

# Twelve Reasons Why You Should Vote 'No' on August 17

## Executive Summary

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## Project Level Financial Summary and Scope

Pages 3-4

- \$23m bond is really a \$50m tax

## Details Supporting All 12 Reasons

Pages 5-16

## Additional Questions for Proponents

Pages 17-25

## Alternatives to Consider

Pages 26-28

- Proponents have said there are no other alternatives and that this is an 'all or nothing' plan
- We have identified numerous other alternatives to achieve the same outcomes while avoiding up to \$42.4m in new taxes

# Eleven Reasons Why You Should Vote 'No' on August 17

- 1) The amount to be paid by taxpayers has been grossly understated (\$23m vs. \$49.8m)
  - a) \$49.8m equates to ~\$23,400 for a family of 4 over 20 years (or ~\$5,850 per person for every man, woman and child in Johnson County)
- 2) Project estimates are inaccurate or incomplete – we do not know if \$51.5m is enough
  - a) Several projects have not finalized if they are performing renovations to existing structures or new construction
  - b) According to the proponents, the operating entities have other sources of funding (foundations, private funding, other programs) that can be tapped into if there are cost overruns
- 3) Proponents have made numerous conflicting, misleading, unrealistic and unproven statements and assumptions
  - a) 0% inflation
  - b) Interest rates will remain low
  - c) 3 different interest rates are referenced in their financial models and documentation
  - d) Johnson County tax burden - family of 4 burden will be \$240/year (20% of the tax burden) or \$470/year (40% of the tax burden) – which is it?
  - e) Non-residents will bear 60-80% of the tax burden – which is it?
  - f) Building costs will go down by the time the projects are shovel ready
  - g) No evidence provided that a 1% tax increase will generate the \$2.5m/year in taxes to make the numbers work
- 4) \$10.1m of the \$49.8m in new taxes is for a 'slush' fund (proponents refer to it as a 'sinking fund') to be used at the discretion of the government leaders (provides "options for the future")
- 5) Taxpayers are being asked to share a disproportionate amount of the burden

a) Taxpayers	96.8% (\$49.8m of \$51.5m)
b) Operating Entities	3.2% (\$1.625m of \$51.5m)
c) Private Investment	0% (\$0)
- 6) No other funding alternatives have been explored or presented by proponents
  - a) Sell off assets (YMCA, Golf Club, Senior Center) to fund projects (Museum, Fairgrounds, Library, Roads/Bridges, Park)
  - b) Private donations – numerous millionaires and billionaires in the community have not been approached to gauge their capacity/interest in contributing to these improvements
  - c) Raising membership dues or green fees – pay for services you use
  - d) Redirect 'rainy day' funds from other county budgets to the projects (i.e., \$1m in the Cemetery fund)
  - e) Each \$1 in alternative funding or reduced spend avoids \$2.17 in taxes (\$23m in alternative funding or reduced spend avoids \$49.8m in taxes)
  - f) All of the above?
- 7) It's more than 'just one penny...' Taxes are never static.
- 8) The role of government is not to own/operate private entities like YMCAs or golf clubs
  - a) 46% of the project cost (\$23m of the \$49.8m) is for the YMCA (\$19.57m) and Golf Club (\$3.43m)
  - b) \$2m of this tax increase will go to fund an operating deficit at the YMCA
- 9) Government inefficiency
  - a) \$23m is being borrowed by the entities for enhancements at a cost of \$49.8m to taxpayers
  - b) For each \$1 assessed in taxes, only \$.46 goes to improvements – the remaining \$.54 is 'waste' (a negative 54% return on taxpayer investment)
- 10) Government spending is not economic development
  - a) How is giving \$19.6m to the YMCA generating economic development?
- 11) No town, city, county, state or country has ever taxed or spent (government spending) its way to prosperity

***What else are they not telling you?***

# A \$23m bond to fund 'enhancements' to municipally owned assets will cost the taxpayers of Johnson County \$50m

High Level Project Estimate		Entity	Owned By	Project Description	Real Cost Cost to Taxpayers			
Bond	Entity				Bond	Interest on the Bond	Operating Cost	Sinking Fund
<b>\$9.35m</b>		<b>JOCO YMCA</b>	City of Buffalo	<ul style="list-style-type: none"> <li>Maintain, demo or replace current indoor pool (\$3.25m)</li> <li>New recreational gym space (\$6.1m)</li> <li>Funds may be used to match funds for future contributions</li> <li>Start date is 5-7 years out</li> <li>Facility to be operated by the YMCA</li> </ul>	<b>\$19.57m</b>			
\$8.85m	\$500k				\$8.85m	\$5.29m	\$2m	\$3.425m
<b>\$6.075m</b>		<b>Bomber Mountain Civic Center</b>	Joint Powers Board	<ul style="list-style-type: none"> <li>Remove existing facility</li> <li>Provide new facility for weddings, banquets, funerals</li> <li>Provide a location for industry conventions and conferences</li> <li>Provide additional parking</li> </ul>	<b>\$13.11m</b>			
\$5.825m	250k				\$5.825m	\$3.48m	\$1m	\$2.8m
<b>\$3.5m</b>		<b>Buffalo/Kaycee Roads and Streets</b>	City of Buffalo	<ul style="list-style-type: none"> <li>No details provided</li> </ul>	<b>\$6.59m</b>			
\$3.5m	\$0				\$3.5m	\$2.09m	\$0	\$1m
<b>\$1.9m</b>		<b>Buffalo Golf Club</b>	City of Buffalo	<ul style="list-style-type: none"> <li>Construction of a new clubhouse to attract new events</li> <li>Increase youth programming</li> <li>Bring in additional revenue (How?)</li> <li>Indoor golf simulator and practice area</li> <li>Parking lot improvements</li> </ul>	<b>\$3.43m</b>			
\$1.55m	\$350k				\$1.55m	\$927k	\$0	\$950k
<b>\$1m</b>		<b>Johnson County Fairground</b>	Johnson County	<ul style="list-style-type: none"> <li>Removal of 3 exhibit halls west of the grandstand</li> <li>Build new 10,000 sq ft exhibit hall/community space</li> <li>Remodel existing community building to include office space for Fairground staff and JC Extension staff</li> </ul>	<b>\$1.86m</b>			
\$850k	\$150k				\$850k	\$508k	\$0	\$500k
<b>\$900k</b>		<b>Buffalo Senior Center</b>	City of Buffalo	<ul style="list-style-type: none"> <li>Build Adult Daybreak Center/Facility</li> <li>Expand exercise facility</li> <li>Build addition to provide dedicated space for fitness of seniors</li> </ul>	<b>\$1.73m</b>			
\$800k	\$100k				\$800k	\$478k	\$0	\$450k
<b>\$750k</b>		<b>Kaycee Library</b>	Johnson County	<ul style="list-style-type: none"> <li>Address existing facility shortcomings</li> <li>Renovation or construction of a new facility</li> </ul>	<b>\$1.37m</b>			
\$625k	\$125k				\$625k	\$374k	\$0	\$375k
<b>\$650k</b>		<b>Jim Gatchell Memorial Museum</b>	Johnson County	<ul style="list-style-type: none"> <li>Maintenance of existing facility</li> <li>Renovation of ADA infrastructure (i.e., elevator systems)</li> <li>Funds may be used to match funds of applicable grants</li> <li>Renovations intended to start 2022</li> </ul>	<b>\$1.28m</b>			
\$600k	\$50k				\$600k	\$359k	\$0	\$325k
<b>\$500k</b>		<b>Harold Jarrard Park (HJP)</b>	Johnson County	<ul style="list-style-type: none"> <li>Upgrade existing space to handle crowds up to 1,000</li> <li>Increase size of bathrooms, locker rooms</li> <li>Improve storage to allow for better usage of existing space</li> <li>Provide equipment needed for increase in workout interest</li> </ul>	<b>\$889k</b>			
\$400k	\$100k				\$400k	\$239k	\$0	\$250k
<b>\$24.625m</b>					<b>\$49.8m</b>			
<b>\$23m</b>	<b>\$1.625m</b>	<b>\$23m</b>	<b>\$13.7m</b>	<b>\$3m</b>	<b>\$10.1m</b>			

**Total cost of the proposed capital improvements for Johnson County**  
 Portion funded by Johnson County taxpayers  
 Portion funded by current operating entities (i.e., the YMCA or the Golf Club)  
 \$23m (46%) of the cost to the Johnson County taxpayers goes to the YMCA and Golf Club  
 These 2 entities are only putting up \$850k (3.7%) of the combined cost of their projects

