

Next FCTA Board Meeting

Tuesday, July 19, 2016

7:30 p.m. to 9:30 p.m.

Although only Board members may vote, all FCTA members are invited.

Location: Purves home

Off Beulah Road, Vienna, VA

Send an email to purves@fcta.org if you want to attend.



Winners: County employees. 85% of all recent tax increases went to employee pay and perks. Raises were 2x the private-sector raises. They retire at age 55 with 75% of their maximum pay — guaranteed — 100% with Social Security.

Losers: Seniors, low-income families that eat on the fly, restaurant servers, and small-business owners.

The sales hook: Politicians say they will lower the real-estate tax increases when the meals tax is implemented. They won't. They just raised the tax 5.5% — 9 times the 0.6% rate of appreciation. Early this year they received a windfall from the state, but they refused to rescind fee increases.

Reference: <https://nvar.com/market-statistics/housing-market-statistics>

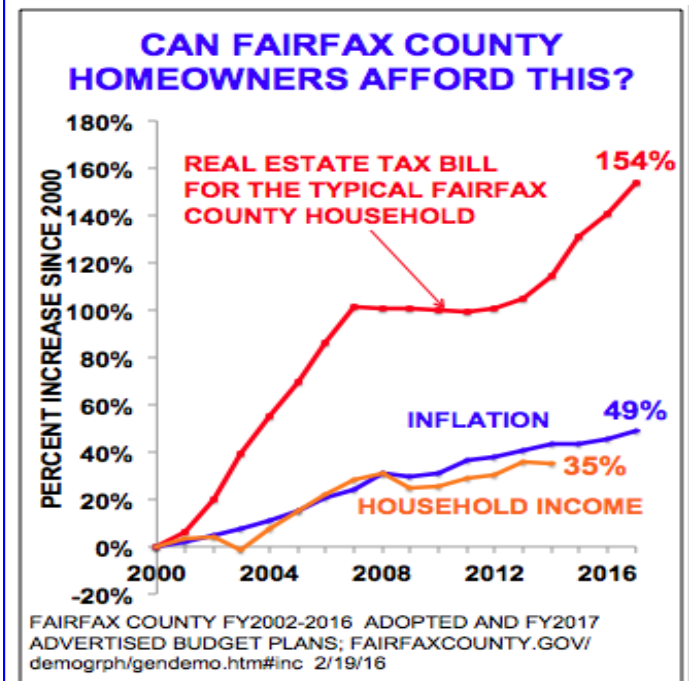
The Price of Gender Identity

The county has hired a homosexual consultant to identify what changes must be made to policies, procedures, and facilities to accommodate people whose mind dictates that they are of the opposite gender of their brain. The county has decided that what is real is in the mind, not what is in the physical world. The tax implications of the new indiscriminate gender policy is yet to be determined. Predicting future legal costs is almost impossible, especially those arising from sexual trauma in locker rooms. When physical reality is denied, expensive complications certainly arise.

President's Message:

A vote for the meals tax is a vote for Unaffordable housing.

Since FY2000 the supervisors have been making housing unaffordable by raising real estate taxes faster than family income. While family income has increased maybe 40% and inflation 49%, residential real estate taxes increased 154%. Since FY2000 the average annual real estate tax increase has been 5.5%



A meals tax will not stop the real estate tax increases. The projected revenue increase from a new 4% meals tax is between \$90M and \$100M. The cost of compensation increases for the just-approved next year's budget is \$176M. That includes 3.5% raises for 34,000 county and school employees and the increased cost of their Cadillac health plans and pensions with retirement at 55 with 75% of salary.

So a meals tax will not even pay for one year's compensation increases. After the meals tax, the 5.5% annual real estate taxes will resume.

