branch and authorize the City Manager to execute all documents associated with the grant; and adopt a budget amendment in the City's Special Revenue Fund in the amount of \$160,904.00.

Background:

- The purpose of the HIDTA program is to reduce drug trafficking and especially production in the United States, specifically in areas where drug-related activities are having a significant harmful impact.
- This unit does not focus on, or adopt cases, that are for simple possession, but focuses only on cases that deal in trafficking, manufacturing, and distribution of illegal drugs.
- The Asheville Police Department acts only as the fiduciary for the grant.
- When expenses are incurred, the fiduciary settles the claims using appropriated City of Asheville funds and then requests a 100% reimbursement from the federal government.
- The Asheville HIDTA is the direct beneficiary of the grant funds and not the Asheville Police Department.
- The Asheville HIDTA is comprised of members of the United States Drug Enforcement Administration, one officer from the Asheville Police Department, and various individuals from the Sheriff Offices of several Western North Carolina Counties.
- A United States Drug Enforcement Administration supervisor, who is the Asheville HIDTA manager, determines how grant funds will be expended.
- All members of the Asheville HIDTA receive reimbursement when they incur qualified expenses conducting Asheville HIDTA business.
- The Office of National Drug Control Policy has determined that the City of Asheville is eligible to manage this grant totaling \$160,904.00.
- Grant funds are used for overtime, travel, services and supplies.
- All expenses are tracked and audited by local and federal authorities.

Vendor Outreach Efforts:

- None. Funding for this grant is provided by the Office of National Drug Control Policy (ONDCP).

Council Goal(s):

- A Connected and Engaged Community

Committee(s):

- The Environment & Safety Committee approved to move the application of this grant forward to City Council on 3/26/2024 with a 3-0 vote. Council then voted to approve the application of the grant in Resolution 24-80 on 4/23/2024.

Pro(s):

- Fosters partnerships with federal and local law enforcement agencies.

Con(s):

- None

Fiscal Impact:

- Matching funds are not required for this grant.

Councilwoman Turner moved to adopt a resolution to accept the 2025 High Intensity Drug Trafficking Areas (HIDTA) Grant on behalf of the Asheville HIDTA branch and authorize the City Manager to execute all documents associated with the grant; and adopt a budget amendment in the City's Special Revenue Fund in the amount of \$160,904.00. This motion was seconded by Councilman Hess and carried on a 6-1 vote, with Councilwoman Roney voting "no."

RESOLUTION BOOK NO. 45 - PAGE 446
ORDINANCE BOOK NO. 36 - PAGE 202

III. PRESENTATIONS & REPORTS:

A. MANAGER'S REPORT - QUARTERLY CAPITAL IMPROVEMENT PROGRAM UPDATE

Interim Capital Management Director Walter Ear outlined the following key takeaways from his presentation: (1) Taking a moment to celebrate 2025 capital projects wins so far, and to highlight continued progress on capital and bond projects; (2) Reviewing planned and programmed work plans with a focus on: (a) Fulfilling past commitments and meeting future expectations for all capital projects (general capital, bond, recovery); and (b) Follow up to the storm-related infrastructure process that was reviewed at the January 23 Recovery Briefing; and (3) Using a strategic approach for project development supported by good planning and strong communication

Completed projects include Memorial Stadium Ribbon Cutting in March 2025; and Roger Farmer Park Sports Court in May 2025.

He then outlined the 2025/26 projects - McCormick Field; Municipal Building Structural Repairs, Parking Garage Repairs at Wall Street and Rankin Avenue; Roof Replacement at 29 Haywood, Municipal Building and Thomas Wolfe Auditorium; Southside Connectivity Project; Nature Center Gateway to the Southern Appalachians; and sidewalk projects are New Haw Creek, Johnston Boulevard; Patton Avenue (west of the bridge); and Airport Road.

Regarding the Downtown Capital Projects Update, (1) anticipate projects will break ground in 2026; (2) recognize economic impact of Helene on downtown businesses; (3) work to minimize overlap of current and future downtown projects; and (4) focused engagement with downtown to continue throughout 2025/26. Projects are Coxe Avenue; Lexington Avenue; Downtown Signals; and Patton/College Bike Lanes.