**\$51.454 million**  
**\$49.829 million (96.8%)**  
**\$1.625 million (3.2%)**

# Project Specific Questions/Observations

High Level Project Estimate	Real Cost Cost to Taxpayers	Project	Project Description	Questions/Observations
\$9.35m	\$19.57m	JOCO YMCA	<ul style="list-style-type: none"> <li>Maintain, demo or replace current 'end of life' indoor pool (\$3.25m)</li> <li>New recreational gym space (\$6.1m)</li> <li>Funds may be used to match funds for future contributions</li> <li>Start date is 5-7 years out</li> <li>Facility to be operated by the YMCA</li> </ul>	<ul style="list-style-type: none"> <li>Has the JOCO YMCA requested funds from the national YMCA?</li> <li>If not, why not?</li> <li>If so, how many funds have been allocated by the national YMCA to the JOCO YMCA?</li> <li>If the pool is 'end of life', why is the start date for this project 5-7 years out?</li> <li>Why are taxpayers spending \$2m over the next 20 years to fund an operational deficit at the YMCA?</li> <li>What % of the ~8,500 Johnson County citizens actually use the YMCA?</li> <li>Will Johnson County residents get to use the YMCA free of charge since they will be spending \$16.69m of their money on the enhancements to the facility?</li> </ul>
\$6.075m	\$13.11m	Bomber Mountain Civic Center	<ul style="list-style-type: none"> <li>Remove existing facility</li> <li>Provide new facility for weddings, banquets, funerals</li> <li>Provide a location for industry conventions and conferences</li> <li>Provide additional parking</li> </ul>	<ul style="list-style-type: none"> <li>If the purpose of the new civic center is to attract new events, why do we need a new golf clubhouse to do the same?</li> <li>How many more weddings, funerals and banquets do we expect to conduct at the Civic Center over the next 20 years than are performed in Buffalo today?</li> <li>What will the creation of this 'competition' do to existing wedding, funeral and banquet providers?</li> <li>Without an airport, how do we expect to draw industry conventions or conferences?</li> <li>Who are we trying to compete with/be like? Las Vegas, New Orleans, Orlando? Or Gillette, Sheridan, Casper?</li> </ul>
\$3.5m	\$6.59m	Buffalo/Kaycee Roads and Streets	<ul style="list-style-type: none"> <li>No details provided</li> </ul>	
\$1.9m	\$3.43m	Buffalo Golf Club	<ul style="list-style-type: none"> <li>Construction of a new clubhouse to attract new events</li> <li>Increase youth programming</li> <li>Bring in additional revenue (How?)</li> <li>Indoor golf simulator and practice area to increase year-round golf capabilities</li> <li>Parking lot improvements</li> </ul>	<ul style="list-style-type: none"> <li>Why do we need a new clubhouse to attract new events at the clubhouse if we are spending \$11m on a new Civic Center?</li> <li>Will Johnson County residents get to use the Golf Club free of charge since they will be spending \$2.9m of their money on the enhancements to the facility?</li> <li>What % of the ~8,500 Johnson County citizens actually use the Golf Club?</li> </ul>
\$1m	\$1.86m	Johnson County Fairground	<ul style="list-style-type: none"> <li>Removal of 3 exhibit halls west of the grandstand</li> <li>Build new 10,000 sq ft exhibit hall/community space</li> <li>Remodel existing community building to include office space for Fairground staff and JC Extension staff</li> </ul>	<ul style="list-style-type: none"> <li>How reliable is an estimate to build a 10,000 sq ft exhibit hall for less than \$100/sq ft? Most new commercial construction is in the range of \$200-\$300/sq ft. That would require \$2-3m to build a new exhibit hall/community space. Not to mention additional funds above and beyond that for removing the 3 exhibit halls west of the grandstand and remodeling the community building office space.</li> <li>What % of the ~8,500 Johnson County citizens actually use the Fairground?</li> <li>Why do we need a new community space at the Fairground if we are spending \$11m on a new Civic Center?</li> </ul>
\$900k	\$1.73m	Buffalo Senior Center	<ul style="list-style-type: none"> <li>Build Adult Daybreak Center/Facility</li> <li>Expand exercise facility</li> <li>Build addition to provide dedicated space for fitness of seniors</li> </ul>	<ul style="list-style-type: none"> <li>Proponents are advocating these improvements should be performed because the % of our population over the age of 65 (currently 27%) is increasing – however, NONE of these improvements are increasing the capacity of the center to house more senior citizens</li> </ul>
\$750k	\$1.37m	Kaycee Library	<ul style="list-style-type: none"> <li>Address existing facility shortcomings</li> <li>Renovation or construction of a new facility</li> </ul>	<ul style="list-style-type: none"> <li>What are the existing shortcomings?</li> <li>Are you 'renovating' or 'constructing'? How can you accurately estimate if you have not decided between 'renovating' or 'new construction'?</li> <li>Why don't we solicit \$750k in outside donations/grants rather than spend \$1.2m of taxpayer money?</li> </ul>
\$650k	\$1.28m	Jim Gatchell Memorial Museum	<ul style="list-style-type: none"> <li>Maintenance of existing facility</li> <li>Renovation of ADA infrastructure (i.e., elevator systems)</li> <li>Funds may be used to match funds of applicable grants</li> <li>Renovations intended to start 2022</li> </ul>	<ul style="list-style-type: none"> <li>Why don't we solicit \$650k in outside donations/grants rather than spend \$1.1m of taxpayer money?</li> </ul>
\$500k	\$889k	Harold Jarrard Park (HJP)	<ul style="list-style-type: none"> <li>Upgrade existing space to handle crowds up to 1,000</li> <li>Increase size of bathrooms, locker rooms</li> <li>Improve storage to allow for better usage of existing space</li> <li>Provide equipment needed for increase in workout interest</li> </ul>	<ul style="list-style-type: none"> <li>Only ~250 residents in Kaycee</li> <li>How often do they see crowds up to 1,000 at HJP?</li> <li>How much capacity today? Increase from 'x' to 1,000+. What is 'x'?</li> </ul>

# (1) The amount to be paid by taxpayers has been grossly understated (\$23m vs. \$42.4m)

- We are being asked to approve a \$23m bond; however, the total taxes that will be collected to pay for the \$24.6m in projects (\$23m in bonds and \$1.6m in operating entity contributions) is estimated by proponents to be \$49.8m over 20 years
- \$49.8m equates to ~\$23,400 for a family of 4 over 20 years (or \$5,850 per person for every man, woman and child in Johnson County)
- 46% of the tax increase goes to the YMCA and Golf Club to build a new pool, gym and club house (\$23m of \$49.8m)
- 26% of the tax increase goes to building a new civic center (\$13.1m of \$49.8m)
- 28% of the tax increase goes to improving our roads, the senior center, the library, the fairground, HJP and the museum (\$13.7m of \$49.8m)
- NONE OF THE PROPOSED TAX INCREASE GOES TO SETTING ASIDE FUNDS FOR FUTURE CAPITAL EXPENDITURES (i.e., future renovations or new construction)

Operating Entity	Bond Funds	Bond Interest	Operating Deficit**	Sinking Fund	Cost to Taxpayer	% of Tax	Scope
YMCA	\$8.85m	\$5.29m	\$2m	\$3.43m	\$19.57m	46%	New pool and gym, \$2m operating deficit
Buffalo Golf Club	\$1.55m	\$927k	\$0	\$950k	\$3.43m		New club house
Civic Center	\$5.83m	\$3.48m	\$1m	\$2.8m	\$13.11m	26%	New civic center, \$1m operating deficit
Buffalo/Kaycee Roads and Streets	\$3.5m	\$2.09m	\$0	\$1m	\$6.59m	28%	To be determined
JC Fairground	\$850k	\$508k	\$0	\$500k	\$1.86m		New exhibit hall
Buffalo Senior Center	\$800k	\$478k	\$0	\$450k	\$1.73m		Expanded exercise space
Kaycee Library	\$625k	\$374k	\$0	\$375k	\$1.37m		Renovate or build new (not clear)
Jim Gatchell Museum	\$600k	\$359k	\$0	\$325k	\$1.28m		Renovate ADA infrastructure
Harold Jarrard Park	\$400k	\$239k	\$0	\$250k	\$889k		Renovate to handle larger crowds
<b>TOTAL</b>	<b>\$23m</b>	<b>\$13.7m</b>	<b>\$3m</b>	<b>\$10.1m</b>	<b>\$49.83m</b>		

\*\*PLEASE NOTE: Operating Deficits communicated by proponents is actually understated by \$1.2m because inflation is not included in the proponents' calculations

- Proponents assume a 0% inflation factor over the next 20 years
- Using a 3% inflation factor over the next 20 years results in projected operating deficits of \$4.2m (instead of \$3m) for the YMCA and Civic Center

Additionally, because proponents are using 0% inflation and the YMCA pool is not scheduled to be built for 5-7 years, the YMCA renovation cost is understated by \$900k - \$1.3m (assuming a 3% rate of inflation)

Incorporating the impacts of inflation into the Operating Deficit calculation and the YMCA pool renovation calculation means that there is \$2.1-\$2.5m less available for renovations (\$22.1-\$22.5m available for renovations instead of \$24.6m available for renovations)– which of the projects will have to be cut or reduced in scope to account for this \$2.1-\$2.5m negative variance in the proponents' calculations?

- Impact of inflation on Operating Deficits \$1.2m
- Impact of inflation on YMCA Pool Renovation calculation \$900k - \$1.3m
- Total negative impact of inflation on proponents' projects \$2.1-\$2.5m

## **(2) Project estimates are inaccurate or incomplete – we do not know if \$51m is enough**

<ul style="list-style-type: none"> <li>• Several projects have not finalized if they are performing renovations to existing structures or new construction</li> <li>• According to the proponents, the operating entities have other sources of funding (foundations, private funding, other programs) that can be tapped into if there are cost overruns – this indicates they know their project estimates may be too low</li> <li>• Based on the rounded numbers presented by the proponents, the project estimates from the proponents appear to be ‘top down’, not ‘bottom up’ – they have not presented ‘detailed requirements’ for each of the projects; therefore, their ‘estimates’ are really ‘guesstimates’ – hence the need for the ‘sinking fund’</li> <li>• According to the proponents, if any given project is not finished when the funds run out, then the project(s) must stop while still in progress until additional funding is approved by taxpayers or additional funding is obtained by the operating entity from alternative sources</li> </ul>	<ul style="list-style-type: none"> <li>• Can you confirm your project estimates are ‘top down’ or ‘bottom up’?</li> <li>• Are you willing/able to share the detailed, line by line, bottom up estimates for each project with the people of Johnson County?</li> <li>• How much contingency is built in to your estimates?</li> <li>• What government project has ever come in ‘on time, on budget’ for original scope?</li> </ul>
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Senior Center	<ul style="list-style-type: none"> <li>• Proponents say that the increasing population of our senior citizens justifies the enhancements to the senior center; however, none of the proposed enhancements actually increases the capacity of the senior center to handle more seniors (in terms of beds)</li> </ul>	<ul style="list-style-type: none"> <li>• Why not build ‘senior capable’ exercise facilities at the YMCA and reduce the duplicate overhead (property taxes, operating costs, etc.) at the Senior Center and YMCA?</li> <li>• Why not sell the Senior Center and use the funds to fund a ‘senior specific’ wing at the YMCA?</li> </ul>
YMCA	<ul style="list-style-type: none"> <li>• Proponents say the YMCA has an ‘end of life’ pool that needs \$5.8m in renovations; however, the project start date is estimated to be 5-7 years out</li> </ul>	<ul style="list-style-type: none"> <li>• If the YMCA pool is ‘end of life’, why is that project not scheduled for 5-7 years? Is the pool a priority or not?</li> <li>• Does the pool estimate of \$5.8m include 5-7 years worth of inflation (since that project will not be performed for another 5-7 years)?             <ul style="list-style-type: none"> <li>• If not, why not?</li> <li>• If so, what is the inflation factor you are using?</li> <li>• How much of the \$5.8m allocated to this project will be eaten up by inflation?</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• The project description for the pool says ‘maintain, demo or replace’ existing pool</li> </ul>	<ul style="list-style-type: none"> <li>• Which is it?</li> <li>• If that decision has not been made, how do we know the requested funds are sufficient?</li> <li>• Which assumption (maintain, demo or replace) was used in coming up with the \$5.8m estimate?</li> </ul>
Kaycee Library	<ul style="list-style-type: none"> <li>• Proponents say the Kaycee Library needs \$1.2m in renovations to:             <ul style="list-style-type: none"> <li>• Address existing shortcomings (no details provided on what these shortcomings are)</li> <li>• Renovate the existing facility or construct a new facility</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• What shortcomings are to be addressed in the renovations?</li> <li>• Which is it? Renovation or New Construction?</li> <li>• If those details are not yet known, how do we know the requested funds are sufficient?</li> <li>• What assumptions were made in coming up with the \$1.2m estimate?</li> </ul>
Fairground	<ul style="list-style-type: none"> <li>• Project estimate seems very low (\$1m) to perform the following requested enhancements:             <ul style="list-style-type: none"> <li>• Removal of 3 exhibit halls west of the grandstand</li> <li>• Remodel existing community building to include office space for Fairground staff and JC Extension staff</li> <li>• Build a new 10,000 sq ft exhibit hall/community space</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Typically, new construction for commercial facilities is in the range of \$200-\$300/sq ft. This would mean just building the exhibit hall would cost \$2-3m (far exceeding the \$1m request) and leaving no funds for removing the 3 exhibit halls or remodeling the existing community building to include office space</li> </ul>

