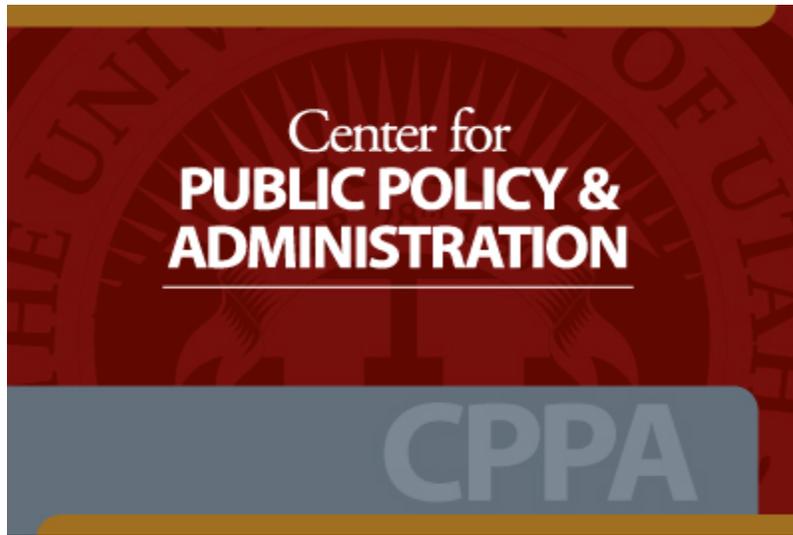


**Kane County**  
**Public Safety Facility Expansion**  
**Financial Feasibility Study**  
**EXECUTIVE SUMMARY**



**Prepared By**  
**The Center for Public Policy and Administration**  
**University of Utah**

**May 2008**

## **Executive Summary**

Kane County is considering the expansion of their public safety facility. The financial feasibility study analyzes four potential options:

- Option 1 retains with the existing public facility structure and eliminates the approximately 11 state inmates that the County jail currently houses.
- Option 2 entails the construction of 100-bed facility, approximately 50 of which would house state inmates.
- Option 3 entails the construction of a 200-bed facility, approximately 140 of which would be contracted with the Department of Corrections to house state inmates.
- Option 4 entails the construction of a 200-bed facility and a Justice Court Complex.

The study describes the methodology used in the analysis, the results of the financial projections under 7 different scenarios, and performs further analysis with respect to the amount of money the county would need to budget in order for the public safety facility to break even, the break-even number of state inmates and the impact of a growing county inmates population may have on future capacity.

Appendix 1 includes graphs of revenues and expenses for each option under each scenario. Appendix 2 shows the net cash flows, with and without including a county budget, for each option under each scenario. Appendix 3 illustrates the fiscal impact of county public safety facilities in Beaver, Duchesne and Garfield counties.

## **Methodology and Assumptions**

Upfront construction costs were provided by Sahara Inc. Infrastructure costs were provided by the engineering firm of Jones and Demille and include roads, sewer, wastewater and culinary water improvements. Contingency costs are included in the upfront costs for Options 2, 3, and 4. All upfront construction costs are assumed to be financed through the issuance of a 20-year general obligation bond that carries a 5% interest rate.

The number of state inmates for Option 3 and 4 reflects the approximate number of state inmates authorized in SJR8 passed during the 2007 General Legislative Session. The number assumed in Options 1 and 2 were provided by the Kane County Sheriff's Office. We vary these assumptions by performing a break-even analysis of the number of state inmates needed for the project to break-even under each scenario.

The number of felony probationer bed days in Options 2, 3 and 4 are a function of county population. Felony probationer assignments to county jails are dependent on two factors—the probationer's original county of residence and if the availability of bed space at that county's facility. CPPA was provided historical data on the number of probationers and bed days for all Utah counties that receive probationers. In order to estimate future probationers' usage of the Kane County

facility, we calculated Kane County probationers as a percent of the total probationers sent to similar facilities in Duchesne, San Juan, Garfield and Beaver counties and compared that to the overall population of Kane County relative to the population of this total area.