Looking ahead in the FY25/26 General Fund Capital Improvement Program (CIP) includes: (1) Facilities - Municipal Building - relocation of fire admin and construction; Parks Maintenance Facility - planning, site selection and design; and Transit Maintenance Center - preliminary scoping and site feasibility (Long-term methodical approach); (2) Parks and Recreation - Weaver Park - Trail, playground, and ballfield construction; (3) Transportation - Livingston Street - transportation safety improvements; Lexington Pedestrian Improvements - engagement and design; and School Zone Safety, and Street Resurfacing - construction; and (4) Placemaking - *Heart of the Block* - engagement and conceptual design.

Looking ahead for the 2024 Bond Project highlights; (1) Public Safety Facilities - (a) Oakley Public Safety Facility Improvements (i) Fire Station 9 LEED Construction- design; and (ii) Police Station Renovation - planning; and (b) Fire Station 8 Addition/Renovation - planning; (2) Parks and Recreation - (a) Malvern Hills Park/Pool - engagement and design; (b) Shiloh Center Modernization - engagement and design; (c) APR Dedicated Pickleball Courts - planning; and (d) Walton St Park Improvements - planning and engagement; (3) Transportation - (a) Street Resurfacing - construction; (b) North Reed Creek Greenway - Engagement and Design; (c) London Road - Design; and (d) Lexington Ave Sidewalk - Engagement and Design; (4) Affordable Housing - Affordable Housing Bonds will support the implementation the Affordable Housing Plan; and (5) Full list of 2024 Bond projects is available here: publicinput.com/2024gobond.

Regarding the infrastructure recovery process, (1) Detailed presentation on Helene-related infrastructure impacts on January 23, 2025 - State of City Assets - (a) Explains the infrastructure recovery process; (b) Provides a progress update for work underway; and (c) Discusses project prioritization & funding sources; (2) Cost Recovery is dependent upon meeting federal grant requirements & grant specific scope requirements; (3) Federal Recovery Funding Sources (a) FEMA Public Assistance (PA) Program; (b) FEMA Hazard Mitigation Grant Program (HMGP); and (c) HUD Community Development Block Grant - Disaster Recovery (CDBG-DR);

(4) Damage Inventory under review by FEMA, working on project scoping; (5) Following the FEMA process is critical to maximize recovery funding - Increase in available funding, but can also extend project delivery timelines; (6) Smaller Projects (a) Focused on less complex scope (mostly restore in kind), smaller cost, simpler reimbursement process, with quicker project delivery; 31 as of this presentation; and (b) Examples: (i) 8 River Arts Place, Montford Park storage, Communication Tower Repairs; (ii) Roof replacements at the Municipal Building, Thomas Wolfe Auditorium; and (iii) Various Park fencing, minor greenway repairs, etc.; (7) Large FEMA Projects - Wider geographical area needing integrated designs, multiple constrained funding sources. Examples: French Broad River Parks Recovery; Azalea Parks & Infrastructure Recovery; North Fork Water Treatment Facility; Municipal Golf Course; Other Public Works projects (bridge repairs, etc); and (8) "Design it Twice" - Baseline Cost estimate - *Repair in kind with Code requirements* for discussion with FEMA, specific to PA reimbursement; and Improvements/Mitigation based design - identifies design features specific to requirements of the constrained funding sources.

Riverfront recovery projects include Azalea Parks & Infrastructure Recovery; and French Broad River Parks Recovery.

Mr. Ear, responded to various questions/comments from Council, some being, but are not limited to: need for solar energy installed on various rooftop projects; and concern of timeline for parking deck repairs. Any items he was unable to respond to immediately would be followed up in a memorandum to City Council.

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER CONDITIONALLY ZONING 215 GLENN BRIDGE ROAD FROM CI COMMERCIAL INDUSTRIAL DISTRICT TO COMMERCIAL INDUSTRIAL DISTRICT - CONDITIONAL ZONE FOR THE PURPOSE OF CONSTRUCTING A 19-UNIT MULTI-FAMILY BUILDING

ORDINANCE NO. 5142 - ORDINANCE TO CONDITIONALLY ZONE 215 GLENN BRIDGE ROAD FROM CI COMMERCIAL INDUSTRIAL DISTRICT TO COMMERCIAL INDUSTRIAL DISTRICT - CONDITIONAL ZONE FOR THE PURPOSE OF CONSTRUCTING A 19-UNIT MULTI-FAMILY BUILDING

Principal Planner Will Palmquist said that this is the consideration of an ordinance to conditionally zone 215 Glenn Bridge Rd from CI Commercial Industrial District to Commercial Industrial - Conditional Zone (CI-CZ) for the purposes of constructing a 19-unit multi-family building. This public hearing was advertised on May 30 and June 6, 2025.