**(3) Proponents have made a number of  
CONFLICTING, MISLEADING, UNREALISTIC or UNPROVEN Statements and Assumptions**

*These statements and assumptions call into question the motivation, credibility, reliability and veracity of those leading this project*

<b>0% inflation being used in proponents' modeling spreadsheets</b>	20 years of inflation on the \$150,000/year operating deficits	\$1.2m
	5-7 years of inflation before YMCA pool built	\$900k - \$1.3m
	Total funds not available for enhancements due to inflation	\$2.1m - \$2.5m
	Actual (vs. original) funds available for renovations	\$22.1-\$22.5m (vs. \$24.6m) (8-10% reduction in funds available for renovation)

**Proponents say building costs (which have increased exponentially over the last year) "will go down by the time the projects are shovel ready"**

<b>Interest Rates</b>	Proponents have said interest rates will remain low	<ul style="list-style-type: none"> <li>Interest rates are already starting to increase</li> <li>What is the interest rate tipping point for the bond at which point the economics are no longer feasible?</li> </ul>
	Documentation provided by proponents references 3 different interest rates used in their financial models	<ul style="list-style-type: none"> <li>Which interest rates should be used? 2%? 2.25%? 2.42%?</li> </ul>

<b>Proponents say the tax will go away in 20 years</b>	<ul style="list-style-type: none"> <li>In 20 years, won't the pool, gym and club house need major renovations? How will those be funded? A new tax?</li> <li>What tax has ever gone away? Can you guarantee the tax will go away?</li> <li>Many of us will not be here in 20 years anyway – we are passing the tax along to future generations who never got to vote</li> </ul>
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<b>Proponents have said the increase in taxes paid by Johnson County residents will be:</b>						<ul style="list-style-type: none"> <li>Which is it \$60/person/year or 40% of the total tax? <ul style="list-style-type: none"> <li>\$60/person/year = \$240/year for a family of 4; 20% of the tax</li> <li>40% of the tax = \$117/person/year; \$468/year for a family of 4</li> </ul> </li> <li>A more realistic estimate of taxes to be paid by JC residents based on recent per capita income is ~\$480/year for a family of 4 (which equates to 48% of the total tax burden being borne by Johnson County residents)</li> <li>What has been the distribution of tax revenue between non-residents and residents for the last 10 years?</li> <li>Provide evidence that 80% of the \$49.8m in taxes will be paid by non-residents of Johnson County.</li> <li>What happens to the proponents' business case if tourists stop coming to Johnson County?</li> <li>Have you done 'sensitivity' analysis to evaluate the business case if interest rates go up, building costs go up, inflation goes up, there is a migration out of Johnson County?</li> </ul>
<ul style="list-style-type: none"> <li>\$60/year/person</li> <li>AND in a separate statement</li> <li>40% of the total tax</li> </ul>						
<b>\$/year/person</b>	<b>Family of 4 (per year)</b>	<b>Family of 4 (20 years)</b>	<b>Total 20 Year Tax JC Residents</b>	<b>% of Total Tax JC Residents</b>	<b>% of Total Tax Non Residents</b>	
\$60/year/person	\$240/year	\$4,800	\$10.2m	20%	80%	
\$117/year/person	\$468/year	\$9,380	\$19.9m	40%	60%	
\$120/year/person	\$480/year	\$9,600	\$20.4m	41%	59%	
\$249/year/person	\$1,172/year	\$23,450	\$49.8m	100%	0%	

**(3) Proponents have made a number of  
CONFLICTING, MISLEADING, UNREALISTIC or UNPROVEN Statements and Assumptions**

*These statements and assumptions call into question the motivation, credibility, reliability and veracity of those leading this project*

<p><b>Proponents say improving assets impacts 100% of Johnson County residents</b></p>	<ul style="list-style-type: none"> <li>• Not proportionally</li> <li>• Please provide evidence that at least 1 person in every household uses at least 1 of these 9 assets</li> </ul>	~8,500 Johnson County Residents	
		YMCA	~1,800 JC memberships?
		Golf Club	? JC members
		Civic Center	? annual visitors
		Buffalo/Kaycee Roads and Streets	
		JC Fairground	? annual JC visitors
		Buffalo Senior Center	? JC members
		Kaycee Library	? JC annual visitors
		Jim Gatchell Museum	? JC annual visitors
	Harold Jarrard Park	? JC annual visitors	
	<ul style="list-style-type: none"> <li>• 46% of the costs of this initiative goes to the YMCA and Golf Club</li> </ul>	<ul style="list-style-type: none"> <li>• What % of citizens actually use those 2 facilities?</li> <li>• Why would someone in Kaycee drive 40 miles each way to the YMCA in Buffalo? (the YMCA is getting nearly 40% of the taxpayer dollars)</li> <li>• Why should a family of 4 in Kaycee pay \$9,200 over the next 20 years for the YMCA in Buffalo?</li> <li>• How many tourists visit Buffalo each year for our YMCA or Senior Center?</li> <li>• How many people move to Buffalo each year for our YMCA or Senior Center?</li> <li>• When people look at houses in Buffalo or Kaycee each year, do they also tour the YMCA or Golf Club as part of their evaluation process to buy that house?</li> </ul>	
<p><b>Proponents say that 'All projects are necessary' (all or nothing)</b></p>	<ul style="list-style-type: none"> <li>• "Necessary" – so this is a 'need', not a 'want'? Food, shelter, sanitation are needs not a clubhouse or pool.</li> <li>• Only 4 counties in Wyoming have YMCAs</li> <li>• What is the implication to Johnson County if we do not move forward with these projects?</li> <li>• 200,000 visitors already come to Buffalo every summer             <ul style="list-style-type: none"> <li>• If things here are so bad, why are so many people visiting every summer?</li> </ul> </li> <li>• People are moving to Buffalo in droves             <ul style="list-style-type: none"> <li>• If things here are so bad, why are so many people moving to Buffalo?</li> </ul> </li> </ul>		
<p><b>To make their financials work, proponents have said the tax will need to generate \$2.5m/year in additional sales tax; however, there is no evidence presented to support this assumption</b></p>	<ul style="list-style-type: none"> <li>• Where is the evidence and supporting documentation that proves 1% will generate \$2.5mm in incremental sales tax per year for the next 20 years?</li> <li>• What happens if we bring in less than \$2.5m/year in sales tax revenue?</li> <li>• What happens to the assumptions around the 'sinking fund'?</li> <li>• How much do we bring in per year now?</li> <li>• What has been the 10-year trend of sales tax revenue?</li> </ul>		



### **(3) Proponents have made a number of CONFLICTING, MISLEADING, UNREALISTIC or UNPROVEN Statements and Assumptions**

*These statements and assumptions call into question the motivation, credibility, reliability and veracity of those leading this project*

**Proponents say “all projects are tax payer owned assets – no special interests”**

- Given First Northern’s role pushing this referendum, can you guarantee that FN will not profit from or receive any business from any of these 9 projects?
- Where do the revenues from the golf course, YMCA, fairground, etc. go? To private citizens/entities or are they a revenue source for the county?
- Whose priority is it to have these things built? The county commissioners? The city councils? The private entities that operate these facilities? The private companies who will be awarded the renovation work for these projects? The citizens of Johnson County?
- Special interests who will be receiving benefits:
  - The YMCA will be receiving the benefit of taxpayers paying \$19.6m for renovations and operating costs over the next 20 years
    - The YMCA only pays \$1/year in rent
    - Johnson County residents already pay tens of thousands of dollars per year in taxes to fund the YMCA operating budget (including a deficit)
    - The YMCA receives \$90,000/year just from Buffalo High School
  - Banks and Wall Street investors will be receiving \$13.7m in interest from Johnson County taxpayers
  - The companies performing the renovations or new construction will be receiving these funds
    - Will work only be given to Johnson County commercial contractors?
    - If not, why not?
    - If not, how can the work be considered ‘economic development’ for Johnson County?
- How much of today’s current tax revenue goes to fund each of these 9 operating entities?
  - What is the purpose of this funding? To offset operating deficits?
  - Are we subsidizing the YMCA and Golf Club? If so, why are Johnson County taxpayers subsidizing private entities?

**Proponents say these projects will put us in a much better financial situation in the future**

- Does this imply our current financial situation is not good?
  - If so, why? You have previously said we just went through the best 20 years we will ever go through
  - Why are we not in a good financial situation now after a 20 year boom?
  - Are proponents acknowledging we were fiscally mismanaged the last 20 years, hence the need for a tax increase?
  - If we are in worse shape now after a 20-year boom, how will we be in better shape in 20 years when the next 20 years will not be as good as the last 20 years?
  - The same people and processes that got us to where we are today are going to put us on a path to a better outcome over the next 20 years?
  - If we just went through a 20 year boom that will never be seen again, why are there not enough residual funds sitting in capital expenditure accounts for just these type of requests?
- What is Johnson County’s ‘current financial situation’ so we have a baseline to measure this statement against in the future?
- PLEASE PROVIDE A COPY OF THE BUSINESS CASE THAT PROVES THERE IS A POSITIVE RATE OF RETURN ON THE \$49.8m IN TAXES SPENT ON THESE PROJECTS
- DEFINE ‘BETTER FINANCIAL SITUATION IN THE FUTURE’
  - MORE TAX REVENUE? If so, how much/year for 20 years?
  - MORE JOBS? If so, how many by year for 20 years? (including salaries)
- How does building a new pool and gymnasium at the YMCA or building a new Golf Club house put us in a better financial situation in the future?
- Do pools and gyms create long term high paying jobs? If so, how much are you projecting?
- Who is ‘us’? Johnson County government? The taxpayers/residents?
- How much money is sitting in the ‘rainy day’/‘capital expenditure’ accounts in the county?
- Most shareholders, investors, tax payers and residents invest in assets that generate a positive rates of return
  - How can you say that this ‘investment’ of \$49.8m which is going to lose \$26.8m is putting us in a better financial situation?
  - How can you say we will be in a better financial situation in the future if we are losing 54% on the investment?

