

VOTE NO ON BONDS!

At taxpayers' expense, Fairfax County mailed a 2004 bond referendum "Citizen Information" flier to every County household. The flier, while purporting to present both the pro and con arguments regarding the bonds, omitted the following points:

1. **Fairfax County is \$2 billion in debt.** Fairfax County already owes over \$2 billion, including interest, for bonds it has already sold. This amounts to about \$5000 in debt per Fairfax County household. The debt is to be paid back over 20 years.
2. **This year, Fairfax County must pay back over \$200 million of its debt.** This expense is called "debt service," which is the annual cost of payments for interest and principal for bonds already sold. Even if the County sold no more bonds, it would have to pay \$200 million in debt service this year, about \$190 million next year, etc., for twenty years until it paid off its \$2 billion debt.
3. **Bonds drive up taxes.** If the County did not have to pay \$200 million in debt service, it could lower your real estate tax rate from \$1.13 to \$1.00.
4. **Fairfax County is deep in debt.** This year's bond referendum is for \$325 million. However because it is so deeply in debt, Fairfax County is currently limited to selling about \$200 million in new bonds each year. Selling more than \$200 million in bonds would jeopardize the County's credit rating.
5. **Bonds are expensive.** When the County borrows money through bonds, it has to pay interest to the lenders. The cost of interest is nearly half the amount of the bond. So when Fairfax County sells \$200 million in bonds this year, it has to pay nearly \$100 million more in interest, and this is with record-low interest rates and a Triple-A bond rating. This interest increases the County's ever-growing debt.
6. **Bonds waste hundreds of millions of dollars on interest.** For at least two decades Fairfax County has been incurring large interest payments selling bonds that raise about the same amount of money spent on debt service. (**Visit www.fcta.org to see graph of County's annual debt service and bond revenues.**) If the County had never sold bonds but had used the debt service money for construction and maintenance, it would have been able to spend nearly the same amount as it raised with bonds but not have a \$2-billion debt. This is called "pay-as-you-go" financing.
7. **Fairfax County has no crisis reserves.** Fairfax County has already sold over \$2 billion in bonds, which is nearly all it can sell without lowering its credit rating. A lower credit rating would mean higher interest payments. If there were a catastrophe from a tropical storm or terrorism, and we were faced with massive rebuilding costs, we would be unable to borrow the money necessary to recover. If, however, the County had used "pay-as-you-go" financing, we would be able to borrow \$2 billion.
8. **Reliance on bonds causes gridlock.** The County tries to pay for transportation from bonds. However, because the County cannot sell many bonds and because school buildings, which are also underfunded, consume most of the bond revenues, there is little bond money for roads. This bond provides \$25 million for roads annually for four years. We need to spend hundreds of millions per year on roads.
9. **Can't afford Metrorail.** For the same reason, reliance on bonds means too little money for Metrorail. Local and state governments have underfunded Metrorail's infrastructure for 25 years. Metrorail says it is now facing a crisis. If we build rail to Dulles, its infrastructure will also face a crisis in 25 years.
10. **We're paying record-high taxes. Why do we need to sell bonds?** Real estate taxes have increased 65 percent in five years. County spending has reached a new high in each of the last five years. However, the money goes to overfunded public schools and ineffective social programs. Fairfax County Public School staff has been increasing four times faster than enrollment. Yet our students' average SAT score remains unchanged at the 65th percentile. Less than half of the school staff is regular-classroom K-12 teachers.

The best way to end gridlock is to defeat the bonds, force the County supervisors to get out of debt, and force them to start spending more for transportation out of our record-high taxes and less for social programs.

