

# 8/18/22 Citizens' Budget Advisory Committee (CBAC)

## Meeting Notes

**Committee Members Present:** Mr. Brian Bondurant, Mr. Gene Johnson, Ms. Shelia Walters, Mr. Chris Eudailey, Mr. John Hillard, Mr. Chip Hughey

**County Staff Present:** David Oakley – Budget Manager; Stephanie Davis – Budget Analyst, Coleman Wells – Budget Analyst

**The meeting was brought to order at 9:00 am via Microsoft Teams.**

### **1. Welcome**

- a. Approval of June 23, 2022 minutes

### **2. Bond referendum**

- a. In Chesterfield County, bond referendums are done only once every 9-10 years. The last one was in 2013.
- b. The last big referendum project was for Schools and the regional communication system for public safety. Henrico, Richmond, Hanover, and Richmond partnered with Chesterfield to unify public safety system.
- c. The 2023 bond referendum has a substantial amount of funding dedicated to school projects and will impact just about every district.
- d. Bond referendum presentations are being done at various community meetings over the next month to provide information prior to early voting that begins in mid-September.
- e. A bond referendum is an official vote that goes onto the ballot and allows the County to sell bonds over an 8-10 year period. Officially, it is an 8 year period; however it can be extended 2 years if needed by petitioning the Circuit Court.
- f. Mr. Hughey asked if there is flexibility to issue the total amount over the period? Mr. Oakley responded that the County does have the ability to sell bonds over the 8 year period.
- g. Chesterfield decided to do a single ballot question for the referendum. The entire \$540 million for schools, libraries, parks, and public safety are all included.
- h. Henrico also has a bond referendum on the ballot in November. They decided to separate the questions by category.
- i. If a bond item does not pass the County has to take another look into how to fund the project.
- j. Mr. Johnson asked how much detail Henrico was providing constituents on referendum items? Mr. Oakley stated that they are doing their referendum by categories and the amounts are being presented individually for schools, libraries, parks, and public safety.

- k. Chesterfield is a triple-AAA locality which is important in relation to bond sales. The County is prepared for a higher interest rate environment given uncertainty with the federal reserve and interest rates.
- l. All projects on the 2013 referendum have been completed, except the regional emergency communication system replacement. It is expected to be completed in 2023.
- m. Board of Supervisors wants to be transparent with citizens that the \$540 million bond referendum is a large undertaking. The County does have other funding sources in the pipeline including ARPA. Transportation items are not on the referendum because of funding from Central Virginia Transportation Authority (CVTA).
- n. Referendum projects on the ballot are addressing capacity demand. The County utilized StartIS computer modeling to see where future demand will be.
- o. Mr. Johnson asked where the remaining \$50 million for Midlothian Middle will be coming from? Mr. Oakley shared that funding will be identified closer to the project. Funding could come from other project savings or VPSA bonds that the County can sell outside of referendum on schools' behalf.
- p. There is a critical need for library facility enhancements. Facilities have been an awesome secondary use for the County as warming and charging stations during weather disasters.
- q. Parks and Recreation projects are focused on making sports tourism competitive and enhancing park facilities to get people outdoors. A theme that came out of Covid-19 is that park facilities along with other healthy options in the communities is important.
- r. Public safety projects in the referendum are focused on moving stations out of leased facilities. The County is trying to establish better police presence in various areas across the County.
- s. New modernized Fire and EMS equipment is not compatible with current buildings and changes will allow for better service delivery.
- t. County pays a level principal structure towards debt. Presently, the County pays a higher principal and debt goes down faster. Debt service will keep pace as new debt service is added.
- u. Board of Supervisors has decided to not pursue any new taxes to support new debt. Debt will be funded through current policies and revenue streams.
- v. Mr. Johnson asked whether the County has excluded the meals tax from happening at any time in the future? Mr. Oakley stated the meals tax would need to be its own question or tied to a future referendum.
- w. Mr. Oakley shared the ballot question with the committee. He emphasized that projects in the presentation are all that the money can be used for, if agreed upon there are exceptions that would have to go through the Circuit Court Clerk.
- x. Mr. Oakley shared a list of upcoming County and schools' events.

- y. The State of Virginia received a payment from a pharmaceutical company for an opioid settlement, and the County received its first payment.
- z. Ms. Walters asked if the settlement funding was unrestricted? Mr. Oakley stated that it is unclear, but Chesterfield has initiatives that would likely qualify if there were restrictions on the use.
- aa. Mr. Johnson asked if there were any concerns about real estate slowing down in the County. Mr. Oakey stated that building inspections is seeing a slowdown in new construction real estate permits; however, the County is seeing it slow down to a more reasonable level post-recession. Assessments in real estate lags between 1-2 years. What was seen in this year was a result of the market in 2020 and 2021.
- bb. Mr. Johnson asked if the County would be providing personal property tax relief like they did real estate. Mr. Oakley shared that there is always the possibility depending on what the Board priorities are.
- cc. The committee decided to forgo a September meeting and reconvene in October.

**Meeting adjourned at 9:57am**