**(4) \$10.1m of the \$42.4m in new taxes is for a 'slush' fund**

**Proponents refer to it as a 'sinking fund' to be used at the discretion of government leaders to provide "options for the future"**

- What limitations are being put around the sinking fund (\$10.1m of the \$49.8m in taxes)?
  - Can the sinking funds only be used for the original scope of the project?
- Why should taxpayers give \$10m to government bureaucrats to spend at their discretion?
  - The average taxpayer does not have \$10m sitting around their house to use at their discretion whenever they need access to it
  - The average taxpayer has to stick to a very precise monthly budget with little or no margin for error
  - Why should the government be given such a large margin of error (>37%)?
- Will Johnson County taxpayers who encounter financial hardship in the next 20 years be able to tap into this sinking fund that holds their tax dollars to pay for food, shelter, clothing, etc.?
  - If not, why not?
  - If so, what will be the request/approval/governance process? Have costs associated with administering that process been factored into the costs for this project?
- Johnson County has already established 'capital expenditure funds' to fund capital expenditure projects just such as these
  - How much taxpayer money is already sitting in these capital expenditure funds?
  - Why are they not being used for this project?

**Proponents say the expected rate of return on this sinking fund is 3%**

- The government will be taking money from citizens and holding on to it with the expectation that the government can invest/spend that money more effectively, efficiently than its citizens
- The average citizen/investor can invest their own money and earn a 6-7% annual rate of return with moderate risk
- The 3% rate of return is barely above the historical rate of inflation and may actually be less than future inflation that is forecast in coming years

## **(5) Taxpayers are sharing a disproportionate amount of the burden**

<b>Taxpayers</b>	96.8% (\$49.83m of \$51.455m)
<b>Operating Entities</b>	3.2% (\$1.625m of \$51.455m)
<b>Alternative Investment Sources</b>	0% (\$0)
<b>Proponents acknowledge that all of the operating entities have other sources of funding (foundations, private funding and other programs) to fund any cost overruns that may occur</b>	<ul style="list-style-type: none"> <li>• If this is true, why are the operating entities only funding 3.2% of the cost (\$1.6m of \$51.5m)?</li> <li>• If these foundations and other sources do not have the money to contribute more to the funding, then why do the proponents think the average tax payer has the money to pay more taxes?</li> <li>• If the operating entities have money available to fund 'overruns', do they not have more money available for the initial investment?</li> <li>• How much 'overrun' capacity do they have available to fund?</li> <li>• How much money is in the capital expenditure funds for the 11 special districts in the county?</li> </ul>
<b>Lower income residents share a higher proportion of the tax burden than higher income residents</b>	<ul style="list-style-type: none"> <li>• Is it right for the 9% of Johnson County residents currently living in poverty and our lower income residents to have to pay more in taxes?</li> <li>• Should they have to make a choice between eating vs. subsidizing residents who want to play golf or go swimming at the YMCA?</li> <li>• Will Johnson County taxpayers who encounter financial hardship in the next 20 years be able to tap into this sinking fund that holds their tax dollars to pay for food, shelter, clothing, etc.?</li> <li>• If not, why not?</li> <li>• If so, what will be the request/approval/governance process? Have costs associated with administering that process been factored into the costs for this project?</li> </ul>
<b>9% of Johnson County residents are below the poverty line</b>	

## (6) No Alternatives Have Been Explored or Presented by Proponents

<p><b>Proponents argue that this is the only option we have</b></p>	<ul style="list-style-type: none"> <li>• Have we invested time in seriously exploring and analyzing other funding options?             <ul style="list-style-type: none"> <li>• Sell off assets (YMCA, Golf Club) to fund projects (Senior Center, Museum, Fairgrounds, Library, Roads/Bridges, Park)                 <ul style="list-style-type: none"> <li>• This has the added benefit of reducing Johnson County residents' taxes used to pay for operating deficits at some of these organizations</li> </ul> </li> <li>• Private donations (foundations, parent organizations (National YMCA), private individuals)                 <ul style="list-style-type: none"> <li>• Numerous millionaires and billionaires in the community have not been approached to gauge their capacity/interest in contributing to these improvements</li> </ul> </li> <li>• 'Tourist' tax (if one of the selling points of this proposal is that non-residents pay more than 75% of the tax burden), then why don't we just tax the non-residents directly?</li> <li>• Raise membership dues or greens fees— pay for services you use</li> <li>• Charge for usage                 <ul style="list-style-type: none"> <li>• I have been to 3 events at JC Fairgrounds since arriving in January and I have not paid a single dollar to attend those events</li> </ul> </li> <li>• Redirect 'rainy day' funds from the 11 special districts to these projects                 <ul style="list-style-type: none"> <li>• \$1m in the Cemetery fund</li> </ul> </li> <li>• Public/private investment                 <ul style="list-style-type: none"> <li>• Private companies spend their money to perform the enhancements</li> <li>• Government then collects usage fees (like toll roads, greens fees, membership fees, etc.) and directs those fees to reimburse the private companies</li> <li>• Private companies take the risk, not the taxpayers</li> </ul> </li> <li>• All of the above</li> </ul> </li> <li>• Each \$1 in alternative funding or reduced spend avoids \$2.17 in taxes</li> <li>• \$23m in alternative funding or reduced spend avoids \$49.83m in taxes</li> </ul>	<ul style="list-style-type: none"> <li>• Why do we not charge admission fees at JC Fairgrounds for events?</li> <li>• Have we explored raising YMCA membership fees and golf club green fees?</li> <li>• Have you explored selling off assets like the YMCA or Golf Club to fund more traditional municipal projects?</li> <li>• Has the local YMCA or proponents requested funds from the National YMCA?             <ul style="list-style-type: none"> <li>• If not, why not?</li> <li>• If so, how much money is the National YMCA pledging to this project?</li> </ul> </li> <li>• How much taxpayer money is already sitting in these 'rainy day' funds in Johnson County?</li> <li>• How much of that money has been spent each year by account each of the last 5 years?</li> <li>• What is the criteria for using 'rainy day' funds?</li> <li>• Is it not raining right now? You just said the last 20 years was a boom and we have nothing to show for it. And the next 20 years will not be as good as the last 20 years,...</li> </ul>
<p><b>Proponents have said it is not possible in a small community for private citizens to fund these projects</b></p>	<ul style="list-style-type: none"> <li>• That is simply NOT TRUE</li> <li>• Numerous millionaires and billionaires in this community who have not been approached to determine their capacity/interest in contributing to these projects</li> <li>• There will soon be nearly 100 new multi-millionaires moving into the Sand Creek development in coming years</li> </ul>	<ul style="list-style-type: none"> <li>• Have you approached private donors?             <ul style="list-style-type: none"> <li>• If not, why not?</li> <li>• If so, how many out of how many?</li> <li>• What have been the results?</li> </ul> </li> </ul>

**(7) It's just one penny...**

<p>Proponents argue that "it's just one penny"; however, there are numerous other household budget line items that Johnson County taxpayers are starting to see increase</p>	Increased property taxes +	\$200/year
	Increased rent +	\$200/year
	Increased insurance costs (health, auto, life, home) +	\$500/year
	Increased propane and electricity costs +	\$500/year
	Increased auto fuel costs (up 50% since January) +	\$1,000/year
	Increased health care costs +	\$500/year
	Increased costs that retail businesses will pass along to their customers from their increased taxes	TBD
	Increased Wyoming state taxes +	TBD
	Increased federal taxes +	TBD
	Increased food costs +	TBD
	Increased agriculture costs +	TBD
	<b>PLUS ONE MORE PENNY</b>	<b>\$480/year</b>
	<b>Total</b>	<b>\$60/year/person now becomes &gt;\$3,400/year for a family of 4</b>
	Median Household Income in Johnson County	\$58,000

9% of Johnson County Residents live in poverty	What do we do about those folks?
<ul style="list-style-type: none"> <li>• What about the family that needs to buy a new car? 1% on a new car price is cost prohibitive – not being able to buy that new car reduces economic development – is that factored into your business case?</li> <li>• Will Johnson County taxpayers who encounter financial hardship in the next 20 years be able to tap into the sinking fund that holds their tax dollars to pay for food, shelter, clothing, etc.?             <ul style="list-style-type: none"> <li>• If not, why not?</li> <li>• If so, what will be the request/approval/governance process? Have costs associated with administering that process been factored into the costs for this project?</li> </ul> </li> </ul>	

**Many citizens in Johnson County already have to work more than one job to make ends meet – 'one more penny' means many people will have to get another job or have to move**

***(8) There is no oversight, governance or control over the funds being requested***

<p><b>Proponents have said all the Agencies are collectively working together to improve assets</b></p>	<ul style="list-style-type: none"> <li>• What governance mechanism will be in place to resolve funding disputes between the entities?</li> <li>• Who prioritizes the allocation of funds?</li> </ul>
<p><b>Proponents have provided no details for how the projects and funding will be overseen/governed</b></p>	<ul style="list-style-type: none"> <li>• Since many projects have not decided ‘renovate’ vs. ‘new construction’, how are projects prioritized, funded?</li> <li>• Does the actual language in the bond measure prescribe (guarantee, protect us from) how much money will be allocated to each project?</li> <li>• Is there some mechanism/form of governance that will prioritize/allocate the funds in line with this presentation?</li> <li>• For example, how do we ensure all \$49.8m does not go to the YMCA or the Civic Center?</li> </ul>
<p><b>Proponents have stated that the projects listed on the sheet are simply a suggestion and then it will be the City’s responsibility to identify how the funds are used</b></p>	
<p><b>No guarantee of outcomes</b></p>	<ul style="list-style-type: none"> <li>• If the project is not finished when the funds run out, then the project must stop while still in progress until additional funding is approved by taxpayers or additional funding is obtained by the operating entity from alternative sources</li> </ul>

***(9) The role of government is not to own/operate private entities like YMCAs or golf clubs***

<p><b>Proponents argue that it is in the best interest for the citizens of Johnson County for the government to own and operate private entities like a YMCA and Golf Club</b></p>	<ul style="list-style-type: none"> <li>• 46% of the project cost (\$23m of the \$49.8m) is for the YMCA (\$19.57m) and Golf Club (\$3.43m)</li> </ul>	<ul style="list-style-type: none"> <li>• Why are taxpayers being asked to give \$23m of their money to the YMCA and Golf Club?</li> <li>• Why does the City of Buffalo own private assets (the YMCA, the Golf Club)?</li> <li>• Where in the US or Wyoming Constitutions does it say that governments should own or operate golf courses, YMCAs, etc.?</li> <li>• If we own these private assets, are we receiving income from membership fees, green fees, etc.? If not, why not?</li> <li>• How much of our current taxes are going to fund current operating deficits at these municipally owned facilities?</li> <li>• Shouldn’t our tax dollars go to proper long term infrastructure like roads, bridges, water/sewer, etc.?</li> </ul>
	<ul style="list-style-type: none"> <li>• \$2m of this tax increase will go to fund an operating deficit at the YMCA</li> </ul>	