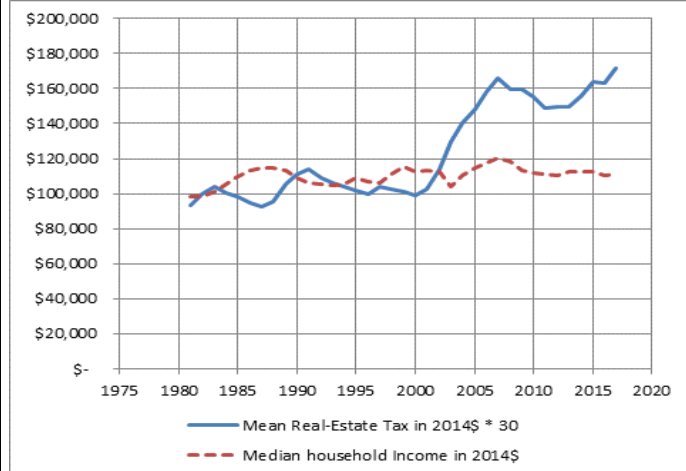
Consider also that of the 24,000 Fairfax County Public School employees, only 9,000 are regular classroom teachers. The anti-phonics, anti-drill-in-arithmetic, boring social studies, atheistic school curriculum increases remedial and disciplinary costs, perhaps by hundreds of millions.

Of the county's \$1.9B of non-school spending, perhaps \$400M is spent on public safety and social services dealing with family breakdown and poverty. Why are marriage and family collaps-

(Continued on page 3)

The History of County Financing

The following graph shows the history of the median household income (the dotted line) and the mean real-estate tax per household (solid line). Notice the large increase in taxes during the housing bubble — an increase that did not deflate when the bubble burst.



Notice also the rate of change in each. As adjusted for inflation, real-estate taxes are increasing faster than household income. This gap between the two rates has been cited by the County’s truly outstanding Chief Financial Office as “unsustainable.” We might name it after him as The Mondoro Gap. What can be done about it? (Search via Google “site:www.fcta.org 181” for supporting report.)

How the County Used the Tax Increase

For the County’s Fiscal Year 2016 (FY2016), real-estate values increased 0.6%, but that did not increase the revenue enough to cover the amount that the Board of Supervisors wanted to spend. The County increased the tax rate by 3.8%. (ibid.)

We can see from the county’s budget documents why the county wanted to increase expenditures so much. Almost all of the increase went to increases in employee salaries and benefits. The county got citizen support for the raises by showing that the teachers needed to be paid more to gain parity with neighboring jurisdictions, where salaries were higher. The county never warned us that it would give similar raises to all county and school employees, thereby necessitating the large tax increase. Clearly classroom teachers are underpaid relative to neighboring districts. Not so clearly are other employees underpaid.

The county and school salary increases of approximately 4% exceed the private-sector salary increases, which did not quite keep up with inflation. The government employees are getting richer while the rest of us are getting poorer. A government elite is forming.

With this year’s raises, which approximates the average raises since FY2000, this year the county increased the county budget per capita by 3.4%, after correcting for inflation, and the school budget per student by 4.5%. Supervisory costs per capita should have decreased but did not. The school costs increased because the number of ESOL and Special-Education students increased, perhaps because the school system so readily puts students in these classifications. (Ref: <http://www.fairfaxfederation.org/budget1.htm>)

How the County Plans to Increase Revenue

To allow for the ever-increasing salaries of county and school employees, the BOS wants to find new sources of revenue. They do not want to foster a political rebellion that might cause them not to be re-elected. The county has been increasing revenue by increasing fees for use of county facilities and activities. The BOS is trying to implement a meals tax. The meals tax can be implemented only if the voters approve it in the November 2016 election. The BOS wants to increase the number of people in the county — especially singles and childless couples. The additional people would be housed in rental apartments. Per acre of land, multifamily buildings have a higher assessment than single-family buildings; therefore, more revenue will be received with multifamily buildings (if sufficiently full — the assessment depends on the rents received). Mass transit also increases real-estate assessed values, further increasing revenues, although mass transit may well cost more in subsidies than it returns in taxes. For the county to generate other sources of revenue, the county must be authorized by the state government.

Alternatives for Financing the Government

Despite the School Board and County claims about cutting expenses, both budgets have increased continually, except during the 2008-2010 national financial crisis. Despite county claims, the needed revenue can be reduced — possibly to zero.

Classroom teachers apparently are underpaid relative to neighboring school districts. Citizens seem eager to pay them more; however, when the School Board gives them raises, the Board and the county give all employees similar raises — raises that are much greater than the private-sector gets. A tax-rate increase is not needed to give classroom teachers raises, but is needed to give all employees raises. Pay the classroom teachers more but limit other raises to the private-sector raises.

