

MEMORANDUM



To: City Council
From: Wynter C. Benda
Date: March 28, 2023
About: Responses to Budget Questions

This memorandum will serve to compile and answer questions posed by City Council members throughout the Fiscal Year 2024 budget season. I will update this memo regularly and send to City Council, as well as, post it on the City’s website at <https://www.lynchburgva.gov/fy-2024-budget-qa> and on the City’s Facebook page. All questions posed by council members are included in this memo, however some questions require significant staff work and will be answered as soon as possible. Those questions are located at the bottom of the memo.

Questions from Council, Updated March 28, 2023

1. Questions from Council Member Misjuns via email March 15, 2023:

- a. *The list of historical classification funding from schools. If they can put it together in one page, that would be nice.*

LCS Response, March 20, 2023: A [five-year history of major category funding is provided at this link](#). Of the nine funding categories defined by the Virginia Department of Education, Lynchburg City Schools utilizes seven.

The [Lynchburg City Schools Chart of Accounts is provided at this link](#). This is based on the Virginia Department of Education’s standard chart of accounts, with additional information relevant to Lynchburg City Schools. Section 4 of this document, which starts on page 13, provides the most relevant information to this question.

In order to be eligible to receive the state compensation supplement, all Standard of Quality employees must receive an average of the defined percentage increase in pay.

The complete LCS memo response is posted [here](#).

- b. *Also, the personnel associated with those lists - example, administrative and instructional should not be lumped together at one bucket of people.*

LCS Response, March 20, 2023: According to note 1 on the budget document you provided, Instructional Assistants were moved from “Support” to “Instructional and Administrators” beginning in 2019. As a result, from 2013 there was a decrease of 232 Support personnel and an increase of 208 “Instructional and Administrators” personnel. This represents a net

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decrease in employees in the last decade. We should note that “support” personnel is not a term that LCS uses.

Provided in this [link is a spreadsheet of the positions titles](#) included in each function code. We have also provided [this link position by cost center and function](#), which demonstrates each school and function code.

- c. *Ratios of staff to students in each school broken down by instructional, support and so on.*

LCS Response, March 2023: We have provided in this [link a copy of the student-to-teacher ratios](#) by grade at the elementary schools. However, student-to-administrator and support ratios are not a number that we track by grade level. We have provided the ratios by total students in each elementary school and have provided student-to-teacher ratios by the secondary schools. In most cases, administrative personnel in elementary schools include school nurses, attendance clerks, and in some cases behavior coaches. In elementary schools, for the purposes of answering these questions, we’ve defined “support” personnel as custodians since “support” is not a term LCS uses. Most schools have two custodians and a head custodian. None of these numbers include School Nutrition, which is entirely self-funded and not a component of the operating budget.

- d. *The mandated funding levels and SOQ positions with as much detail as possible.*

LCS Response, March 20, 2023: The “mandated” funding level is best defined as the local share required in order to receive Standards of Quality, Incentive Programs, Categorical Programs, and Lottery-Funded Programs funding. The majority (but not all) of the categories funded by the state require a local match. Many of these programs are dependent upon Projected Average Daily Membership (ADM) for the coming year. Often, the actual ADM is different from what is projected in the prior year, which is why LCS’s revenues often differ considerably from what is projected by the state.

The best source of information on this topic, which includes considerable detail, is the VDOE Calc Tool. Presently, there are three versions under consideration - the Governor’s proposal, the House of Delegates proposal, and the Senate proposal. It is LCS’s practice to use the Governor’s proposed budget for LCS budget development until such time as an alternative funding plan is adopted by the General Assembly and approved by the Governor.

For your convenience, we have copied the State and Local Fund Summary and the Funded Positions tab from the Governor’s proposed budget. [Additionally, this link provides access to the various proposed funding proposals presently under consideration at the General Assembly.](#)

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- e. *The most recent managed vacancy list you mentioned last week in our one-on-one and the appropriation amount for each vacant position.*

Staff Response: The managed vacancies list is available [here](#).

- f. *A historical trend of managed vacancies by department for 5 years.*

Staff Response: This information is not tracked.

- g. *A list of all professional organizations or memberships that the city pays for including the organization name and total amount funded.*

Staff Response: Dues and Memberships for all departments for FY 2022 is available [here](#).