## (10) Government inefficiency

### For each \$1 raised in taxes

- Only \$.56 is going to the projects
- The remaining \$.44 is going to 'waste' (interest, sinking fund, operating deficits)

- 46% of the taxes being raised are being spent on the actual projects (\$23m of \$49.83m)
- 54% of the taxes being raised are being spent on 'waste' (\$26.83m of \$49.83m) (bond interest, operating deficits and sinking fund)
- This is a negative return on investment of 54%
- What government or organization would submit for voter or shareholder approval a project that will lose 54% of its investment value?
- How is a negative 54% return improving our financial situation for the future?
- The numbers above understate the actual negative rate of return:
  - Proponents financial model assumes 0% inflation on:
    - The operating costs that are being subsidized for the YMCA and Civic Center
    - The YMCA pool renovation costs to be performed in 5-7 years
  - Including inflation in both of those line items reduces funds available for renovations by \$2.1-\$2.5m
- Each \$1 in alternative funding avoids \$2.17 in taxes
- \$23m in alternative funding avoids \$49.8m in new taxes

## **(11) Government Spending is NOT 'Economic Development'**

<p><b>According to proponents:</b></p> <ul style="list-style-type: none"> <li>• Investing in our community assets is pure economic development</li> <li>• These projects will 'generate economic development'</li> </ul>	<ul style="list-style-type: none"> <li>• SEE BULLETS UNDER GOVERNMENT INEFFICIENCY</li> <li>• What is the definition of economic development:             <ul style="list-style-type: none"> <li>• Increased tax revenue to Johnson County?</li> <li>• More jobs?</li> <li>• Increased wages?</li> <li>• Other</li> <li>• Please provide a baseline of the metrics you are using to prove this statement</li> </ul> </li> <li>• PLEASE PROVIDE A COPY OF THE BUSINESS CASE THAT PROVES THERE IS A POSITIVE RATE OF RETURN ON THE \$49.8m IN TAXES SPENT ON THESE PROJECTS – WHAT INCOME IS GENERATED AS A RESULT OF SPENDING \$19.57m AT THE YMCA?</li> <li>• It is a proven economic fact that             <ul style="list-style-type: none"> <li>• Government taking money from citizens and re-allocating to something else actually destroys economic value</li> <li>• Government spending does not grow the economy – the government has to take money or print money in order to spend it – it is a verifiable fact that governments are the most inefficient entities in the world for spending money – they actually 'destroy' economic value rather than generate economic value</li> </ul> </li> <li>• How is the government taking money from me and building a golf course club house 'economic development'?</li> <li>• How does an improved library or new YMCA pool or improved museum generate 'economic development'?</li> <li>• Why are taxpayers paying \$19.57m of their own money for the YMCA to get a new pool and gym?</li> </ul>
<p><b>Proponents have said "We just went through an economic boom over the last 20 years (the largest we will ever see) and have very little to show for it"</b></p>	<ul style="list-style-type: none"> <li>• If government taxes and spending were at an all time high the last 20 years and 'we have nothing to show for it', then why do we think a tax increase of \$49.8m for \$24.6m in projects will generate 'economic development'?</li> <li>• Why is the purpose of a boom to build more public buildings?</li> <li>• The purpose of a boom is to increase standard of living, move people from one income bracket to the next, etc. Are they better off today than they were 10 years ago?</li> <li>• If we just went through a boom and have nothing to show for it, why should we believe the same government who did not take advantage of the boom over the last 20 years will be able to achieve a better outcome over the next 20 years during a period that you admit will not be as good as the last 20 years?</li> </ul>

***(12) No town, city, county, state or country  
has ever taxed or spent (government spending) its way to prosperity***



# Golf Club Questions

- In my experience, people don't value things they don't pay for. Do you think people value things they don't pay for? Do you think someone values your course more because they pay money to play it?
- If you think people do value things they don't pay for, then why do you charge people for your facilities and services?
- Do you think you should be forced to pay for something that you don't use, don't want or don't need?
  - Your members are only putting up \$350k of the \$1.9m needed for the new club house – that is only 18% of the cost
  - Do you think your members will value the new club house if they are only funding 18% of the renovations?
  - The taxpayers (non-members) are putting up the remaining 82% of the costs (\$1.55m) PLUS the taxpayers are having to pay an additional \$1.877m in additional costs (interest on the bond plus the sinking fund).
  - Total taxpayer outlay is \$3.427m (\$1.55m in renovations PLUS \$1.877m in additional costs)
  - Vs. total member outlay of \$350k
  - So members are really only paying 10% of the TOTAL COST (350/3,427)
  - Vs. taxpayers are paying 90% of the TOTAL COST (2,573/2923)
  - Will members value the new club house if they are only paying for 10% of the TOTAL COST?
  - Do you think that is fair to the taxpayers that they are paying 90% of the TOTAL COST for a new club house?
- Of the \$3.427m in taxes allocated for the golf club, only \$1.55m (45%) is going to paying for the new club house, the remaining \$1.877m (55%) is going to pay for interest on the bond and the sinking fund
  - That is a 55% loss on investment – do you think that is a good use of taxpayer money? To lose 55% of the taxpayer's money?
  - Would you invest your money in a company that lost 55% of your money?
- How many \$1,000 raffle tickets have been sold? (provide evidence)
- How many donors (provide evidence):
  - Albatross \$50,000 +
  - Ace \$25,000-\$49,999
  - Eagle \$10,000-\$24,999
  - Birdie \$5,000-\$9,999
  - Par \$1,000-\$4,999
- What will happen if the Golf Club is able to fundraise more than the \$350,000 it has committed to this project?

# Golf Club Questions

- If members are able to...
  - Raise \$900k in capital funds (rather than \$350k) for the initial down payment
    - 1,000 \$1,000 raffle tickets (divided by two) \$500,000
    - 2 Albatrosses \$100,000
    - 4 Aces \$100,000
    - 20 Birdies \$100,000
    - 100 Pars \$100,000
  - And fund the remaining \$1m with a 20-year 5% construction loan (\$6,572 monthly payment for 20 years)
  - They would be paying for 100% of the new club house
  - A \$6,572/month loan payment would require the golf club to generate \$6,572/month in additional fees from increased membership fees, increased non-member green fees and cart costs, fees for weddings, fees for banquets, increased lesson fees, etc.
  - \$6,572/month represents a X% increase in total monthly income in the golf club budget (i.e., an X% increase in membership fees, greens fees, lesson fees)
  - \$6,572/month = 3.8 more green fees and cart rentals per day
  - The total outlay from the members would be \$2.48m (\$900k original down payment + \$1.58m in loan payments over 20 years) – that is a savings to all parties of \$947k over 20 years (a savings of 28% to taxpayers by taking this alternative approach)
  - Plus the \$3.427m in taxes avoided by taxpayers could be spent by taxpayers on other goods and services in the community
- ...it's a win/win for everyone:
  - Members are happy:
    - Total cost of the Golf Club project (\$2.48m) is 28% less
    - They pay for 100% of the project which they get satisfaction from – knowing that the golf club they use was paid for by them – surely there's a greater level of satisfaction knowing they accomplished something like that vs. someone else paying for them – isn't that what we teach our kids: to earn/pay for what they want rather than ask their parents for money?
  - Taxpayers are happy: they get to keep \$3.427m of their money to spend in the Johnson County economy on the things they value or to be directed towards true public service projects (i.e., roads, museums, parks, civic center, etc.)
  - The local bank that gets the construction loan is happy: they get \$577k in interest over 20 years that they would not have gotten otherwise PLUS they get the added free advertising for the role they played in making Johnson County a better place to live

**Isn't this a better way to spend everyone's money than the current plan?**

# Golf Club Questions

- How many of the millionaires and billionaires in Johnson County have you approached for large \$ donations? What % of the millionaires/billionaires have you approached? What has been the response rate?
  - Don't forget – the Buffalo Golf Course Foundation is a 501c(3), which means donations are tax deductible
- Of the \$300,000 in donations received to date
  - What is the largest donation?
  - How many donors? Per person donation?
  - What % of your members have donated?
  - Do you think it's fair that 100% of taxpayers have to spend their money on a new golf club, when only x% of the members have donated their money to the golf club?
  - How much of the \$300,000 has already been received and is in your bank account?
  - How much of the \$300,000 will be received over time in coming years? What is the expected 'income' by year?
- What will happen if the Golf Club is able to fundraise more than the \$350,000 it has committed to this project?
- Will those excess funds:
  - Be sent back to the taxpayers?
  - Be used to pay down the bond faster/sooner?
  - Be used to reduce the annual operating deficits at the Golf Club?
  - Be used to fund other pet projects at the Golf Club?
  - Other?
- Do you think it's fair that the 9% of Johnson County residents who are living below the poverty line and the hundreds (maybe thousands) of other residents who are officially 'low income' should have to subsidize the wants of your members? Should those living below the poverty line and who are 'low income' have to choose between food, shelter, clothing vs. paying for a new golf club house?
- Isn't it true that your members really just want a 'free ride' from the taxpayers of Johnson County rather than putting up their own money to purchase a new golf club?
- What % of your annual operating budget is funded by members vs. taxpayers vs. other sources? Are your members paying their fair share?
- Isn't a new golf club a rather extravagant spend of taxpayer money?
- With people dying/starving all over the country/world, shouldn't we be spending our tax money on more noble things?
- Does a 'community' 'need' a new golf club? Or are its taxes better spent on things like roads, fire, police, sanitation, museums, parks, etc.?

# Golf Club Questions

- Have you thought about being patient? Take one more year to raise private funds from your members or other donors rather than saddle taxpayers with a 20-year \$3.427m tax bill? Once you increase the taxes, there is no going back. What's another year of patience vs. a 20-year weight around the necks of Johnson County taxpayers?
- Since non-member taxpayers are paying for 90% of the cost of the new club house, will they receive discounts on weddings, banquets, the restaurant, greens fees, etc.?
  - If not, why not?
  - If so, how much?
- With costs for the average family going up exponentially (food, shelter, clothing, fuel, electricity, etc.), is now the time to be taking money away from the hard working residents of Johnson County to fund your pet project?
- When people look at houses in Buffalo or Kaycee each year, do they also tour the YMCA or Golf Club as part of their evaluation process to buy that house?
- Do they purchase their new house based on their observations of our golf club/YMCA?
- Are they initially attracted to Buffalo or Kaycee as a location to live because of the reputation of our golf club/YMCA?