Project Location and Contacts:

- The project site consists of one parcel totalling 0.54 acres at 215 Glenn Bridge Rd (PIN 9644-91-0522).
- Owner name: CPT Glenn Bridge LLC

Summary of Petition:

Project Site

- The project site consists of one property totalling 0.54 acres at 215 Glenn Bridge Rd.
- The site is currently zoned Commercial Industrial (CI).
- The project site is vacant with an existing driveway that was the site of a single-family house as recently as 2023.
- Based on the Living Asheville Comprehensive Plan Future Land Use Map (FLUM), the site is designated "Industrial/Manufacturing." A change to the Future Land Use map is not required.

Overall Project Proposal

- The project proposes a new 3-story, 19-unit, multi-family structure with podium parking.
- Other site improvements include surface parking, sidewalks, and walking paths.
- The project is seeking a conditional zoning for technical modifications to the underlying Commercial Industrial (CI) district, including a maximum density of 35.2 units/acre instead of the maximum 8 units/acre.

Access, Sidewalks and Parking

- Vehicular access to the site is proposed by a relocated driveway on Glenn Bridge Rd.
- New sidewalks are proposed as 5'-wide along Glenn Bridge Rd, located at the back of the curb
- The project proposes 20 surface parking spaces, with 8 of the spaces located underneath the building.

Staff Recommendation:

- Staff recommends **approval** of this rezoning request based on the reasons stated below.

Consistency with the Comprehensive Plan and Other Plans:

Living Asheville Comprehensive Plan (2018)

- The proposed development supports a number of goals in the Living Asheville Comprehensive Plan, including:
 - **Encourage Responsible Growth** - by prioritizing greater densities of development overall, throughout the city as appropriate.
 - **Increase and Diversify the Housing Supply** - by promoting zoning policies to encourage more housing.
 - **Make Streets More Walkable, Comfortable and Connected** - by eliminating gaps in the city-wide sidewalk network..
- The proposed rezoning is compatible with the proposed Future Land Use designation of "Industrial/Manufacturing", which is proposed, in part, that, "Within and in support of industrial and manufacturing areas there are opportunities to include housing for workers who may live amongst or adjacent to the industrial site."

Compatibility Analysis:

- The proposed multi-family project is compatible with the surrounding land uses, including:
 - Multi-family and single-family residential development generally to the north and south.
 - Commercial and light industrial uses generally to the east and west.

Council Goal(s):

- This project is most closely aligned with the council goal of *A Well-Planned and Livable Community*.

UDO Compliance

UDO Provision	Requirement (CI) Total City Zoning Area: 1,647 acres	Proposed (CI-CZ) Site Area: 0.54 acres
Gross Floor Area:	n/a	19 MFD units
Density:	Max 8 units / acre	35.2 units / acre

Lot Size Minimum:	None.	0.54 acres
Lot Width Minimum:	100'	106'
Building Height(s):	80' max	60' max
Building Setbacks:	Front: 35' Rear: 10' Side: None	Front: 35' Rear: 10'
Vehicle Parking Spaces:	19 spaces min / 38 spaces max	20 spaces
Bicycle Parking Spaces:	2 spaces	2 spaces
Open Space:	10% (2,352 sf)	27% (6,381 sf)
Impervious Surface Area:	None.	51.9%
Sidewalks:	5'-wide sidewalk & 8'-wide utility strip	5'-wide sidewalk at back of curb
Tree Canopy Preservation:	<u>Resource District:</u> Suburban <u>Class:</u> Class C <u>Existing Canopy:</u> 51.11% 15% if preserved, 25% if planted	To be determined during Final TRC review.
Applicable Landscaping Standards	Property Line Buffer	Does not apply ▾
	Street Buffer	Does apply ▾
	Street Trees	Does apply ▾
	Parking Landscaping	Does apply ▾
	Building Landscaping	Does apply ▾
	Screening	TBD ▾
	<p><u>Street Trees:</u> One small maturing tree for every 30 linear feet of property abutting a street = 4 trees required / 4 trees proposed</p> <p><u>Street Buffer:</u> 13 shrubs required / 13 shrubs provided</p> <p><u>Parking/VUA Landscaping:</u> 5 large trees & 20 shrubs required / 5 trees & 20 shrubs proposed</p> <p><u>Building Impact Landscaping:</u> 5 trees & 9 shrubs required / 5 trees & 9 shrubs provided</p>	

Technical Modifications - The project is seeking technical modifications to development standards through the conditional zoning process, including:

- Maximum density of 35.2 units/acre instead of the 8 unit/acre maximum.

