



Fluvanna Taxpayers Association

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For immediate release

Fluvanna Taxpayers Association Pushes to Postpone Schools Plan Financing

November 24, 2008 – With the nation in economic crisis, Fluvanna County supervisors should delay a school bond issue that could increase real estate taxes by as much as 39 percent, urged the Fluvanna Taxpayers Association as part of a resolution presented to the Board of Supervisors, which called a November 24 special meeting to reconsider the bond sale.

The resolution adopted by the Taxpayers Association's Steering Committee implores the Board to put financing for the so-called Domino Plan on indefinite hold until the economy recovers. The proposed bond issue, expected to hike taxes by about \$560 per year for a \$300,000 home, is too much for struggling homeowners to shoulder, FTA maintains. The bond sale for the schools plan, previously set for September, has been stymied by the nation's economic meltdown and resulting escalation in interest rates.

FTA members turned out in force at two previous November board meetings to show supervisors that opposition to a major bond issue in the current economy is widespread. Some 65 FTA members packed the gallery, and more than two dozen spoke against the bond issue during public comment periods.

One of those who urged supervisors to reconsider burdening citizens with new taxes was Al Muoio, an FTA member retired from banking: "If Pearl Harbor had just been bombed, we wouldn't be forging ahead with a huge school bond sale. Now, Fluvanna and other communities in the country have been hit by an economic bomb, and we need to respond accordingly," he said. "We've all sustained losses -- in retirement accounts, stocks and bonds, home equity, jobs and business income. Such drastic conditions warrant a change in course."

FTA Chairman Lee True also urged supervisors to stand fast in refusing any bond issue at interest rates higher than 6 percent. Even a 1 percent interest-rate increase for the high school bonds would pump up the cost of the project by \$15.5 million.

The sizable public turnout at the three Board meetings included many who worried about the hit to their wallets from soaring property taxes. Borrowing \$75 million for the high school results in a total cost of \$151.6 million, including principal and interest at 6 percent. Additional planned school construction boosts the overall price tag to \$180 million at the same interest rate. Figuring from that combined total, taxes will rocket by 46 percent, adding 22 cents to the current tax rate, by 2014.

The Taxpayers Association will continue pressing county officials to hold up on financing for the schools plan until the economy rebounds, said True. "We're in an economic crisis and this is not the time to make things worse than they already are for taxpayers," he said. "Other communities around the country are confronting reality and tightening their belts. Officials in Fluvanna need to do the same."

For more information about the Fluvanna Taxpayers Association, go to www.fluvannataxpayers.org.

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