# YMCA Questions

- In my experience, people don't value things they don't pay for. Do you think people value things they don't pay for? Do you think someone values your facility and services more because they pay money for them?
- If you think people do value things they don't pay for, then why do you charge people for your facilities and services?
- Do you think someone should be forced to pay for something that they don't use, don't want or don't need?
  - Your members are only putting up \$500k of the \$9.35m needed in renovations – that is only 5% of the cost of the renovations.
  - Do you think your members will value the new pool and gym if they are only funding 5% of the renovations?
  - The taxpayers (non-members) are putting up the remaining 95% of the renovations (\$8.85m) PLUS the taxpayers are having to pay an additional \$10.72m in additional costs (interest on the bond, operating deficits, sinking fund).
  - Total taxpayer outlay is \$19.57m (\$8.85m in renovations PLUS \$10.72m in additional costs)
  - Vs. total member outlay of \$500k
  - So members are really only paying 2.5% of the TOTAL COST (500/19,570)
  - Vs. taxpayers are paying 97.5% of the TOTAL COST (19,070/19,570)
  - Will members value the new pool and gym if they are only paying for 2.5% of the TOTAL COST?
  - Do you think that is fair to the taxpayers that they are paying 97.5% of the TOTAL COST for a new pool and gym?
- Of the \$19.57m in taxes allocated for the YMCA, only \$8.85m (45%) is going to paying for the pool and gym, the remaining \$10.72m (55%) is going to pay for interest on the bond and the sinking fund
  - That is a 55% loss on investment – do you think that is a good use of taxpayer money? To lose 55% of the taxpayer's money?
  - Would you invest your money in a company that lost 55% of your money?
- Do you think it's fair Johnson County residents who are not members of the YMCA should be spending \$100,000/year (pre-inflation) of their own money for 20 years to fund operating deficits at the YMCA? Shouldn't members be paying for the operating deficits?
- Isn't the real cost of the operating deficits at the YMCA over the next 20 years going to be \$4.2m (rather than the \$2m communicated by JOCO First)? (JOCO First did not include inflation in their operating deficit calculations, thereby intentionally understating the true cost of the operating deficits)
- Why do members of the Johnson County YMCA, on average, spend 30% less on their annual memberships than the members of the three other YMCAs in Wyoming (Sheridan, Natrona County, Cheyenne)?

# YMCA Questions

- How many of the millionaires and billionaires in Johnson County have you approached for large \$ donations? What % of the millionaires/billionaires have you approached? What has been the response rate?
  - Don't forget – the YMCA is a 501c(3), which means donations are tax deductible
- How much is the National YMCA contributing to this project?
- Of the \$500,000 in donations you have signed up for:
  - How much in commitments have you received to date?
  - What is the largest donation?
  - How many donors? Per person donation?
  - What % of your members have donated?
  - Do you think it's fair that 100% of taxpayers have to spend their money on a new pool and gym, when only x% of the members have donated their money to the YMCA?
  - How much of the commitments to date has already been received and is in your bank account?
  - How much of the commitments will be received over time in coming years? What is the expected 'income' by year?
- What will happen if the YMCA is able to fundraise more than the \$500,000 it has committed to this project?
- Will those excess funds:
  - Be sent back to the taxpayers?
  - Be used to pay down the bond faster/sooner?
  - Be used to reduce the annual operating deficits at the YMCA?
  - Be used to fund other pet projects at the YMCA?
  - Other?
- Do you think it's fair that the 9% of Johnson County residents who are living below the poverty line and the hundreds (maybe thousands) of other residents who are officially 'low income' should have to subsidize the wants of your members? Should those living below the poverty line and who are 'low income' have to choose between food, shelter, clothing vs. paying for a new pool and gym?
- Isn't it true that your members really just want a 'free ride' from the taxpayers of Johnson County rather than putting up their own money to purchase a new pool and gym?
- Have you thought about being patient? Take one more year to raise private funds from your members or other donors rather than saddle taxpayers with a 20-year \$19.57m tax bill? Once you increase the taxes, there is no going back. What's another year of patience vs. a 20-year weight around the necks of Johnson County taxpayers? Especially since the pool has another 5-7 years of life.

# YMCA Questions

- Since non-member taxpayers are paying for 97.5% of the cost of the new pool and gym, will they receive discounts on YMCA services?
  - If not, why not?
  - If so, how much?
- Does a 'community' 'need' a YMCA pool or gym? Or are its taxes better spent on things like roads, fire, police, sanitation, museums, parks, etc.?
  - There are only 4 YMCAs in Wyoming (Cheyenne, Buffalo, Sheridan, Casper) – that means there are 20 counties (i.e., 'communities') in Wyoming that are doing just fine without a YMCA pool or gym
- With costs for the average family going up exponentially (food, shelter, clothing, fuel, electricity, etc.), is now the time to be taking money away from the hard working residents of Johnson County to fund this project?
- How much money does the YMCA receive from Johnson County taxpayers and entities (like Buffalo High School) each year today?
- What % of your annual operating budget is funded by members vs. taxpayers vs. other sources? Are your members paying their fair share?
- Does the pool estimate of \$5.8m include 5-7 years worth of inflation (since that project will not be performed for another 5-7 years)?
  - If not, why not?
  - If so, what is the inflation factor you are using?
  - How much of the \$5.8m allocated to this project will be eaten up by inflation?
- The project description for the pool says 'maintain, demo or replace' existing pool
  - Which is it? Maintain, demo or replace?
  - If that decision has not been made, how do we know the requested funds are sufficient?
  - Which assumption (maintain, demo or replace) was used in coming up with the \$5.8m estimate?

# YMCA Questions

- Can you confirm your project estimates are ‘top down’ or ‘bottom up’?
- Are you willing/able to share the detailed, line by line, bottom up estimates for each project with the people of Johnson County?
- How much contingency is built in to your estimates?
- What government project has ever come in ‘on time, on budget’ for original scope?
- Why would someone in Kaycee drive 40 miles each way to the YMCA in Buffalo? (the YMCA is getting nearly 40% of the taxpayer dollars)
- Why should a family of 4 in Kaycee pay \$9,200 over the next 20 years for the YMCA in Buffalo?
- How many tourists visit Buffalo each year for our YMCA?
- When people look at houses in Buffalo or Kaycee each year, do they also tour the YMCA or Golf Club as part of their evaluation process to buy that house?
- Do they purchase their new house based on their observations of our golf club/YMCA?
- Are they initially attracted to Buffalo or Kaycee as a location to live because of the reputation of our golf club/YMCA?

Can you comment on why Johnson County charges so much less for its memberships, etc. than the other 3 YMCAs in Wyoming?

		Johnson County YMCA	Sheridan YMCA	Natrona County YMCA	Cheyenne YMCA
<b>One Time Joining Fee (family of 4)</b>		\$75	\$40	\$49	\$50
<b>Monthly Membership (family of 4) (includes towels and lockers)</b>		\$53	\$83	\$77	\$78.50
<b>Day Fees</b>	<b>Youth</b>	\$6	\$5-\$7	\$5	\$10
	<b>Adult</b>	\$10	\$10	\$10	\$15
	<b>Senior</b>	\$8	\$10	\$10	\$15
	<b>Family</b>	\$18	\$15	\$20	N/A



# Other Questions

- If you are predicting the economy will not be in good shape starting next year, why would you want to commit the residents of Johnson County to a 20-year tax this year (knowing that taxes have a negative effect on people's pocketbooks)? The projects may get the benefit of this year's interest rate, but the taxpayers will be stuck with a 20-year tax burden.
- If the economy is going to be bad starting next year, isn't this a time where we should be returning the tens of millions of dollars in Johnson County's reserve accounts to the people of Johnson County rather than taking more of their money from them?
- Do you think it's fair that a small group of powerful establishment interests in Johnson County should force a tax on the entire population of Johnson County (by misleading them with the facts)?
- If this small population of Johnson County special interests really believes in the YMCA and golf club, shouldn't they just donate their own money to these supposedly worthy projects rather than force everyone else to pay money out of their own pocketbooks?
- Shouldn't people always have a choice on what they spend their money on? Once a tax is imposed, then people will not have a choice for 20 years on what to spend their money on. If/when other priorities come up in the next 20 years, then the only way to pay for those new priorities will be to raise new taxes. There does not appear to be any flexibility in this proposal.
- Shouldn't we be teaching our kids to earn/pay for what they want rather than ask their parents for money?
- Isn't it true that Johnson County tax revenue has gone down, leaving the county commissioners with less of our money to spend, so they want to increase our taxes in order to take more of our money to spend, thereby increasing their power?
- Do you believe in the Wyoming and US Constitutions? Where in the Wyoming or US Constitutions does it give governments the power to own and operate private companies like a YMCA or golf club?
- Wasn't presenting an 'all or nothing' option just a way for the YMCA and golf club to trick residents into voting for true public works projects like museums and roads, thereby getting 46% of the funds for themselves? The YMCA and golf club are basically trying to piggyback on the backs of these other entities for their own benefit?
- When a family runs into financial difficulties, isn't it true they have to cut back on their spending budget in some areas to fund other areas? Or sometimes they redirect funds from one area to another? Shouldn't Johnson County do the same?