Committee(s):

- Technical Review Committee (TRC) - April 7, 2025 - Approved with conditions.
- Planning & Zoning Commission (PZC) - May 7, 2025 - Recommended approval with conditions (Vote 6:0)

Mr. Palmquist reviewed the existing and proposed zoning, the aerial imagery and the future land use map. About the site plan, (1) 3-story, 19-unit, multi-family structure with podium parking; (2) 20 parking spaces with 8 located under building; (3) Relocated driveway on Glenn Bridge Road; and (4) New 5'-wide sidewalk. A technical modification is maximum density of 35.2 units/acre instead of the 8 unit/acre maximum. He then showed building elevations and architectural renderings. He said the Technical Review Committee approved the project with conditions. The Planning & Zoning Commission voted unanimously to approve the project. He then explained how the project was consistent with the Living Asheville Comprehensive Plan. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the proposed conditional zoning.

In response to Councilwoman Roney regarding if there were any commitments to solar ready, or anything that would prohibit solar energy in the future, Mr. Derek Allen, attorney for the applicant said the applicant is going to be working with a solar consultant but they will have to see if that works for the project as they get into the building pieces.

Councilwoman Roney said that she has heard concerns about pervious surfaces and what can be done for neighborhood resiliency as we build to make sure that stormwater mitigation is a serious commitment. Mr. Palmquist responded that there is nothing beyond the requirements for stormwater and grading permits for the project.

In response to Councilwoman Turner, Mr. Palmquist said that he would have to provide information about any language in the Unified Development Ordinance that would prohibit developers from doing a pervious surface underneath a podium.

Mayor Manheimer opened the public hearing at 5:35 p.m., and when no one spoke, she closed the public hearing at 5:35 p.m.

Mayor Manheimer said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilman Hess moved to approve the conditional zoning request for the property located at 215 Glenn Bridge Rd from Commercial Industrial (CI) to Commercial Industrial - Conditional Zone (CI-CZ) and find that the request is reasonable, is in the public interest, is consistent with the city's comprehensive plan and meets the development needs of the community in that the request: 1) prioritizes greater densities of development overall, throughout the city as appropriate; 2) promotes zoning policies to encourage more housing; and, 3) eliminates gaps in the city-wide sidewalk network. This motion was seconded by Vice-Mayor Mosley and carried unanimously.

ORDINANCE BOOK NO. 35 – PAGE 210

V. UNFINISHED BUSINESS:

A. ORDINANCE NO. 5143 - ORDINANCE ADOPTING THE FISCAL YEAR 2025-26 ANNUAL OPERATING BUDGET

ORDINANCE NO. 5144- 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 NONPROFITS WITH WHICH MEMBERS OF COUNCIL

ARE ASSOCIATED (ECONOMIC DEVELOPMENT COALITION)

ORDINANCE NO. 5145 - 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 NONPROFITS WITH WHICH MEMBERS OF COUNCIL ARE ASSOCIATED (SPORTS COMMISSION)

Mayor Manheimer said that City Council held a public hearing on the budget on May 27, 2025, and no further comments would be accepted.

City Manager Campbell said that the anticipated action tonight will hopefully complete the budget development process that has been underway for the past 6-9 months. Due to Tropical Storm Helene, managing this year's budget and developing next year's proposed FY 26 budget has been extremely challenging. But staff and Council persevered and have found a way to develop a budget that (1) maintains the City's core services to the community; (2) restores the Fund Balance in a manner to maintain the City's strong credit rating; and (3) utilizes one-time revenue sources, such as Community Development Block Grant-Disaster Recovery grant funds and Federal Emergency Management Agency dollars to fund the community's recovery priorities to enable us to build back better. She also recognized Finance Director Tony McDowell and his staff for the numerous meetings and hours spent to manage this process and help develop this budget. She also thanked Department Directors, staff in the City Manager's Office and each and every one of our City employees for their cooperation and support. At last, but certainly not least, she thanked the Mayor and City Council for the many hours they spent in helping and guiding us through this budget process.

Budget Manager Lindsay Spangler said that this is the consideration (1) Adoption of the Fiscal Year 2025-26 Annual Budget Ordinance; (2) Recusal of Mayor Manheimer from voting on the budget amendment in accordance with N.C. Session Law 2021-191 (S.B. 473) (Economic Development Coalition); (3) Adoption of a Fiscal Year 2025-26 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 budget amendment in accordance with N.C. Session Law 2021-191 (S.B. 473) (Sports Commission); and (5) Adoption of a Fiscal Year 2025-26 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.