Revenue is derived from three sources: the County Budget, revenue received for the housing of state inmates as contracted with the Utah Department of Corrections (“DOC”), and reimbursement from the DOC for felony probationers. The Department of Corrections (“DOC”) contracts each year with counties to house a percentage of its inmates. Currently the DOC contracts out approximately 20% of its inmates. The DOC pays the county a Jail Contract Rate (“JC”) for each inmate times the number of days that the inmate is housed in the county jail. The DOC also reimburses the county for housing felony probationers at a rate also determined each year by the Legislature. The felony probationer reimbursement rate (“JR” rate) is tied to the JC rate.

Expenses are divided into the Personnel Budget, Administration Operations Budget, Inmate Operations Budget, and Annual Debt Service Retirement. The Personnel Budget includes salaries, employee benefits, holiday pay, overtime, uniform allowances, court security, and officer training. The Administration Operations Budget includes utilities, travel expenses, office supplies, supplies, office equipment maintenance, equipment and miscellaneous items. The Inmate Operations Budget includes medical treatment, meals and food supplies, and miscellaneous (Commissary) expenses. Initial Expense Information for 2008 was provided by the Kane County Sheriff’s Office based on estimates provided by Sahara Inc. We increased the 2008 expense numbers, excluding salaries, utilities and debt service, which were calculated separately, by the general inflation rate projected by the Federal Reserve for 2009 to calculate expenses in 2009 dollars. 2009 expense numbers were then increased in each scenario by the general inflation rate relevant to each specific scenario in order to calculate 2010 expenses.

Net Cash Flow is calculated each year from 2010 to 2049 by subtracting total expenses from total revenue. The net cash flow in each year is discounted to 2010 and summed in order to determine the aggregate present value of the future cash flows. We used 5% as a discount rate for all options and scenarios for comparability. Typically, the discount rate used in a financial feasibility analysis is either the “hurdle rate”, the required return that must be achieved for an enterprise to undertake the project, or the Weighted Average Cost of Capital (“WACC”) for the firm. For the purposes of this analysis, we determined that the cost of debt, 5%, was the most appropriate rate to use for the purpose of discounting future cash flows. Present value is an appropriate tool in comparing different cash flow streams. It allows for a direct comparison between alternatives that may exhibit very different net cash flow characteristics over time.

## **Scenario Analysis**

We constructed 7 scenarios for each option. Each scenario varies the Jail Contracting Rate (“JC” rate), and consequently the Jail Reimbursement Rate (“JR” rate), the general inflation rate, the medical inflation, and the Cost of Living Allowance (“COLA”).

One of the uncertainties this analysis tries to address is the fact that the Jail Contracting Rate has been highly variable and that we only have a relatively short time period (9 years) of historical data. Although the formula for calculating the JC rate is included in statute, the State Legislature has not followed that formula during the 9 years of data we had for review. Given this, we provided in each of the scenarios, a calculation of the growth in JC rate based on different “reasonable” assumptions. These assumptions are detailed in each scenario but overall are based on different growth rates of the historical JC data and/or growth in inflation overall. The Jail Reimbursement rate (JR) has always been calculated as a proportion of the Jail contract rate—for these scenarios we continued to calculate the JR rate a proportion of the JC rate. Finally, all other factors calculated into the analysis are dependent on the rate of increase in inflation. General inflation is used as a proxy for the growth in costs all of those expenses the facility would procure on the open market—i.e. food stuffs, computer and other equipment, uniforms, etc. Medical inflation rates are used to estimate the growth in costs for such things as contracted physicians and nurses, medical supplies, equipment etc. COLA in addition to the seniority tables provided us by Kane County officials are used to estimate the increase to the largest of the facility’s budget line items—wages and benefits.

### ***Scenario 1***

Scenario 1 utilizes regression analysis to project DOC costs, general inflation and COLA into the future. Straight-line regression analysis is a way of looking at data from the past and projecting it into the future.