# Alternatives to Consider

<p><b>Sell the YMCA and Golf Club to private entities</b></p>	<ul style="list-style-type: none"> <li>Use the proceeds to fund (fully or partially) the \$13.375m in other projects (\$13.375m assumes no sinking fund, bond interest or operating deficit)</li> </ul>	<ul style="list-style-type: none"> <li>Reduces tax burden to Johnson County taxpayers by \$19.6m</li> <li>Reduces future tax revenues spent by Johnson County taxpayers on YMCA operating deficits</li> <li>Gets the government out of the business of owning/operating private companies</li> <li>Taxpayers avoid spending their money on operating deficits at the YMCA</li> </ul>
<p><b>Solicit donations from alternative sources:</b></p> <ul style="list-style-type: none"> <li>Millionaires and billionaires in Johnson County</li> <li>YMCA members</li> <li>Golf club members</li> <li>National YMCA</li> <li>Foundations</li> <li>Grants</li> </ul>	<ul style="list-style-type: none"> <li>Currently only 3.2% of the funding (\$1.6m) needed for these projects comes from 'private donations'</li> <li>To date, no millionaires or billionaires have been approached in Johnson County</li> <li>Proponents have acknowledged that if/when the original requested funds run out that the operating entities have alternative sources of funding to tap into?</li> <li>Has the local YMCA or proponents requested funds from the National YMCA?             <ul style="list-style-type: none"> <li>If not, why not?</li> <li>If so, how much money is the National YMCA pledging to this project?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Each \$1 in alternative funding or reduced spend avoids \$2.17 in taxes</li> <li>\$23m in alternative funding or reduced spend avoids \$49.8m in taxes</li> </ul>
<p><b>Sell the Senior Center and build a 'senior specific' exercise wing at the YMCA</b></p>	<ul style="list-style-type: none"> <li>Eliminates dual overhead at the YMCA and Senior Center – both locations currently provide duplicate services</li> </ul>	
<p><b>'Tourist' Tax</b></p>	<ul style="list-style-type: none"> <li>If one of the selling points of this proposal is that non-residents pay more than 75% of the tax burden, then why don't we just tax the non-residents directly/only?</li> </ul>	
<p><b>Raise membership dues at the YMCA or greens fees at the golf club</b></p>	<ul style="list-style-type: none"> <li>Currently there are only 4 YMCAs in Wyoming (Sheridan, Johnson, Natrona, Cheyenne)</li> <li>Johnson County YMCA charges, on average, 30% less in membership fees than the other 3 Wyoming YMCAs</li> </ul>	
<p><b>Charge for usage</b></p>	<ul style="list-style-type: none"> <li>I have been to 3 events at the Johnson County Fairground since January and I have not paid a single dollar to attend those events</li> </ul>	
<p><b>Redirect money from the tens of millions of dollars in the County and Special District reserve funds to these 'priorities'</b></p>	<ul style="list-style-type: none"> <li>How much taxpayer money is already sitting in these 'rainy day' funds in Johnson County?</li> <li>How much of that money has been spent each year by account each of the last 5 years?</li> <li>What is the criteria for using 'rainy day' funds?</li> <li>Is it not raining right now? You just said the last 20 years was a boom and we have nothing to show for it. And the next 20 years will not be as good as the last 20 years,...</li> </ul>	<ul style="list-style-type: none"> <li>Each \$1 in alternative funding or reduced spend avoids \$2.17 in taxes</li> <li>\$23m in alternative funding or reduced spend avoids \$49.83m in taxes</li> </ul>
<p><b>Public/Private Investment</b></p>	<ul style="list-style-type: none"> <li>Private companies spend their money to perform the enhancements</li> <li>Government then collects usage fees (like toll roads, greens fees, membership fees, etc.) and directs those fees to reimburse the private companies</li> <li>Private companies take the risk, not the taxpayers</li> </ul>	

# Alternatives to Consider

<b>YMCA</b>	\$19.57m	\$23m	<ul style="list-style-type: none"> <li>• Sell/divest to private entities</li> <li>• Increase membership fees and greens fees                             <ul style="list-style-type: none"> <li>• Currently there are only 4 YMCAs in Wyoming (Sheridan, Johnson, Natrona, Cheyenne)</li> <li>• Johnson County YMCA charges, on average, 30% less in membership fees than the other 3 Wyoming YMCAs</li> </ul> </li> <li>• Solicit more contributions from their members and/or parent organizations                             <ul style="list-style-type: none"> <li>• These 2 entities are currently only funding 2.5% of their total cost</li> <li>• Taxpayers are funding the remaining 97.5% of the total cost</li> </ul> </li> <li>• Golf Club – obtain loan (SEE NEXT PAGE FOR DETAILS)</li> </ul>
<b>Golf Club</b>	\$3.43m		

<b>Civic Center</b>	\$13.11m	<ul style="list-style-type: none"> <li>• Redirect Johnson County and Special District reserve funds (approximately \$30m in reserve funds available)</li> <li>• Actual 'renovation' funds needed is only \$6m (see page 3)</li> <li>• Avoiding the bond interest and sinking fund cost would avoid \$7.1m in 'additional costs' to taxpayers</li> <li>• Use increased revenue from new civic center to replenish reserve funds</li> </ul>
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<b>Buffalo/Kaycee Roads and Streets</b>	\$6.59m	<ul style="list-style-type: none"> <li>• Fund through traditional government funding sources rather than raise taxes unique to Johnson County</li> <li>• Actual 'renovation' funds needed is only \$3.5m (see page 3)</li> <li>• Avoiding bond interest and sinking fund cost would avoid \$3.1m in 'additional costs' to taxpayers</li> </ul>
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<b>Johnson County Fairground</b>	\$1.86m	\$7.13m	<ul style="list-style-type: none"> <li>• Charge admission fees (Fairground)</li> <li>• Redirect Johnson County and Special District reserve funds (approximately \$30m in reserve funds available)</li> <li>• Actual 'renovation' funds needed is only \$3.8m</li> <li>• Avoiding the bond interest and sinking fund cost would avoid \$3.3m in 'additional costs' to taxpayers</li> </ul>
<b>Buffalo Senior Center</b>	\$1.73m		
<b>Kaycee Library</b>	\$1.37m		
<b>Jim Gatchell Museum</b>	\$1.28m		
<b>Harold Jarrard Park</b>	\$889k		
<i>Numbers in this column include bond principal and interest, operating deficits and sinking fund</i>			

**Adopting these alternatives would save Johnson County taxpayers up to \$49.8m in additional taxes**

**Each \$1 in alternative funding or reduced spend avoids \$2.17 in taxes**

**\$23m in alternative funding or reduced spend avoids \$49.8m in taxes**

# Golf Club Specific Alternative

- If members are able to...
  - Raise \$900k in capital funds (rather than \$350k) for the initial down payment
    - \$900,000 in capital funds =
 

• 1,000 \$1,000 raffle tickets (divided by two)	\$500,000
• 2 Albatrosses	\$100,000
• 4 Aces	\$100,000
• 20 Birdies	\$100,000
• 100 Pars	\$100,000
  - And fund the remaining \$1m with a 20-year 5% construction loan (\$6,572 monthly payment for 20 years)
  - They would be paying for 100% of the new club house
  - A \$6,572/month loan payment would require the golf club to generate \$6,572/month in additional fees from increased membership fees, increased non-member green fees and cart costs, fees for weddings, fees for banquets, increased lesson fees, etc.
  - **\$6,572/month represents a X% increase in total monthly income in the golf club budget (i.e., an X% increase in membership fees, greens fees, lesson fees, etc.)**
  - **\$6,572/month = 3.8 more green fees and cart rentals per day**
  - The total outlay from the members would be \$2.48m (\$900k original down payment + \$1.58m in loan payments over 20 years) – that is a savings to all parties of \$947k over 20 years (a savings to taxpayers of 28% by taking this alternative approach)
  - Plus the \$3.427m in taxes avoided by taxpayers could be spent by taxpayers on other goods and services in the community
- ...it's a win/win for everyone:
  - Members are happy:
    - Total cost of the Golf Club project (\$2.48m) is 28% less
    - They pay for 100% of the project which they get satisfaction from – knowing that the golf club they use was paid for by them – surely there's a greater level of satisfaction knowing they accomplished something like that vs. someone else paying for them – isn't that what we teach our kids: to earn/pay for what they want rather than ask their parents for money?
  - Taxpayers are happy: they get to keep \$3.427m of their money to spend in the Johnson County economy on the things they value or to be directed towards true public service projects (i.e., roads, museums, parks, civic center, etc.)
  - The local bank that gets the construction loan is happy: they get \$577k in interest over 20 years that they would not have gotten otherwise PLUS they get they added free advertising for the role they played in making Johnson County a better place to live

**Isn't this a better way to spend everyone's money than the current plan?**

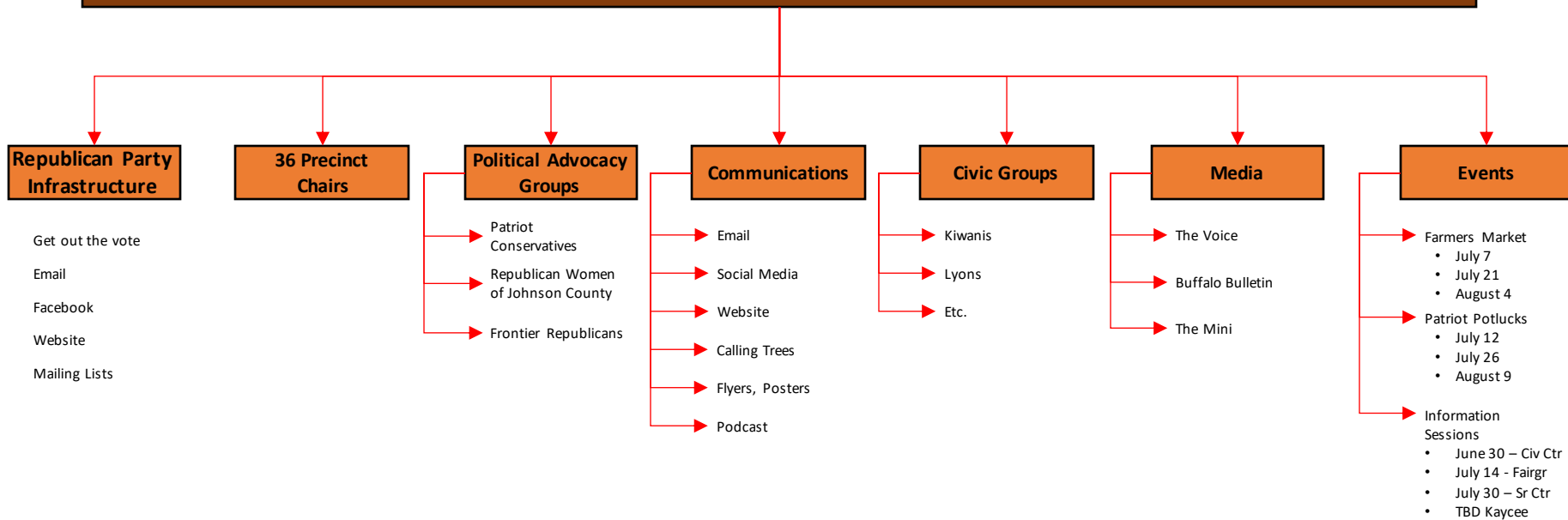
# Sink the Bond Fund Communication Schedule

Farmers Market	Potluck	Podcast	Website / Email / FB	The Voice	Buffalo Bulletin	The Mini
July 7	July 12					
July 21	July 26					
August 4	August 9					