The budget can be greatly reduced if the age of retirement is increased to the Social Security retirement age. In addition, the retirement benefit per year worked can be reduced. Currently, after 30 years of employment, the school employee will receive 100% of his maximum salary after Social Security starts — the equivalent of retiring as multi-millionaires. The county employee will receive 75% but also can receive a retirement bonus equal to three years of his salary. These retirement benefits are paid by taxes from people who earn much less. The county’s consultants may claim that the employees are underpaid, but they would not dare to report otherwise if they want to be hired again.

Other savings are also possible (see [2015-03-12: Numbers show increasing Fx Co real-estate taxes unnecessary](#)).

Electing the School and County Boards

Incumbents are readily re-elected. They pay the 33,000 employees well and the employees and their friends and spouses re-elect them — they constituted 37% of the electorate in 2011. The wealthy don’t care, but the lower middle class flees. The renters complain about increased rents, blaming the landlord rather than the county’s increase in taxes. The poor don’t care because the county subsidizes their housing cost, either directly or through the neighbors that pay rents that are inflated to cover the “affordable housing” units. It is the middle class that is hurt.

Electing people who will halt the generation of a government elite and the attack on the middle class will require massive organization of the non-government voters.

Urbanization and Densification

As part of its program to increase tax revenues, the county is in the process of increasing the number of people living in the county and the amount of office space in the county. It is rezoning to accommodate more multi-family housing units and more commercial office space. The resulting higher assessments will increase tax revenue.

The re-zoning is currently aimed at 22 sites that the county claims are decaying. To encourage redevelopment of these sites, the county is permitting mixed-use development consisting of high-rise buildings (FAR 5). Although revisions to the Comprehensive Plan may be necessary, on June 21 the Board of Supervisors (BOS) passed the Zoning Ordinance Amendment (ZOA) "[Planned Development Commercial \(PDC\), Planned Development Residential Mixed Use \(PRM\) and Commercial Revitalization Districts \(CRD\) and Other Related Modifications](#)". This ZOA reduces buffering, tapering, parking space, open space, screening, and setbacks, relative to what have been the long-term county requirements. Congestion was not considered, but might be when the Comprehensive Plan is amended. The county claims that the occupants of the redevelopments will walk, bike, or take transit. Nevertheless, we can expect large tax increases to pay for the mass transit and the roads leading into the mass-transit stations, as is happening in Tysons and Reston.

The densification is gradually making the county a county of renters, mostly childless, who must depend on government transit services, similar to what happened in the Communist nations. We are departing from the personal freedom of the owner estates, even humble quarter-acre estates.

In response to the foregoing objections, Earl Flanagan, Mount Vernon Planning Commissioner, responded: "This is not a dictatorship type of government. If it were, I would agree with your logic." He voted for the ZOA. Sharon Bulova, BOS Chairman, replied that "Redevelopment is the future of Fairfax County" and that no changes would be permitted without public hearings. What they hear, of course, may be ignored.

Recent Postings to the FCTA Website

In addition to postings of articles found in Virginia and national news sources, the FCTA website (<http://www.fcta.org/Pubs/archivist.html>) has the following articles by FCTA members, published since the March 2016 bulletin. Take a look:

- 2016-xx-xx ~National FCTA: U.S. Congressional Contacts Information. Includes rating by American Conservative Union. by David Swink
- 2016-06-07 ~National FCTA: Letter to FBI Re Hillary Clinton's crimes at the State Dept, by Tom Cranmer
- 2016-05-xx ~Virginia FCTA: Democrat and Republican local web sites in Virginia, by David Swink
- 2016-05-18 ~FxTaxes FCTA: Time for Fairfax Supervisors to Recognize Metro Costs, by Thomas Cranmer
- 2016-05-18 ~Environment WT: Hit back on RICO suit -- letter, by FCTA's David Swink
- 2016-05-14 ~Report Do Not Hurt the Poor with a Meals Tax, by Fred Costello-184
- 2016-04-05 ~FxTaxes FCTA Presentation to BOS on Real Estate Tax Increases and County Budget by Charles McAndrew
- 2016-04-05 ~FxTaxes FCTA's Tom Cranmer's Tax Comments to the Fairfax County Board of Supervisors
- 2016-04-05 ~FxTaxes FCTA's Arthur Purves' Presentation to Fx Co Supervisors

President's Message (Continued from page 1)

ing? Perhaps President Obama said it best when he stated that the United States is no longer just a Christian nation.