- *The Jail Contracting Rate:* The JC Rate in this scenario was determined by projecting DOC costs per day and multiplying by 70%. The DOC cost per day was projected forward using a straight -line regression equation based on actual DOC costs from 1999 through 2008.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* The general inflation rate was projected using a straight-line regression equation based on the last 9 years of actual inflation data.
- *Medical Inflation Rate:* The medical inflation rate was calculated by adding 5.8% to the general inflation rate in each future period. 5.8% is the 40 year historical average *difference* between the medical inflation rate and the general inflation rate.

- *COLA*: The Cost of Living Allowance was projected forward using a straight-line regression equation based on the last 9 years of actual data.

### ***Scenario 2***

Scenario 2 projects Jail Contracting Rates at the rate of inflation. The general inflation rate, the medical inflation rate and COLA were determined by calculating the historical average from 1967 to 2007.

- *The Jail Contracting Rate*: This scenario assumes that the JC Rate will grow at the rate of inflation. The historical average inflation rate for the 40 year period was 4.66%.
- *The Jail Reimbursement Rate*: The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate*: 4.66% each year (40 year historical average)
- *Medical Inflation Rate*: 11.2% each year (40 year historical average)
- *COLA*: 4.6% each year (40 year historical average)

### ***Scenario 3***

Scenario 3 repeats the trends in Jail Contracting Rates and general inflation from the last ten years every ten years into the future.

- *The Jail Contracting Rate*: The JC Rate grows by 21.2% every 10 years by a constant increment. From 1999 to 2009, the actual JC increased by 21.2%. This scenario assumes that this pattern will be repeated every ten years for the next 40 years.
- *The Jail Reimbursement Rate*: The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate*: Actual annual inflation data for the 2000 to 2010 (2008, 2009, 2010 data reflects Federal Reserve inflation projections) is repeated every 10 years into the future.
- *Medical Inflation Rate*: General Inflation Rate plus 5.4% (the 7 year historical difference between the general inflation rate and the medical inflation rate)
- *COLA*: The General Inflation Rate minus 0.026% (the 7 year historical difference between the general inflation rate and COLA). This difference is negligible in the projections due to rounding to one decimal.

### ***Scenario 4***

Scenario 4 grows the JC Rate at the inflation rate and uses 9-year historical averages for the general inflation rate, the medical inflation rate and COLA.

- *The Jail Contracting Rate*: The JC Rate grows by 2.7% each year. This scenario assumes that the JC Rate will grow at the rate of inflation that has occurred over the past nine years.

- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* 2.7% each year (9 year historical average)
- *Medical Inflation Rate:* 7.8% each year (9 year historical average)
- *COLA:* 2.7% each year (9 year historical average)

### **Scenario 5**

Scenario 5 grows the JC Rate at the rate of inflation and uses the 20-year historical averages of the general inflation rate, the medical inflation rate and COLA plus one standard deviation. In this scenario, we add the standard deviation to the average.

- *The Jail Contracting Rate:* The JC Rate grows by 4.0% each year. This scenario assumes that the JC Rate will grow at the rate of inflation that has occurred over the past 20 years.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* 4.0% each year (20 year historical average of 3.1% plus one standard deviation)
- *Medical Inflation Rate:* 11.0% each year (20 year historical average of 8.4% plus one standard deviation)
- *COLA:* 4.0% each year (20 year historical average plus one standard deviation)

### **Scenario 6**

Scenario 6 grows the Jail Contracting Rate at the rate of general inflation. The general inflation rate, the medical inflation rate, and COLA were determined by subtracting the standard deviation of .9% from the 20-year average of 3.1%.

- *The Jail Contracting Rate:* The JC Rate grows by 2.2% each year. This scenario assumes that the JC Rate will grow at the rate of inflation minus one standard deviation.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* 2.2% each year (20 year historical average of 3.1% minus one standard deviation)
- *Medical Inflation Rate:* 5.8% each year (20 year historical average of 8.4% minus one standard deviation)
- *COLA:* 2.0% each year (20 year historical average minus one standard deviation)

Scenario 7 grows the Jail Contracting Rate by the inflation rate. We use the 20-year historical averages for general inflation, medical inflation, and COLA in this scenario.