<b>Group 1</b>	• (1) The amount to be paid by taxpayers has been grossly understated (\$23m vs. \$42.4m)
	• (2) Project estimates are inaccurate or incomplete – we do not know if \$44m is enough
	• (3) Proponents have made numerous conflicting, misleading, unrealistic and unproven statements and assumptions
	• (4) \$10.1m of the \$42.4m in new taxes is for a ‘slush’ fund (proponents refer to it as a ‘sinking fund’) to be used at the discretion of the government leaders (provides “options for the future”)
<b>Group 2</b>	• (5) Taxpayers are being asked to share a disproportionate share of the burden
	• (6) No other funding alternatives have been explored or presented by proponents
	• (7) It’s more than ‘just one penny’
<b>Group 3</b>	• (8) There is no oversight, governance or control over the funds being requested
	• (9) The role of government is not to own/operate private entities like YMCAs, golf clubs or senior centers (that’s what socialists and communists do)
	• (10) Government inefficiency
	• (11) Government spending is not economic development
	• (12) No town, city, county, state or country has ever taxed or spent (government spending) its way to prosperity

- Information Session #1 June 30 Civic Center
- Information Session #2 July 14 Fairground
- Information Session #3 July 28 Senior Center

# How do we get 1,000 "No's" to the polls on August 17?



# Questions for July 14

**The amount to be paid by taxpayers has been grossly understated (\$23m vs. \$42.4m)**

<ul style="list-style-type: none"> <li>• 46% of the tax increase goes to the YMCA and Golf Club to build a new pool, gym and club house (\$19.6m of \$42.4m)</li> </ul>
<ul style="list-style-type: none"> <li>• 27% of the tax increase goes to building a new civic center (\$11.2m of \$42.4m)</li> </ul>
<ul style="list-style-type: none"> <li>• 27% of the tax increase goes to improving our roads, the senior center, the library, the fairground, HJP and the museum (\$11.5m of \$42.4m)</li> </ul>
<p>Operating Deficits communicated by proponents is actually understated by \$1.2m because inflation is not included in the proponents' calculations</p> <ul style="list-style-type: none"> <li>• Proponents assume a 0% inflation factor over the next 20 years</li> <li>• Using a 3% inflation factor over the next 20 years results in projected operating deficits of \$4.2m (instead of \$3m) for the YMCA and Civic Center</li> </ul> <p>Additionally, because proponents are using 0% inflation and the YMCA pool is not scheduled to be built for 5-7 years, the YMCA renovation cost is understated by \$900k - \$1.3m (assuming a 3% rate of inflation)</p> <p>Incorporating the impacts of inflation into the Operating Deficit calculation and the YMCA pool renovation calculation means that there is \$2.1-\$2.5m less available for renovations (\$22.1-\$22.5m available for renovations instead of \$24.6m available for renovations) – which of the projects will have to be cut or reduced in scope to account for this \$2.1-\$2.5m negative variance in the proponents' calculations?</p>

**Project estimates are inaccurate or incomplete – we do not know if \$44m is enough**

<ul style="list-style-type: none"> <li>• Can you confirm your project estimates are 'top down' or 'bottom up'?</li> </ul>													
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# Questions for July 14

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0% inflation being used in proponents' modeling spreadsheets	20 years of inflation on the \$150,000/year operating deficits	\$1.2m
	5-7 years of inflation before YMCA pool built	\$900k - \$1.3m
	Total funds not available for enhancements due to inflation	\$2.1m - \$2.5m
	Actual (vs. original) funds available for renovations	\$22.1-\$22.5m (vs. \$24.6m) (8-10% reduction in funds available for renovation)
<b>Proponents say building costs (which have increased exponentially over the last year) "will go down by the time the projects are shovel ready"</b>		
Interest Rates	<ul style="list-style-type: none"> <li>Interest rates are already starting to increase</li> <li>What is the interest rate tipping point for the bond at which point the economics are no longer feasible?</li> <li>Which interest rates should be used? 2%? 2.25%? 2.42%?</li> </ul>	
Proponents have said the increase in taxes paid by Johnson County residents will be:	<ul style="list-style-type: none"> <li>Which is it \$60/person/year or 40% of the total tax?               <ul style="list-style-type: none"> <li>\$60/person/year = \$240/year for a family of 4; 24% of the tax</li> <li>40% of the tax = \$100/person/year; \$400/year for a family of 4</li> </ul> </li> <li>A more realistic estimate of taxes to be paid by JC residents based on recent per capita income is ~\$480/year for a family of 4 (which equates to 48% of the total tax burden being borne by Johnson County residents)</li> <li>What has been the distribution of tax revenue between non-residents and residents for the last 10 years?</li> <li>Provide evidence that 76% of the \$42.4m in taxes will be paid by non-residents of Johnson County.</li> <li>What happens to the proponents' business case if tourists stop coming to Johnson County?</li> <li>Have you done 'sensitivity' analysis to evaluate the business case if interest rates go up, building costs go up, inflation goes up, there is a migration out of Johnson County?</li> </ul>	
Proponents say improving assets impacts 100% of Johnson County residents	<ul style="list-style-type: none"> <li>46% of the costs of this initiative goes to the YMCA and Golf Club</li> <li>What % of citizens actually use those 2 facilities?</li> <li>Why would someone in Kaycee drive 40 miles each way to the YMCA in Buffalo? (the YMCA is getting nearly 40% of the taxpayer dollars)</li> <li>Why should a family of 4 in Kaycee pay \$8,000 over the next 20 years for the YMCA in Buffalo?</li> <li>How many tourists visit Buffalo each year for our YMCA or Senior Center?</li> <li>How many people move to Buffalo each year for our YMCA or Senior Center?</li> <li>When people look at houses in Buffalo or Kaycee each year, do they also tour the YMCA or Golf Club as part of their evaluation process to buy that house?</li> </ul>	



# Questions for July 14

<p><i>Proponents have made a number of CONFLICTING, MISLEADING, UNREALISTIC or UNPROVEN Statements and Assumptions</i></p>	<p><b>Proponents say that 'All projects are necessary' (all or nothing)</b></p>	<ul style="list-style-type: none"> <li>• "Necessary" – so this is a 'need', not a 'want'? Food, shelter, sanitation are needs not a clubhouse or pool.</li> <li>• Only 4 counties in Wyoming have YMCAs</li> <li>• What is the implication to Johnson County if we do not move forward with these projects?</li> <li>• 200,000 visitors already come to Buffalo every summer             <ul style="list-style-type: none"> <li>• If things here are so bad, why are so many people visiting every summer?</li> </ul> </li> <li>• People are moving to Buffalo in droves             <ul style="list-style-type: none"> <li>• If things here are so bad, why are so many people moving to Buffalo?</li> </ul> </li> </ul>
	<p><b>To make their financials work, proponents have said the tax will need to generate \$2.1m/year in additional sales tax; however, there is no evidence presented to support this assumption</b></p>	<ul style="list-style-type: none"> <li>• Where is the evidence and supporting documentation that proves 1% will generate \$2.1mm in incremental sales tax per year for the next 20 years?</li> <li>• What happens if we bring in less than \$2,117,619/year in sales tax revenue?</li> <li>• What happens to the assumptions around the 'sinking fund'?</li> <li>• How much do we bring in per year now?</li> <li>• What has been the 10-year trend of sales tax revenue?</li> </ul>
	<p><b>Proponents say "all projects are tax payer owned assets – no special interests"</b></p>	<ul style="list-style-type: none"> <li>• Given First Northern's role pushing this referendum, can you guarantee that FN will not profit from or receive any business from any of these 9 projects?</li> <li>• Where do the revenues from the golf course, YMCA, fairground, etc. go? To private citizens/entities or are they a revenue source for the county?</li> <li>• Whose priority is it to have these things built? The county commissioners? The city councils? The private entities that operate these facilities? The private companies who will be awarded the renovation work for these projects? The citizens of Johnson County?</li> <li>• Special interests who will be receiving benefits:             <ul style="list-style-type: none"> <li>• The <u>YMCA</u> will be receiving the benefit of taxpayers paying \$16.7m for renovations and operating costs over the next 20 years                 <ul style="list-style-type: none"> <li>• The YMCA only pays \$1/year in rent</li> <li>• Johnson County residents already pay tens of thousands of dollars per year in taxes to fund the YMCA operating budget (including a deficit)</li> <li>• The YMCA receives \$90,000/year just from Buffalo High School</li> </ul> </li> <li>• <u>Banks and Wall Street investors</u> will be receiving \$6.3m in interest from Johnson County taxpayers</li> <li>• The <u>companies performing the renovations</u> or new construction will be receiving these funds                 <ul style="list-style-type: none"> <li>• Will work only be given to Johnson County commercial contractors?</li> <li>• If not, why not?</li> <li>• If not, how can the work be considered 'economic development' for Johnson County?</li> </ul> </li> </ul> </li> <li>• How much of today's current tax revenue goes to fund each of these 9 operating entities?             <ul style="list-style-type: none"> <li>• What is the purpose of this funding? To offset operating deficits?</li> <li>• Are we subsidizing the YMCA and Golf Club? If so, why are Johnson County taxpayers subsidizing private entities?</li> </ul> </li> </ul>

# Questions for July 14

*Proponents have made a number of CONFLICTING, MISLEADING, UNREALISTIC or UNPROVEN Statements and Assumptions*

**Proponents say these projects will put us in a much better financial situation in the future**

- Does this imply our current financial situation is not good?
  - If so, why? You have previously said we just went through the best 20 years we will ever go through
  - Why are we not in a good financial situation now after a 20 year boom?
  - Are proponents acknowledging we were fiscally mismanaged the last 20 years, hence the need for a tax increase?
  - If we are in worse shape now after a 20-year boom, how will we be in better shape in 20 years when the next 20 years will not be as good as the last 20 years?
  - The same people and processes that got us to where we are today are going to put us on a path to a better outcome over the next 20 years?
  - If we just went through a 20 year boom that will never be seen again, why are there not enough residual funds sitting in capital expenditure accounts for just these type of requests?
- What is Johnson County's 'current financial situation' so we have a baseline to measure this statement against in the future?
- PLEASE PROVIDE A COPY OF THE BUSINESS CASE THAT PROVES THERE IS A POSITIVE RATE OF RETURN ON THE \$42.4m IN TAXES SPENT ON THESE PROJECTS
- DEFINE 'BETTER FINANCIAL SITUATION IN THE FUTURE'
  - MORE TAX REVENUE? If so, how much/year for 20 years?
  - MORE JOBS? If so, how many by year for 20 years? (including salaries)
- How does building a new pool and gymnasium at the YMCA or building a new Golf Club house put us in a better financial situation in the future?
- Do pools and gyms create long term high paying jobs? If so, how much are you projecting?
- Who is 'us'? Johnson County government? The taxpayers/residents?
- How much money is sitting in the 'rainy day'/'capital expenditure' accounts in the county?
- Most shareholders, investors, tax payers and residents invest in assets that generate a positive rates of return
  - How can you say that this 'investment' of \$42.4m which is going to lose \$19m is putting us in a better financial situation?
  - How can you say we will be in a better financial situation in the future if we are losing 44% on the investment?