



Frequently Asked Questions

REFERENDUM/BONDS

Question 1 : What will be on the ballot on November 2?

Answer: Two questions will be before voters to ask whether Goochland County should be authorized to issue up to \$96 million in general obligation bonds to pay for improvements to public facilities. Voters will respond “yes” or “no” to each question. The proposed bond amounts are:

- up to \$60 million for school projects
- up to \$36 million for public safety projects

Question 2: Why a referendum?

Answer: Virginia law requires County voters to approve general obligation bonds through a referendum. You have the opportunity to vote either YES or NO on the question. If there are more YES votes on a question, then the Goochland County Board of Supervisors will be authorized to sell bonds for the purpose described in the ballot question. If there are more NO votes on a question, the county cannot issue general obligation bonds to finance the purpose described in the question unless authorized in another referendum.

Question 3: What are bonds? How do they work? Do we have to pay them back?

Answer: Bonds are a means of financing projects; they are loans to pay for capital projects. The bonds (loans) are repaid through regular principal and interest payments. The principal and interest payments are often referred to as “debt service.”

Question 4: What types of bonds are used by the County?

Answer: For the proposed projects the County plans to issue General Obligation bonds.

Question 5: What distinguishes General Obligation bonds from other types of bonds?

Answer: Under state law, counties are required to secure voter approval through a referendum before issuing General Obligation bonds. Because the County has a credit rating of AAA from two rating agencies, the County generally may obtain lower interest rates on General Obligation bonds than on other bonds. Lower interest rates are beneficial to taxpayers. Moreover, the issuers of other types of commercial bonds also charge administrative fees that are higher than the administrative costs incurred in issuing General Obligation bonds.

Question 6: Will the bonds be issued all at once?

Answer: Bonds are generally not issued all at once. The County would not issue the bonds until work on a project is expected to occur. All the projects associated with the referendum have been specifically identified as upcoming needs in the County’s Capital Improvement Program (CIP) for several years. The current CIP lists all of the projects as being priorities to be undertaken within the next 8 years.

Question 7: What is the timeframe for issuance of the bonds?

Answer: Bond referendum authority allows the County to issue/sell bonds for eight years after the approval of the referendum. Additionally, the Circuit Court may grant another two years, for a total of 10 years.

Question 8: If a bond referendum fails, does that mean the proposed projects will not be done?

Answer: No, not necessarily. The referendum does not seek voters' approval to complete the projects, but instead seeks voters' approval to finance them through issuance of GO bonds which are backed by the County's full faith and credit. The County could still proceed with the projects using other financing mechanisms.

Question 9: What happens if the referendum doesn't pass?

Answer: If one or both of the bond referendum questions does not receive more YES votes than NO votes, the County cannot issue general obligation bonds to fund the identified projects. General obligation bonds are not the only funding source available; the County could pursue the projects with alternative funding sources. However, general obligation bonds traditionally carry lower overall borrowing costs when compared to other funding options and therefore are considered the most prudent method to finance long-term capital projects.

Question 10: If the Board can use other financing options, why have a referendum at all?

Answer: Issuance of bonds is an additional means of financing capital projects. Virginia law requires that in order for General Obligation bonds to be considered and used as a mean of financing by the County, Goochland voters must have an opportunity to vote either YES or NO on each bond question. If there are more YES votes on a question, then the Goochland County Board of Supervisors will be authorized to sell bonds for the purposes described in the ballot question. If there are more NO votes on a question, the County cannot issue general obligation bonds to finance the projects described in the question, but could instead find alternative means to fund the projects.

Question 11: If the bond referendum passes, does that guarantee that the bonds will be issued and the projects will be done?

Answer: No, there are several steps in the process. The first step has already occurred because, for several years, these projects have been identified as needed in the county's Capital Improvement Program (CIP). The next step is choosing how to fund the projects. The referendum is a necessary step in order to be able to use General Obligation (GO) bonds to finance these projects. GO bonds are usually the least expensive way to borrow money to fund long-term capital projects.

