



COMMUNITY FACILITIES BOND PLAN
INVESTING IN OUR COMMUNITY

Frequently Asked Questions & Answers

What is a bond? A bond is a form of debt obligation that, when issued, provides a government with funds to finance large capital improvements. A bond plan includes both the authority to issue bonds and a listing on purposes for which the funds may be used. The sale of municipal bonds is a form of long-term borrowing that spreads the cost of major capital improvements over the life of the facility. This method of financing ensures that current and future users help pay for the improvements.

How much will the county issue in bonds? If residents vote in favor of the bond financing question on the November 8th ballot, the county will have the authority to issue up to \$540 million in General Obligation bonds over eight years. The issuance of this debt may occur at several different times throughout the eight years for various amounts.

Will these bonds cause a property tax increase?

No new tax is associated with the Community Facilities Bond Plan. Debt service (the payments on the bonds) can be supported with existing resources without affecting other priorities.

Why a referendum?

The law requires voters approve bonds since they are a future obligation for the locality to be paid through tax revenue. The county structures debt service costs to not increase significantly as a percentage of combined general fund expenditures. As a result, the county's bonded debt would not be a contributing factor to any future change in local taxes.

What can general obligation (GO) bonds be used for?

General Obligation Bonds allow the county to pay for major capital investments having a public purpose, such as schools, public safety facilities, parks and libraries. Bonds are sold to investors and the proceeds from the sale of these bonds are used to pay for capital projects. Bond funds cannot be used for everyday operating costs, such as salaries, benefits, operating supplies, etc.

Can the bonds on the ballot be used for other purposes?

Proceeds of the sale of bonds authorized for a specific purpose may not, by law, be used for any purpose other than the purpose specified in the referendum question. For example, parks bonds may not be used to finance other projects, such as transportation projects. The county would be permitted to issue bonds for any purpose described in the ballot question.

What is the county's credit rating, and why is it important?

Chesterfield County has adopted prudent financial management policy designed to protect its triple-AAA bond rating. The county's longstanding triple-AAA bond ratings translates into savings as the county borrows money at the lowest possible rates.



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Why does the county issue bonds to pay for county projects rather than pay for projects with cash (pay-as-you-go)?

If capital construction was financed on a pay-as-you-go basis out of the current tax revenues, expenditures would be paid for in a much shorter period, which could necessitate a tax rate increase or a significant reduction in other county services. Bonds spread the cost of major projects of general benefit to the community over future years and ensure that both current and future residents and users share in the payment. Without bond funding, capital improvement budgeting is less predictable.

Why doesn't the county cut property taxes (more) instead of adding projects?

The county and school division maintain more than 10 million square feet and have identified more than \$1.3B in needed improvements and new facilities to meet demand for public services and programs. The county is growing on average 1.8 percent per year, which is putting pressure on existing resources and creating the need for new facilities. If the county does not construct these projects, taxpayers could pay for increased maintenance costs and improvements may not be completed.

How are the bond projects selected?

The projects were vetted through public engagement and approved by the School Board and Board of Supervisors. County and School staff studied infrastructure and facility needs throughout the county and developed a list of potential projects. To find out more about how the county forecasts future facility needs, visit the Demand Indicators Report: <https://www.chesterfield.gov/5003/Data-Reports>. During the last few budget processes, the community reviewed various projects to be included bond plan. With the fiscal year 2023 budget process, the potential project list was further refined and specific projects have emerged. In addition, through a series of community meetings, citizens, county and schools staff and the county's elected leaders have worked to develop the proposed bond project listing. The list of recommended projects was approved in April, totaling \$540 million.

What happens if the bond question isn't approved?

Without general obligation bond financing, the cost and planning for community facilities and infrastructure can be unpredictable – likely impacting the financing and construction schedule. Because of its triple-AAA bond rating, Chesterfield can obtain the lowest possible rates for borrowing money, which translates into the lowest cost-solution for our citizens. If the voters do not approve the bond financing question, projects could be delayed or removed from the schedule entirely until a funding source could be identified.

Prior Bond Plans:

<https://www.chesterfield.gov/5004/Bond-Referendums>

How do I know projects related to previous bond referendums have been completed?

<https://www.chesterfield.gov/5004/Bond-Referendums>



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INVESTING IN OUR COMMUNITY

How can residents learn more about the county's proposed bond plan?

The Bond Referendum website will have all the latest information on the Bond Referendum and proposed projects (<https://www.chesterfield.gov/5643/Community-Facilities-Bond-Plan>). Voters can also sign up for emails and schedule a speaker through the Speakers Bureau (<https://www.chesterfield.gov/1195/Speakers-Bureau>).

When is Election Day?

Tuesday, November 8, 2022

Do residents vote for the bond plan with one vote?

Yes. The question voters will see on the ballot will be:

“Shall the County of Chesterfield, Virginia, contract a debt and issue its general obligation capital improvement bonds in the maximum amount of Five Hundred Forty Million Dollars (\$540,000,000) to provide funds to finance various capital improvement projects for (1) public school system purposes, (2) public safety purposes, (3) public library purposes and (4) parks and recreation purposes?”

How do I register to vote?

Visit Chesterfield's Registrar to register to vote. Applications may be made submitted in-person or online.

<https://www.chesterfield.gov/registrar>

9848 Lori Road

Chesterfield, VA 23832

Phone: 804-748-1471

Key Dates

September 23, 2022: First day of in-person early voting begins

October 17, 2022: Deadline to register or update existing registration

October 28, 2022: By 5 p.m., deadline to request absentee ballot by mail

October 29, 2022: by 5 p.m., deadline to request absentee ballot in person

November 5, 2022: Last day of in-person early voting

November 8, 2022: Election Day

Where do I vote?

Voting precincts, Registrar's Office

Polls open from 6 a.m.-7 p.m.

Find your precinct here: <https://www.chesterfield.gov/747/Precinct-Maps-by-District>

Can I help on Election Day?

It takes more than 900 people to administer an election. If you're interested in becoming an Officer of Election, please apply in person at the Chesterfield Registrar's Office or complete and submit the [Officer of Election form](#) online.



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INVESTING IN OUR COMMUNITY

Scan QR code to access website
(chesterfield.gov/bond) and additional materials.