Background:

- The Fiscal Year (FY) 2025-26 Proposed Annual Operating Budget was presented to City Council on May 13, 2025.
- In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a summary of the Proposed Budget along with a notice of the Public Hearing was published on May 16, 2025.
- The Proposed Budget, which totals \$256.1 million, is a balanced and fiscally responsible spending plan that includes:
 - Maintaining existing city services at their current levels, including protecting public safety, supporting public spaces, maintaining cleanliness, preserving infrastructure, boosting economic development, enhancing water quality, and more.
 - 3.0% compensation increase for all permanent staff on the General Pay Plan whose salaries are above the median pay of \$58,000 and \$1,740 flat increase for those below the median.

- Moving sworn officers in the Police Department to a new pay plan, which includes compression adjustments and a 3% one-time payment to officers not receiving a compression adjustment.
- 3% compensation increase for employees on the Fire pay plan, plus funding to establish a new shift structure for the Fire Department, which will begin a long-term process of decreasing firefighter hours by adding new staff.
- \$5M in one-time revenues from a FEMA Community Disaster Loan to cover decreased revenue projections after Tropical Storm Helene.
- A property tax rate increase of 3.26 cents to cover compensation adjustments and maintenance of the city's fund balance at the recommended rate of 15%.
- A robust capital program which includes Helene recovery projects, General Obligation Bond projects, and other capital improvements.
- City Council conducted a Public Hearing on the Proposed Budget on May 27, 2025.
- Two adjustments to the Proposed Budget are included in the budget ordinance under consideration:
 - Adding \$130,000 to the Street Cut Fund for a vehicle purchase that was not able to be completed in FY 2025 due to procurement delays. This change is funded through debt service.
 - Based on feedback from Council during the June 5 Agenda Briefing, the Ordinance includes the addition of \$155,000 to hire 3 firefighters as part of the January 2026 class, as an additional step towards the fourth shift. This change will be funded with fund balance.
- Under N.C. Session Law 2021-191 (S.B. 473), Councilmembers are prohibited (subject to certain exceptions) from participating in making or administering a contract, including the award of money, with any nonprofit with which the public official is associated.
- In accordance with this law, funding that was included in the Proposed Budget for the Economic Development Coalition and the Sports Commission has been moved to City Manager's Contingency.
- City Council must take separate actions via budget amendments to allocate funding to the Economic Development Coalition and the Sports Commission.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- N/A

Pro(s):

- Ensures City's compliance with North Carolina General Statutes that require local governments to adopt a balanced budget ordinance by July 1 of each year.
- General Fund and Enterprise Fund budgets are balanced for ongoing operating expenses, and all essential City services are continued.

Con(s):

- None

Fiscal Impact:

- As noted above, the FY 2025-26 General Fund budget is balanced and recommends a property tax rate of \$0.4419 per \$100 of assessed valuation, representing an increase of \$0.0326 cents.

Ms. Spangler said the following are the key takeaways from his presentation: (1) City Council received public comment on the Fiscal Year (FY) 2025-26 Proposed Budget on May 27th

and is scheduled vote on the Budget at tonight's meeting; (2) The Proposed Budget is balanced with a 3.26 cent property tax rate increase to fund continuing current operations, employee compensation adjustments, and to maintain 15% fund balance and a strong credit rating; and (3) At the agenda briefing last week, Council expressed support to add 3 firefighters to the January 2026 academy. The Proposed Budget has been adjusted to reflect utilizing fund balance for this additional cost of \$155K, bringing the unassigned fund balance estimate to 14.9%.

The FY 2026 budget process key themes include (1) The Budget will continue to provide funding to maintain the City's core services; (2) The Budget will minimize cost increases to residents and businesses as we recover from Hurricane Helene; (3) The City will look to one-time revenue sources, such as CDBG-DR and FEMA, to fund the community's recovery priorities; and (4) The Budget will be developed in a fiscally responsible way in order to maintain the City's financial metrics and strong credit ratings.

General Fund cost increases are (1) Due to financial constraints after Tropical Storm Helene, departments were instructed not to request additional funding or positions - No new City-funded positions are included in the Proposed Budget; and (2) The Proposed Budget includes unavoidable cost increases associated with continuing existing operations - Major increases are health care and state retirement.