Even after the referendum, GO bonds won't be issued until the Board of Supervisors and County staff collect specific data about the costs and interest rates available for a GO bond issuance. If GO bonds are the best way to finance a project, then the Board of Supervisors will then adopt a resolution authorizing the actual sale of the GO bonds. GO bonds will only be issued if the revenue projected for the County budget is sufficient to cover existing principal and interest payments (debt service) as well as debt service from the issuance of any new bonds.

The County has several fiscal policies concerning debt and debt service. One of those policies requires that the ratio between the County's debt service and expenditures be at 10% with a ceiling of 12%. Every year, county staff will review calculations and projections of debt-service-to-expenditures and other debt ratios. Staff will ensure that the ratios continue to be met over the life of the bonds; if the debt-service-to-expenditure ratio is

approaching the ceiling, then capital projects can be shifted to later years or deleted.

Question 12: Can the money from the bonds be used for other purposes?

Answer: No. Bond sale proceeds authorized for a specific purpose may not, by law, be used for any purpose other than the purpose specified in the referendum question.

Question 13: What happens if one bond question passes and the other one doesn't?

Answer: The County will be able to issue the General Obligation bonds that the voters supported and undertake those projects. The County could seek alternative funding options for the projects in the bond question that was not approved.

Question 14: If the County issues these General Obligation bonds for the identified projects, how will it fund other capital projects in the Capital Improvement Program?

Answer: For capital projects, the County has funding alternatives other than General Obligation bonds, including cash funding and other bond types and borrowing options. Passage of these referendum questions does not mean that the County will be left without the means to fund other capital improvement projects.

DEBT/TAXES

Question 1: Will voting YES on the ballot questions result in a tax rate increase?

Answer: No. Goochland County will be able to carry and pay off the additional debt under its existing tax rate.

Question 2: Why don't we pay cash for the projects instead of going into debt to pay for them?

Answer: Using bonds to pay for the projects would help ensure that they are started and completed more quickly. Additionally, issuing bonds stabilizes the year-to-year costs for capital projects and spreads the cost of long-life major projects over time.

Question 3: What are the debt ratio policies? Why are they important? What is the maximum that could be issued while the County maintains its debt ratios?

Answer: State law does not establish legal debt limits for counties. Given guidance from the credit rating agencies and advice from the County's financial advisors, the Board adopted these debt ratios as boundaries to keep debt in check relative to the overall County budget:

1. Net debt as a percentage of estimated taxable assessed value should not exceed 2.5%.
2. The ratio of debt service expenditures as a percent of total general fund expenditures should be 10% with a ceiling of 12%.

Question 4: Will these projects increase my taxes?

Answer: The bond program is designed not to contribute to an increase in property tax rates. Goochland County has adopted prudent financial management policies designed to protect its triple-A bond rating.

Question 5: Why do we have to take on debt?

Answer: If we were to pay cash for the projects instead of taking on debt, it would either take us many years to save enough money to fund the projects or we would need to increase the tax rate for several years in order to collect through taxes the cash needed on an annual basis for these projects. Issuing bonds spreads the cost of long-life major projects over time, ensuring that both current and future residents share in the payment of the cost of the community's long-term projects.

Question 6: Can Goochland County afford the debt service payments on up to \$96 million in General Obligation bond debt?

Answer: Yes, reasonable financial forecasts project that the County can afford the anticipated debt service payments on the general obligation bonds. The ratio of debt service expenditures as a percentage of total general fund expenditures can, pursuant to the county's financial policies, be between 10-12%. The County's debt service is currently around 2.7% and even with the issuance of \$96 million in General Obligation bonds, it is anticipated that our debt service will not exceed 8%.

Moreover, two critically important facts underlie this statement: one, the entire amount will not be borrowed all at once, but over time, as the projects are ready to be constructed; two, when any project is ready for funding, the County and its financial advisors will undertake a careful analysis of the current market conditions, and of the timing, amount, structure, interest rates, operational needs, and debt policies before making a final decision to move forward with bond issuance. Goochland County currently has earned two AAA ratings from bond rating agencies, the highest rating possible. Because of this, the County will be able to obtain the lowest possible interest rates available in the market.

Each year the County goes through the annual budget process of planning current expenditures to meet current ongoing revenues. In anticipation of issuing future debt, the County has been increasing the amount budgeted for debt service each year to ensure that operational needs as well as debt service needs can be met. The County will continue to use conservative annual budgeting as well as multi-year planning to forecast the debt service needs of the County as well as the operational needs.