- *The Jail Contracting Rate:* The JC Rate grows by 3.1% each year. This scenario assumes that the JC Rate will grow at the rate of inflation.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* 3.1% each year (20 year historical average)
- *Medical Inflation Rate:* 8.4% each year (20 year historical average)
- *COLA:* 3.0% each year (20 year historical average)

**Summary of Results of Financial Feasibility Analysis**

**Present Values: Net Cash Flows Including the County Budget**

The net cash flows were discounted at a 5% discount rate to determine the present value of the future projected cash flows. The table below shows the present values of the net cash flows before including the county budget for each option under each scenario. Option 3 has the largest present value in every scenario, except for scenario 1. Under Scenario 1, Option 1 has the best performance. The present value is negative in all scenarios for Scenario 2. While present values are positive for Option 4 in all scenarios, except Scenario 1, Option 4 underperforms relative to Option 3. Appendix 1 shows graphs of revenues and expenses for each scenario and option, and Appendix 2 includes tables of the net cash flows.

***PRESENT VALUE OF NET CASH FLOWS (Before Deducting County Budget)  
Using a 5% Discount Rate***

<b><u>Scenario</u></b>	<b><u>Option 1</u></b>	<b><u>Option 2</u></b>	<b><u>Option 3</u></b>	<b><u>Option 4</u></b>
<b>1</b>	\$8,788,393	(\$18,443,087)	(\$5,167,809)	(\$8,589,007)
<b>2</b>	\$5,627,752	(\$12,695,942)	\$22,952,709	\$19,345,432
<b>3</b>	\$12,434,028	(\$6,608,216)	\$12,682,309	\$9,658,414
<b>4</b>	\$12,401,348	(\$4,267,175)	\$19,485,247	\$16,442,253
<b>5</b>	\$8,538,143	(\$10,048,371)	\$20,817,671	\$17,429,938
<b>6</b>	\$13,805,946	(\$1,868,668)	\$19,757,906	\$16,822,482
<b>7</b>	\$11,583,641	(\$5,297,921)	\$20,512,821	\$17,374,543

The next table shows the first year of positive cash flow for each option under each scenario.

***FIRST YEAR OF POSITIVE CASH FLOW (Before Deducting County Budget)***

<u>Scenario</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
1	2010	NA	2010, 2030	2030
2	2010	2043	2014	2018
3	2010	2030	2019	2026
4	2010	2030	2015	2019
5	2010	2031	2014	2018
6	2010	2030	2016	2019
7	2010	2030	2015	2019

NA: Cash Flows are Negative for all 40 years

***Present Values: Net Cash Flows Without Including the County Budget***

The tables below show the present values and first year of positive cash flows without including the county budget. Without the revenue from the county budget, present values are negative for all options in all scenarios. While still negative, Option 3 outperforms the other options in all but Scenario 1. Under Scenario 1, Option 1 outperforms Option 3. With the exception of Scenario 1, Option 3 shows the best economics on a stand-alone basis. In Scenarios 2 through 7, the present values for Option 3 are greater (least negative) than all of the other options. In Scenario 1, Option 1 has the best (least negative) present value and performs the best on a stand-alone basis.

***PRESENT VALUE OF NET CASH FLOWS (After Deducting County Budget) Using a 5% Discount Rate***

<u>Scenario</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
1	(\$16,087,709)	(\$43,319,189)	(\$30,043,911)	(\$33,465,109)
2	(\$19,248,351)	(\$37,572,044)	(\$1,923,393)	(\$5,530,670)
3	(\$12,442,074)	(\$31,484,319)	(\$12,193,793)	(\$15,217,688)
4	(\$12,474,754)	(\$29,143,277)	(\$5,390,855)	(\$8,433,849)
5	(\$16,337,960)	(\$34,924,473)	(\$4,058,431)	(\$7,446,165)
6	(\$11,070,157)	(\$26,744,770)	(\$5,118,196)	(\$8,053,620)
7	(\$13,292,462)	(\$30,174,023)	(\$4,363,281)	(\$7,501,559)

While the present values are negative, cash flows for Options 3 and 4 are positive from 2030 to 2049 in scenarios 2, 4, 5, 6, and 7. For Options 1 and 2, cash flows without the revenue from the county budget are negative for all years in all scenarios.