Budget balancing strategies include (1) \$5.0M in budget reductions were made to close the gap between revenues and expenses; (2) Staff utilized fund balance in the Street Cut Fund to provide one-time revenue to the General Fund; (3) Staff also utilized fund balance in the Transit Fund to balance that budget and avoid an increase in General Fund support; and (4) The Proposed Budget includes \$5M loan from the FEMA Community Disaster Loan program as one-time revenue.

Some examples of ongoing investments in FY 2026 Council properties are (1) People - Develop Services rapid response team; Asheville Recovers website and capital dashboards; Neighborhood Matching grants; Continued support for reparations; and Continuation of joint City/County Property Tax Mitigation Program; (2) Economy - City planning updates; Security and cleanliness in public spaces; Business recruitment efforts; and Downtown Business Improvement District; (3) Infrastructure & Environment - Capital funding to maintain City infrastructure, including \$80 Million in General Obligation (GO) Bonds; Water system improvements; Storm debris management; and Park Maintenance Facility replacement; (4) Housing - Land Use Incentive Grants; Management of Community Development Block Grant - Disaster Recovery funds; Support of Continuum of Care priorities; Code Purple and winter sheltering; and Housing Trust Fund (GO Bond & Public Benefits).

Proposed compensation adjustments are (1) General Pay Plans 3% Hybrid: 3.0% increase for all staff whose salaries are above the median pay of \$58,000 and \$1,740 flat increase for those below the median; (2) Police Pay Plan: Transition to a new pay structure, including adjustments to avoid compression. Officers not receiving a compression adjustment will receive a one-time amount equivalent to 3.0%; (3) Fire Pay Plan: 3.0% increase for employees on the Fire pay plan. Note: (a) During last year's budget cycle, firefighters received a flat dollar increase of \$4,053 for beginning on-shift Firefighters, which increased the lowest paid on-shift Firefighter by 8.8%; and (b) Employees on the Police Pay Plan received a 6.0% increase and employees on the General Pay Plans received an increase of \$2,400 or 4.11% whichever was greater, which increased the lowest paid employee pay by 6.3%; and (4) Fire Department 4th Shift: (a) \$205K included for firefighter promotions, which will put supervisory structure in place for a 4th shift; (b) First step in a long-term plan that will eventually lead to firefighters working 42 hours per week instead of 56 by adding additional firefighters; with the exact number to be determined after further study; (c) Proposed budget does not recommend adding new firefighters

next year but it recommends putting the structure in place; and (d) Future Councils and staff will determine the pace of implementation based on available resources.

The following is the proposed property tax rate increase chart:

	Tax Rate Increase	Average Homeowner Impact (Annual)	Average Homeowner Impact (Monthly)
<ul style="list-style-type: none"> Continue existing operations 3% Hybrid Comp. Adjustment New APD Pay Plan AFD 4th Shift Promotions Maintain 15% Fund Balance 	3.26 cents	\$114	\$9.51

Assumes average residential tax value of \$350,000 and every 1-cent tax rate increase generates \$2.0M.

The Enterprise Funds summary is (1) Water: \$2.4M increase from fee adjustments to fund maintenance of the water system; (2) Parking: \$1M decrease in capital projects based on revenue projections; and (2) Transit: \$900K in available fund balance for increased operating costs.

The following is the 2026-30 proposed General Fund Capital Improvement Program (CIP):

	FY26	FY27	FY28	FY29	FY30
Facility Maintenance	\$ 12.60M	\$ 1.50M	\$ 6.64M	\$ 9.50M	\$ 3.90M
Fleet & Equipment	\$ 9.78M	\$ 7.84M	\$ 7.95M	\$ 8.17M	\$ 8.30M
Greenways	\$ 0.00M	\$ 0.38M	\$ 6.00M	\$ 0.00M	\$ 5.50M
Recreation & Entertainment Facilities	\$ 0.44M	\$ 2.09M	\$ 9.57M	\$ 2.19M	\$ 7.09M
Streets & Sidewalks	\$ 3.73M	\$ 21.00M	\$ 2.27M	\$ 11.09M	\$ 2.50M
Total	\$ 26.55M	\$ 32.81M	\$ 32.43M	\$ 30.95M	\$ 27.29M

Note: This chart does not include projects funded with the 2024 General Obligation Bonds or federal Helene recovery projects.