Question 7: What impact will these new bonds have on the Tuckahoe Creek Service District (TCSD) bond debt?

Answer: The new bond debt will have no impact on the TCSD bond debt. The TCSD bonds were issued to finance the infrastructure to be able to provide access to water and sewer utility services in the TCSD area. The bonds have two dedicated sources of revenue to pay the debt service: the \$0.32 ad valorem tax on property in the district and 55% of the general increase in real estate revenues from commercial property in the district. Over the years, and with the benefit of two refinancings to take advantage of lower interest rates, those revenue streams have been sufficient to make the debt service payments on the TCSD bonds. Current financial analysis projects that they will continue to be sufficient to cover those debt service payments through the full repayment of the bonds which is anticipated to occur by 2032.

FIRE-RESCUE STATION**Question 1: Where is the West Creek Fire-Rescue Station going to be located?**

Answer: Property is being donated for this fire station in West Creek near the intersection of Tuckahoe Creek Parkway and Hockett Road.

Question 2: When is District 2 getting a new Fire-Rescue Station?

Answer: The County is currently seeking an appropriately-located parcel on which to build a District 2 fire station. The District 2 fire station is included in the county's current Capital Improvement Program (CIP), and the county is already in the land acquisition stage for it.

Question 3: Why is the County building a West Creek Fire Station ahead of a District 2 Fire Station?

Answer: Given the significant amount of residential and commercial development in the eastern end of the county, there is a greater life-safety need for the West Creek Fire-Rescue Station at this time. The county's current Capital Improvement Program (CIP) reflects anticipated construction of the West Creek station in approximately 5 years. The District 2 Fire-Rescue Station is already in the land acquisition and planning stages.

Question 4: How much is the new Fire-Rescue Station expected to cost?

Answer: While there is not yet an estimated cost for the new Fire-Rescue Station, up to \$8 million is the amount of the borrowing the County is associating with the construction and equipping of the new Fire-Rescue Station which is expected to be similar in size to the Company 6 Fire-Rescue Station.

COURTHOUSE

Question 1: Will the Historic Courthouse or any of the other historic buildings on the courthouse green be demolished to make space for the new courthouse?

Answer: No. The Historic Courthouse and all of the historic buildings on the courthouse green will remain. Construction of the new courthouse will not interfere with these buildings. Non-historic buildings on or near the courthouse green, like the Quonset Hut that currently houses General Services personnel, may be removed.

Question 2: Why do we need a new courthouse?

Answer: The Historic Courthouse does not have the space and security features needed for our court system today. Moreover, courts, the Sheriff, and court support personnel are located in 7 different buildings in the courthouse area, which is inefficient and not as safe for employees and the public. The new court building will house all of the courts, offices for the Circuit Court Clerk, General District Court Clerk, Commonwealth's Attorney, and Sheriff's Court Security, as well as provide enhanced security, secure holding facilities, and more parking.

Question 3: How much is the new courthouse expected to cost?

Answer: While there is not yet an estimated cost for the new courthouse, up to \$28 million is the amount of the borrowing the County is associating with the construction and completion of the new courthouse.

Question 4: Does the County need to acquire any land to construct the new courthouse?

Answer: No, the County owns sufficient land adjacent to the current courthouse green to allow the construction of the new courthouse and parking areas, without removing or destroying any of the historic structures on the courthouse green.

SCHOOLS

Question 1: Is the School division going to build a castle?

Answer: The new Goochland Elementary School will be designed to meet the core purpose of instruction. The Goochland School District is known as a division of excellence and our goal is to build a school that reflects that core value; a building that the community can be proud of yet remains within the budget.

Question 2: Is the new elementary school going to cost \$60 Million?

Answer: No. The request for up to \$60 million in borrowing authority is based on an expectation that the School Division would borrow approximately \$34.5 million for the new elementary school, approximately \$21.5 million for renovations to the current Middle and High Schools, and approximately \$4 million for road and parking lot upgrades to improve traffic flow along Bulldog Way. Each project costs more than the amount we anticipate borrowing; we are also cash funding approximately 10% of the total project cost as a prudent financial practice.

