

MEMORANDUM



To: City Council
From: Wynter C. Benda
Date: April 4, 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.

Questions from Council, Updated April 4, 2023

1. **Question from Council Member Faraldi via email March 30, 2023:** *How could the one-time expenditures, or other taxes, for the CIP be amended to assist with the Horizon Project?*

Staff Response: City Council has a few options available if it chooses to support the Horizon Crisis Receiving Center (CRC) project. Before we could make a firm recommendation on how to fund the project we would need to better understand the following:

- The exact terms of the request from Horizon – the amount and timing of the funding request
- How much, if any, one-time funds City Council will use to balance the operating budget

That said – Council's most straightforward options are likely to repurpose pay-as-you-go capital funding or use excess general fund balance (fund balance in excess of City Council's financial policies and other committed uses) as a funding source.

2. **Question from Council Member Misjuns via email on April 3, 2023:** *Can you please provide the document that is hyperlinked in Response 1 in the native format (.xlsx or .csv)? Thank you.*

Staff Response: The information is [linked here](#).

3. **Question from Council Member Faraldi via email April 3, 2023:** *What is the total fiscal impact of the following for the new/proposed Full Time Employees:*

- Page 23: General Government Administration, 6.46 (positions).
- Page 25: Parks/Ground Maintenance, 2.
- Page 25: Social Services, change from 5 new to 2 new positions, a difference of 3.

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Staff Response: \$751,915

4. **Question from Council Member Faraldi via email April 3, 2023:** *In reference to Question 4 and your March 30th memo, how much/what a plan would look like to close the budget gap of \$4.64 million? If possible, please respond with this information as soon as possible. I hope that since there were strategies proposed in the March 30th memo, associated dollar amounts are available.*

Staff Response: There are few ways to close the budget gap.

1. Raise revenue – \$4.64M is the equivalent of just over six cents on the real estate tax rate
2. Use one-time revenue to fund the budget deficit – this strategy is legal but not in compliance with City Council’s financial policy that states *“One-time revenues shall be used for one-time expenditures only”*
3. Reduce expenses, and consequently services, across the organization.
4. Some combination of the three options above

I do not want to speak specifically about the expenditure reductions we may employ until I know that this strategy would be the will of Council. The reductions may necessarily involve the elimination of filled positions and I do not want to publish that information until we are certain we are headed down that path.

Question from Mayor Reed in person on April 4, 2023: *What is the City’s poverty rate overall and by Ward?*

Staff Response: The following data is compiled by ESRI, using 2017-2021 American Community Survey Estimates.

Households Below the Poverty Level (2021 ACS 5-Year Estimate)

Ward I	10.53%
Ward II	23.65%
Ward III	19.90%
Ward IV	10.79%
Citywide	15.81%