***FIRST YEAR OF POSITIVE CASH FLOW (After Deducting County Budget)***

<b>Scenario</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
1	NA	NA	NA	NA
2	NA	NA	2030	2030
3	NA	NA	NA	NA
4	NA	NA	2030	2030
5	NA	NA	2030	2030
6	NA	NA	2030	2030
7	NA	NA	2030	2030

NA: Cash Flows are Negative for all 40 years

**Break-Even Number of State Inmates: Options 3 and 4**

The table below shows the minimum and maximum number of state inmates needed for Option 3 in order to breakeven (or achieve a positive cash-flow) in the year that has the maximum net positive cash flow and the minimum net cash flow, respectively. For example, in Scenario 1, the year with the largest deficit (including the county budget) is in 2049. In that year, 244 state inmates are needed in order to achieve a positive cash flow.

For Scenarios 2 through 7, the year with the largest deficit is in 2011 and, as a result, the greatest number of state inmates needed in order to break-even is in this year. Under Scenarios 2 through 7, the largest net cash-flow surplus is in 2049, and the least number of state inmates is needed in order to break-even is this year.

**Table 18**

**Break-Even Number of State Inmates-Min/Max**

<b>Scenario</b>	<b>Option 3</b>		<b>Year</b>	<b>Option 4</b>	
	<b>Minimum</b>	<b>Year</b>		<b>Maximum</b>	<b>Year</b>
1	122	2030	244	2049	
2	75	2049	147	2011	
3	8	2049	152	2011	
4	8	2049	149	2011	
5	63	2049	148	2011	
6	0	2049	150	2011	
7	23	2049	149	2011	

The table below shows the minimum and maximum number of state inmates needed for Option 4. The results are similar to Option 3, except that more inmates are needed in each scenario in order to break-even as a result of the additional costs associated with the Justice Center.

**Break-Even Number of State Inmates-Min/Max**

Scenario	Option 4		Year	Maximum		Year
	Minimum					
1	128		2030	257		2049
2	79		2049	158		2011
3	12		2049	163		2011
4	11		2049	161		2011
5	67		2049	159		2011
6	0		2049	161		2011
7	27		2049	160		2011

The following table shows the number of state inmates needed to breakeven in 2030, the year after the final debt payment, for Options 3 and 4.

**Break-Even Number of State Inmates-2030**

Scenario	Option 3	Option 4
1	122	128
2	80	83
3	71	75
4	62	64
5	76	79
6	53	56
7	65	68

Finally, we calculated the constant number of inmates needed to achieve a break-even present value (including the county budget). The next table shows the number of state inmates needed in order to break even on a present value basis for Options 3 and 4.

**Table 21**

**Break-Even Number of State Inmates-Present Value**

Scenario	Option 3	Option 4
1	156	166
2	102	108
3	106	114
4	94	101
5	101	108
6	89	97
7	95	102

**County Inmate Projections and Bed Capacity**

We projected county inmate population for Kane County from 2010 to 2049 assuming 1 county inmate per 200 county residents. This calculation produces a greater number of county inmates than a projection using a constant percentage of inmates relative to county population that occurred in 2006. Including 50 state inmates and the projected number of felony probationers per day, Option 2 would produce a shortfall in the number of beds in 2026. For Options 3 and 4, a shortfall would occur beginning in 2038 (less than 1 bed). The largest deficit of 12 beds occurs in 2049. The table below shows the decrease in revenue for Option 3 from 2038 through 2049 for each scenario due to a shift from state inmates to county inmates.