- 2. **Question from Council Member Dolan via email from a constituent March 16, 2023:** *I have a genuine question. This is not an effort to take a “side”. In the budget retreat, we were shown the slide pictured below. Council Members Helgeson, Misjuns, and Taylor seem to suggest the \$66M surplus can be returned immediately. Others in council want to wait until budget season is over to decide what to give back. City staff are suggesting the \$66M is being used as seen in the slide below. I’m confused on who is right. If the surplus is just sitting there unassigned, then yea, it makes sense to give it back to us. If we’re operating under a budget and extra revenue comes in, why is it difficult to give it back? If it’s so vital to keep the surplus for the reasons we see in the slide below, why is it not in the operating budget? In the upcoming budget discussions, I would appreciate more details to the last two years of surplus and why it can’t just be returned back to us, in which we can move forward operating the city within our means, always returning surplus back to the citizens.*

Staff Response: An analysis of the unassigned general fund balance has been posted [here](#).

- 3. **Questions from Council Member Faraldi via email March 17, 2023:**

- a. *Heritage Elementary Pipe, Teacher's Lounge: Please prepare a dollar amount for the project so council could consider including this in the CIP.*

LCS Response, March 20, 2023: This project has been scheduled for completion during the summer of 2023 utilizing LCS personnel.

- b. *For schools, could we have a similar “balance sheet” for the last five fiscal years? Also, what would it take to have a breakdown of what is included in each category? Finally, could a*

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specific category realize or receive the state/local wage increase while another category did not?

LCS Response: See #1 above.

4. Questions from Council Member Faraldi via email March 21, 2023:

- a. *Three cents off equalization (\$0.89, totaling \$2,250,000) and a thirty-cent reduction on the personal property tax rate (totaling \$1,830,000) equates to \$4,080,000 in relief.*

Staff Response: Given the ongoing Fund Balances/Surpluses we are seeing, combined with strong sales/meals tax performance (and others) due to the unfortunate circumstances of inflation, the city could use the budget to eat into the manager's proposal(s) for tax relief that total \$4,255,000 in the proposed FY24 while finding ways to invest in key areas. This still leaves +5% increase in the upcoming budget.

- b. *With this in mind, using similar priorities submitted from the manager, what would a potential FY24 budget look like (even if it was tweaked/amended to some degree).*

Staff Response: Staff has communicated that equalizing the tax rate or lower will result in none of the additional items in my proposed budget. (For additional detail, see March 17, 2023 response to #1a).

- c. *How does this budget proposal compare to FY23 without FY23's one-time/ARPA funds? Essentially, please share what the increases/decreases would be outside of these funds.*

Staff Response: ARPA funding in the FY 23 Adopted operating budget was \$680,000 for one-time items. \$32.6 million is appropriated in the FY 2023 City Capital Fund.

- d. *On page 19, the Intergovernmental – State taxes increase from ~\$153 million to ~\$158 million. Please explain.*

Staff Response: \$4.7 million additional State revenue for City Schools.

5. Question from Council Member Misjuns on March 21, 2023: *How many jobs will be created by the 434 Rivermont Avenue hotel project (former Jones Memorial Library)?*

Staff Response: The developer estimates 80 full and part-time positions for the hotel and restaurants.

6. Questions from Council Member Faraldi via email on March 22, 2023:

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- a. *How much is each percentage point worth for a Cost of Living Adjustment?*

Staff Response: \$523,457

- b. *What are the inflationary costs incorporated into this proposed budget? For example, if council adopted Fiscal Year 24's budget exactly like Fiscal Year 23's, what would be the associated increases? Fuel, chemicals, electric costs, etc.*

Staff Response: \$12,119,157

Questions pending staff response:

- 1. Question from Council Member Misjuns via email March 15, 2023:** *A breakdown of staff by employee ID for all FTE employees (please delete names from the list) with columns that include department, position classification/rank, hire date, current salary, proposed salary with market/compression adjustment, proposed GWI (as one single item), most recent total score from NEOGOV employee review, and whether they are considered non-supervisory, supervisory, management or executive.*
- 2. Question from Mayor Reed on March 21, 2023:** *What are the implications of expanding the real estate elderly tax relief program?*