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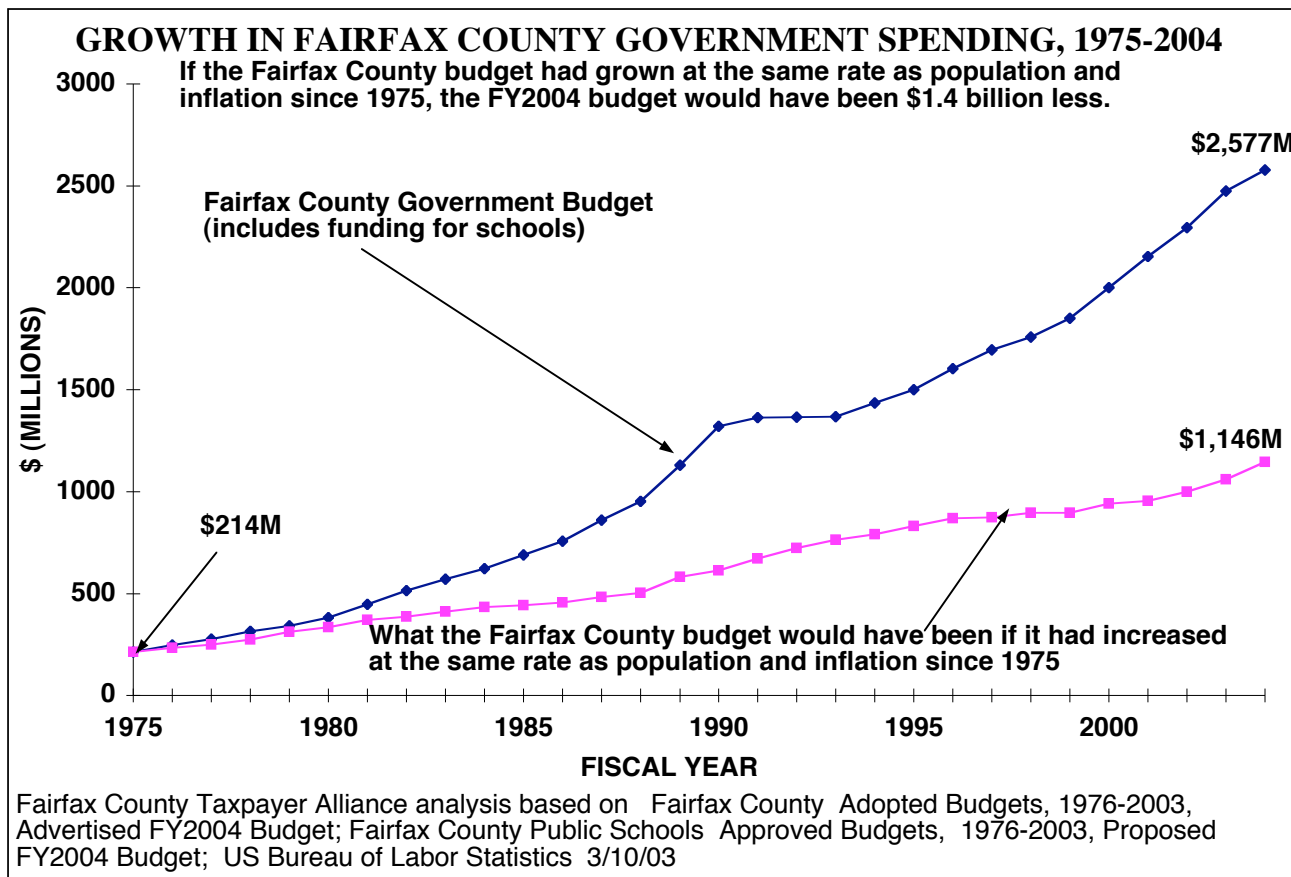
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Why is it that higher taxes never fix anything?

Are you tired of politicians who always raise taxes and then complain that government doesn't have enough money for "essential services"?

Join the Fairfax County Taxpayers Alliance!

Don't believe politicians who say that taxes have not kept up population and inflation! Fairfax County taxes and spending, including school spending, have been increasing twice as fast as population and inflation



**HELP US PUBLICIZE FAIRFAX COUNTY'S OUT-OF-CONTROL SPENDING!
 DONATE ONLINE AT WWW.FCTA.ORG OR USE THIS FORM:**

_____ Please enroll me as a member of the Taxpayers Alliance (\$15 for 12 months)

_____ Here's my contribution of _____ dollars

Name(s) _____

Mail To: The Fairfax County Taxpayers Alliance

Address _____

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City/State/Zip _____

Fairfax, Va. 22030

Telephone _____

703-642-5567

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