**Fiscal Impact of Decrease in State Inmates: 2038-2049**

**Option 3**

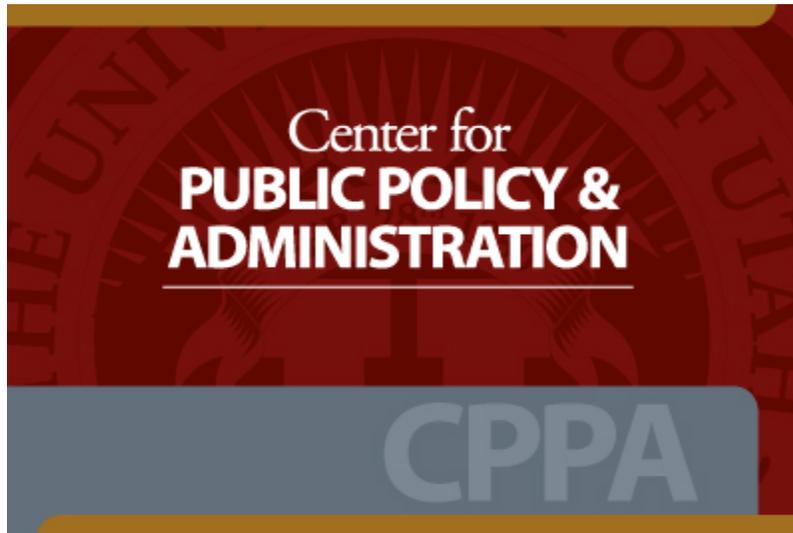
	<b><u>Scenario</u></b>						
	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>5</u></b>	<b><u>6</u></b>	<b><u>7</u></b>
<b>2038</b>	(\$6,767)	(\$18,669)	(\$8,709)	(\$10,789)	(\$15,540)	(\$9,365)	(\$12,077)
	)	)	)	)	)	)	)
<b>2039</b>	(\$27,226)	(\$78,105)	(\$35,428)	(\$44,298)	(\$64,601)	(\$38,260)	(\$49,773)
	)	)	)	)	)	)	)
<b>2040</b>	(\$49,118)	(\$146,521)	(\$64,851)	(\$81,543)	(\$120,427)	(\$70,095)	(\$91,984)
	)	)	)	)	)	)	)
<b>2041</b>	(\$71,761)	(\$222,596)	(\$96,084)	(\$121,559)	(\$181,803)	(\$103,985)	(\$137,660)
	)	)	)	)	)	)	)
<b>2042</b>	(\$95,636)	(\$308,504)	(\$129,828)	(\$165,316)	(\$250,384)	(\$140,732)	(\$187,948)
	)	)	)	)	)	)	)
<b>2043</b>	(\$120,525)	(\$404,333)	(\$165,805)	(\$212,613)	(\$326,072)	(\$180,109)	(\$242,653)
	)	)	)	)	)	)	)
<b>2044</b>	(\$146,200)	(\$510,076)	(\$203,750)	(\$263,187)	(\$408,765)	(\$221,866)	(\$301,561)
	)	)	)	)	)	)	)
<b>2045</b>	(\$173,153)	(\$628,319)	(\$244,408)	(\$318,129)	(\$500,358)	(\$266,868)	(\$365,921)
	)	)	)	)	)	)	)
<b>2046</b>	(\$201,523)	(\$760,592)	(\$287,980)	(\$377,883)	(\$601,843)	(\$315,462)	(\$436,357)
	)	)	)	)	)	)	)
<b>2047</b>	(\$231,575)	(\$909,088)	(\$334,927)	(\$443,217)	(\$714,838)	(\$368,173)	(\$513,753)
	)	)	)	)	)	)	)
<b>2048</b>	(\$262,966)	(\$1,073,753)	(\$384,856)	(\$513,694)	(\$839,018)	(\$424,679)	(\$597,781)
	)	)	)	)	)	)	)
<b>2049</b>	(\$295,713)	(\$1,256,022)	(\$437,768)	(\$589,665)	(\$975,251)	(\$485,075)	(\$688,837)
	)	)	)	)	)	)	)

**Risk Factors**

The following are risk factors that may influence the reliability of the projections over time. Projections based on historical information are unable to factor in changes that may occur due to events or issues that may arise in the future. We have identified several of these factors that are the most critical to the success of the Kane County project. These are:

- Increase in the County Budget
- Legislative Discretion with Respect to JC and JR Rates
- Number of State Inmates
- Number of Employees
- Time Horizon

**Kane County**  
**Public Safety Facility Expansion**  
**Financial Feasibility Study**



**Prepared By**  
**The Center for Public Policy and Administration**  
**University of Utah**

**May 2008**

## **Introduction**

Kane County has contracted with the Center for Public Policy and Administration at the University of Utah (“CPPA”) to conduct a financial feasibility analysis of four potential options with respect to the County’s public facility complex.