Question 3: What is going to happen to the current Goochland Elementary School?

Answer: The current Goochland Elementary School will be repurposed to be used as additional office space for county departments and agencies.

Question 4: Didn't we just build a new high school? Why are renovations needed?

Answer: Goochland County Public Schools (GCPS) is committed to protecting the community's investment in its school facilities. However, not only do facilities wear out over time, but they also become outdated. This facility needs specific renovations to meet the technological and instructional needs of our high school program in the future. Furthermore, as the population in Goochland grows, so does our high school enrollment. GCPS finds itself in a higher class of athletic competition which demands more facilities for more teams as well as more spaces for specialized fine arts, career and technology classes. GCPS, therefore, needs to expand and renovate our county-wide high school to be an effective and efficient learning environment for another 20 or 30 years.

Question 5: When are Byrd and Randolph Elementary Schools going to be replaced?

Answer: The current County 25-year Capital Improvement Program (CIP) includes a replacement school for Byrd in 2033-2034 which means that it will not be ready for students until the 2035-36 school year or later. The current CIP has a replacement for Randolph in 2037-2038 which means that it will not be ready for students until the 2039-40 school year or later.

Question 6: Why should I vote for this if I don't have children or grandchildren in school?

Answer: All county residents benefit from Goochland having a top-notch school system. Residential real estate listings typically identify public schools in the area, so a good school system helps with residential home values. In addition, businesses want to locate in a place with a good school system and business growth is good for the county's tax base.

Question 7: My students go to Randolph Elementary. Why should I support this referendum?

Answer: All county residents benefit from Goochland having an excellent school system. The new Goochland

Elementary School will be a centralized location for division-wide elementary school activities and is being built to accommodate the increased student enrollment in Goochland since all elementary schools are at capacity. Redistricting will occur so that temporary trailers and overcrowded classrooms at Byrd and Randolph can be relieved. Therefore, some families in the Byrd and Randolph school districts may be placed in the Goochland school district.

Byrd and Randolph students will also benefit from the projects being funded at the Middle and High school, including safety improvements to Bulldog Way and the parking lots, and the additional facilities and modernizations planned for the Middle and High schools.

Question 8: Will the Bulldog Way road improvements make it safer for me to pick up my child from school?

Answer: The new Bulldog Way road improvements will relieve a lot of the traffic congestion at the Middle-High School complex. The improvements are being made with the safety of students as the top priority.

Question 9: What is wrong with the current Goochland Elementary School? Why do you need a new school?

Answer: Third-party engineering firms have determined that Goochland Elementary School (GES) is the school that has the most system (HVAC, electrical, plumbing) and programmatic issues. Even after critical renovations in 2017, GES is the first of our three elementary schools that need to be replaced. There is no gymnasium at the current school and the library is the size of a classroom. Students in our preschool programs and students who are walking to physical education classes cross a busy parking lot in all weather conditions. Furthermore, as the population in Goochland grows, so does our elementary school enrollment. As a centralized location, Goochland ES will be built with a capacity of 650 students to accommodate future growth.

Question 10: Why aren't the Bulldog Way improvements being done by the Virginia Department of Transportation (VDOT)?

Answer: The proposed road improvements to Bulldog Way are to add additional turn lanes to improve the flow of vehicles going to and from the current and future school facilities. Ensuring adequate turn lanes for access to a facility is the responsibility of the developer of the facility and not VDOT. Accordingly, the improvements to Bulldog Way are not the type of improvements that VDOT would undertake or fund, but have to be provided by the School Division. The funds earmarked for transportation improvements will not only provide sufficient turn lanes to ensure safe access to the new Goochland Elementary School, but also additional turn lanes and parking lot improvements to provide for better traffic flow at the Middle School/High School complex.

Question 11: What is the timeline for the School Projects?

Answer: The new Goochland Elementary School, Bulldog Way turn lanes, and Middle School/High School parking lot expansion are in the preliminary design phase. It is anticipated that traffic flow improvements for the Middle School/High School complex will be completed in the next 18 months. With no delay in funding decisions, the new Goochland Elementary School should be ready for students in August 2024. We will begin preliminary design of the high school additions and renovations in Fall 2023 with construction anticipated to start a year later and occur over several years.