Since the budget was presented, the following are updates: (1) General Fund Increase - 3 Additional Firefighters - (A) Budget Addition: Hire 3 additional Firefighter Trainees as part of the January 2026 training class; (B) Cost: Adding 3 FF Trainees in January 2026 costs \$155k in FY 2025-26 for salaries and equipment. Future year costs will be approximately \$248k annually; and

(C) Funding Strategy: Fund balance will be utilized to cover the first year cost. Future year costs will be considered in future budget and tax rate discussions. The pro is - Allows Council to further demonstrate its commitment to the AFD 4th shift structure by beginning to add firefighters next fiscal year. Cons are (1) Could potentially lower unassigned fund balance in the General Fund to slightly under the 15.0% policy target (Current estimate is that it would be 14.9%); (2) However, a majority of Council are comfortable with this very minor reduction; and (3) Fund balance is a one-time revenue source so if additional revenue does not become available, property tax rate increases or other budget reductions might be required in future years; and (2) Street Cut Fund Adjustment - (A) \$130K has been added to the FY26 Street Cut Fund budget for a vehicle purchase, funded with debt service that is paid by the street cut program participants; (B) The vehicle was scheduled to be purchased in FY25 but due to procurement delays, the purchase will not be completed until FY26; and (C) this is a technical adjustment that will allow the FY25 funds to be re-budgeted in FY26.

The following is the proposed budget summary (June 10):

	FY25 Adopted	FY26 Proposed	Change	
			\$	%
General Fund	\$ 179.71M	\$ 182.82M	\$ 3.11M	1.7%
Water Resources	\$ 47.14M	\$ 49.45M	\$ 2.30M	4.7%
Transit Services	\$ 14.55M	\$ 15.23M	\$ 0.68M	4.5%
Stormwater	\$ 8.84M	\$ 9.32M	\$ 0.48M	5.2%
Parking Services	\$ 8.17M	\$ 7.14M	-\$ 1.02M	-14.3%
Harrah's Center	\$ 6.15M	\$ 6.09M	-\$ 0.06M	-1.0%
Street Cut Utility	\$ 2.91M	\$ 4.16M	\$ 1.25M	30.0%
Total	\$ 267.47M	\$ 274.20M	\$ 6.73M	2.5%
Interfund Transactions	-\$ 16.59M	-\$ 17.84M	-\$ 1.25M	7.0%
Net Budget	\$ 250.88M	\$ 256.36M	\$ 5.49M	2.1%

Councilwoman Roney said we won't achieve economic recovery without workers and their families, and there is a desperate need for more rental assistance. When she asked if when the fiscal year renews, are we anticipating the regular Community Development Block Grant (CDBG) funds could include rental assistance. Finance Director Tony McDowell said that he would have to follow-up on that; however, the CDBG Action Plan will be coming to Council for action in the very near future.

Councilwoman Roney appreciated "my colleagues joining me in the small but mighty, symbolic step to funding three of the 14 first-phase positions for a 4th shift staff as studied by AFD, designed to reduce the 832 additional hours every year that our fire fighters are scheduled beyond the 40-hour work week. They got us through a geological disaster and we need to retain

them. While the fire department stands to make the least pay increases of any department in this budget cycle, good faith efforts towards a 4th shift is a key retention strategy and becoming an industry standard. This budget includes our commitments to community values by continuing funding for Sustainability, Reparations, staffing of the [Human Relations, Anti-Discrimination and Compliance Department](#) and more. By continuing the community-led strategy of providing a flat rate raise to staff making below the median income in City hall, we're bringing 67 City employees up to \$23.15-hr living wages of 151 employees who are currently below living wage. I am deeply concerned about a property tax increase after the natural disaster of Helene, which disproportionately impacts residential and commercial renters and legacy neighborhoods. Unfortunately the General Assembly hasn't taken action yet on recovery funding: the need for revenue loss replacement for cities is here, the state has funding, but their action has been delayed and that puts cities recovering from Helene including Asheville in the terrible situation of raising taxes to maintain public services. We also need a serious plan for strategic partnership funds, which has been cut to \$0 in this budget cycle. There were crises and disparities in our community that pre-dated Helene, and I'm not okay with leaving partners working with our vulnerable youth with yet another funding loss. We need to return this funding at the soonest opportunity this year. Lastly, I'm heart-sick and embarrassed for our organization that \$1.3-million of this budget hinged in part on what I consider to be a dirty, short-sighted deal with energy monopoly Duke energy, giving away what appears to be a last, serious lever to negotiate agreements like renewable energy commitments and getting power poles out of our sidewalks. I expect some disappointment in my vote tonight. I trust the limitation of yes and no reflects my commitment to what is fought for in this budget in the aftermath of Helene, a need for more creativity and community organizing, and my commitment to continue fighting for budgets, plans, and policies that reflect the values of our community."