Meanwhile, county leaders mislead the public about the budget. The school superintendent repeatedly states that since FY2008 the school budget has been cut by \$500M and 2175 positions, when in fact the budget has increased by \$490M (from \$2144M to \$2634M) and 1608 positions (from 22,261 to 23,869).

In his budget presentation, the county executive stated that since FY2009, the county budget has been cut by \$300M and 700 positions, when in fact the county non-school budget has increased by \$236M (from \$1571M to \$1807M in FY2016) and 234 positions (from 12,101 to 12,335 in FY2016).

The 2014 Meals Tax Task Force Report, which I voted against, states that the county needs more revenue due to growing population, enrollment, and student needs. In fact since FY2000 both school and county spending have increased five times faster than enrollment and inflation. The report suggests that meals tax revenue will be used for unfunded needs in health, parks, libraries, the arts, and others. In fact the revenue will probably be used for raises and to prop up pensions and the Cadillac health plans.

To make Fairfax County affordable requires using bonuses or merit pay to attract and retain the best employees. It is too expensive to pay all employees the premiums required to retain the best employees. The county and schools need to switch to higher-deductible health plans and defined-contribution retirement plans, as the private sector has done. The school curriculum needs to be improved, which would probably only happen through liberal school choice and competition. Social service and public safety costs need to be reined in by restoring the ideal of marriage and child-rearing that was lost when the Supreme Court decisions of half a century ago made the Ten Commandments the ten suggestions.

But if the meals tax is approved this will embolden the supervisors to continue the 5.5% real estate tax increases, ignore the real solutions, and tax the middle class out of their homes.

Thank you, Arthur Purves

Teacher Turnover in County Public Schools

The FCPS system does not report, and perhaps does not know, why teachers leave our schools. In response to a FOIA request from Arthur Purves, the FCPS did give the number of teachers leaving for neighboring school districts. Approximately 2% of middle- and high-school teachers make the switch. Approximately 4% of elementary-school teachers make the switch. In one elementary school, 16 of the teachers made the switch, while in others, none made the switch. Might the policies and performances of the principals make the difference? Let Arthur know if you have any information on this teacher turnover.

Fairfax County Taxpayer Alliance

P.O. Box 356, Fairfax, VA 22038

www.fcta.org

2014-2015 President: Arthur Purves

The Bulletin is the newsletter of the Fairfax County Taxpayer Alliance. It is published quarterly, with occasional special editions. The purpose is to provide information to member communities; federal, state, and local officials; and other interested persons. Articles reflect the view of their author and may be reprinted with the use of the following citation: "The Bulletin of the Fairfax County Taxpayer Alliance".

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Some of What FCTA Has Been Doing on Members' Behalf

Bill Peabody's Twitter messages have increased the number of FCTA followers to a record high.
Chuck McAndrew testified against raising the real-estate tax rate at the Apr 5 meeting of the Board of Supervisors (BOS) and at the BOS budget hearing that night. He attended a Town Hall meeting with Delegate LeMunyon and Senator Petersen on April 26 and spoke against densification in the county at the June 21 BOS meeting.
Arthur Purves spoke at the Freedom Leadership Conference on June 15, speaking about the root causes of society's ills.
Rob Whitfield attended many transportation meetings, mostly testifying for cost effectiveness in transportation projects.
See Page 3 for a list of reports by FCTA members that are available at <http://www.fcta.org/Pubs/archivelist.html>.

(Re)Join the FCTA and invite a friend to join too!

The Fairfax County Taxpayers Alliance analyzes Fairfax County, Virginia, and Federal budgets. We publish the FCTA Bulletin, which explains budgets, exposes excesses, and offers solutions. We also maintain a website (www.fcta.org) with much commentary. **Use this form or join online at www.fcta.org. We need your help to reach more taxpayers. For additional memberships, simply enclose a check with the new member's name, address, and email.**

Current members: Please renew if the date on your mailing label is before July 1, 2015. Thank you!

_____ **Enclosed is my annual FCTA membership dues of \$25 (mail to the return address, above).**

_____ **I'm enclosing an extra contribution of \$ _____**

_____ **I would like to volunteer. Please contact me.**

2016-06-29

Name(s) _____

Your Comments:

Address _____

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Telephone _____

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