Councilman Hess said "Tonight, we may pass a budget in the wake of one of the worst natural disasters in North Carolina history. This was my first budget season as one of your Council members. I've approached this process methodically, listening and learning with one mission: to deliver for all the people of Asheville with a budget that kept all of our services in place and provided a much needed pay raise for our city employees who have tirelessly worked day in and day out and have taken on extra recovery work since the storm. It wasn't easy. Staff and council spent hours in meetings — wrestling with numbers, asking hard questions, debating values and tradeoffs. And I want to thank our city staff and my colleagues for showing up, again and again, with dedication and grace. But out of that difficulty came something worth being proud of. We reduced this budget by over \$5 million without eliminating a single position. We preserved every city service, kept our reparations fund intact, and continued support for strategic community partnerships. We even have money for litter and syringe clean up as well and funding our Asheville FireFighter REST program. Resource extensive support team. We raised pay for our frontline workers — including a new pay plan for Asheville Police and an innovative fourth shift for firefighters, positioning us as a regional leader in firefighter pay and wellness. And we did all of this while navigating one of the most difficult financial moments in our city's recent history. Now the difficult part: this budget includes a tax increase. I hear from folks that even a small increase is no small matter — especially for those on fixed incomes, renters, small business owners, and working families already stretched thin. As I saw it, to be fiscally responsible we did not have many options that did not put our long term financial health at risk. Also importantly, the State of North Carolina has not yet provided revenue replacement for cities like ours devastated by Helene. Without that support, and with very limited tools to generate income, we faced this reality: either raise the revenue we need — or cut the very services and staff our city depends on. And I wasn't willing to do that. The city has in place multiple tax relief programs for those who qualify. And should the state legislature finally act to provide storm-related aid, we are ready to amend this budget and adjust the tax rate. Tonight, I'm content with what we've done — and I also know the work is far from over. We will continue fighting for revenue replacement. We will continue listening to our neighbors and ensuring every voice is heard — not just those who shout

the loudest. This city is special — not just because of its mountains and music, comedy, but because of its people. We love Asheville. We fight for it. And we show up — rain or shine, storm or budget season. Also to every resident who called, emailed, came to City Hall, or met with me in person — thank you. I'm honored to listen. Your voice matters. And this budget — as difficult as it was — I hope reflects that.”

Councilwoman Ullman was concerned about unemployment and any tax increase is painful for a lot of people. When you look at the bulk of what the tax increase goes to, it goes to two things - (1) our Fund Balance to make it whole so that we can continue borrowing money to repair our community and re-build the community we need; and (2) to give our public servants raises - who we relied on to save our lives during the storm.

Vice-Mayor Mosley moved to adopt an ordinance adopting the Fiscal Year 2025-26 Annual Budget. This motion was seconded by Councilwoman Turner and carried unanimously.

ORDINANCE NO. 5143 - ORDINANCE BOOK NO. 36 - PAGE 218

Vice-Mayor Mosley moved to recuse Mayor Manheimer from voting on the budget amendment in accordance with N.C. Session Law 2021-191 (S.B. 473) (Economic Development Coalition). This motion was seconded by Councilwoman Turner and carried on a 6-0 vote with Mayor Manheimer being recused.

Vice-Mayor Mosley moved to a Fiscal Year 2025-26 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. This motion was seconded by Councilwoman Turner and carried on a 6-0 vote with Mayor Manheimer being recused.

ORDINANCE NO. 5144- ORDINANCE BOOK NO. 36 – PAGE 227

Vice-Mayor Mosley moved to recuse Councilwoman Turner from voting on the budget amendment in accordance with N.C. Session Law 2021-191 (S.B. 473) (Sports Commission). This motion was seconded by Councilwoman Ullman and carried on a 6-0 vote, with Councilwoman Turner being recused.

Vice-Mayor Mosley moved to adopt a Fiscal Year 2025-26 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. This motion was seconded by Councilwoman Ullman and carried on a 6-0 vote, with Councilwoman Turner being recused.

ORDINANCE NO. 5145- ORDINANCE BOOK NO. 36 - PAGE 228

VI. NEW BUSINESS:

VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Two individuals spoke to City Council about various matters, some being, but are not limited to: need for access treatments outside of traditional medicines; concern about payments due tenants at the Housing Authority.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 6:13 p.m.

CITY CLERK

MAYOR