- Option 1 retains with the existing public facility structure and eliminates the approximately 11 state inmates that the County jail currently houses.
- Option 2 entails the construction of 100-bed facility, approximately 50 of which would house state inmates.
- Option 3 entails the construction of a 200-bed facility, approximately 140 of which would be contracted with the Department of Corrections to house state inmates.
- Option 4 entails the construction of a 200-bed facility and a Justice Court Complex.

The following study outlines the methodology, assumptions and results of the financial feasibility analysis. Financial projections were constructed projecting revenues and expenses for 40 years from the time of operation mid year 2010. Sensitivity analyses were conducted for all four options, examining the financial impact to Kane County under different scenarios. Graphs of the revenues and expenses by scenario are included in Appendix 1. Appendix 2 presents the net cash flows by scenario. Appendix 3 shows the financials for county jail expansions in counties similar to Kane County.

The analysis was prepared to show the financial impact to Kane County, and does not address the financial impact to the state of Utah in the case of Option 4.

## **Methodology and Assumptions**

### ***Upfront Construction Costs***

Upfront construction costs were provided by Sahara Inc. Infrastructure costs were provided by the engineering firm of Jones and Demille and include roads, sewer, wastewater and culinary water improvements. Table 1, below, shows the upfront construction costs associated with each option.

**Table 1: Upfront Costs**

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
<b>Jail Facility Construction</b>	\$100,000	\$10,031,030 <sup>(2)</sup>	\$14,034,849 <sup>(3)</sup>	\$14,034,849 <sup>(4)</sup>
<b>Court Complex</b>				\$ 4,543,405
<b>Sewer</b>		\$ 877,000	\$ 877,000	\$ 877,000
<b>Total</b>	\$100,000(1)	\$10,908,030	\$14,911,849	\$19,455,254

Source: Sahara, and Jones and Demille

(1) Kane County Sheriff Office estimate of upgrades needed for current facility.

(2) Includes \$1,903,030 in contingency costs.

(3) Includes \$2,670,599 in contingency costs.

(4) Includes \$3,211,004 in contingency costs.

***Financing Costs***

All upfront construction costs are assumed to be financed through the issuance of a 20-year general obligation bond that carries a 5% interest rate. While Kane County may be able to borrow from Community Impact Fund Board at a rate that is less than 5%, this rate was used to allow for the possibility that a blend of financing options with a portion of the debt carrying a higher rate might be necessary—given the relative size of the project compared to the tax base of Kane County. Table 2 shows the dollar amount of debt service associated with each option based on the construction estimates listed above.

**Table 2: Annual Debt Service: 5% interest rate, 20-year term.**

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
Jail Facility and Sewer	\$8,024	\$875,289	\$1,196,565	\$1,196,565
Court Complex				\$ 138,538
Total	\$8,024	\$875,289	\$1,196,565	\$1,335,104

***Revenue***

Revenue is derived from three sources: the County Budget, revenue received for the housing of state inmates as contracted with the Utah Department of Corrections (“DOC”), and reimbursement from the DOC for felony probationers. The current County Budget for 2008 is \$421,560. Over the last 10 years, the Count Budget has grown at an average annual rate of 6.64%. We grow the County Budget each year by the historical annual average rate of 6.64% for all options and scenarios in order to project revenue from this source over 40 years. The assumption is that Kane County will continue to fund the jail at the same level and growth rates of budget

expenditures and, with respect to Options 2, 3, and 4, additional revenue resulting from contracting with the Department of Corrections to house state inmates will be received by the county. In the discussion of the results of the feasibility study, later in this study, we analyze what the county budget would have to be in each year for each option and scenario in order for the jail to break even.

The Department of Corrections (“DOC”) contracts each year with counties to house a percentage of its inmates. Currently the DOC contracts out approximately 20% of its inmates. The DOC pays the county a Jail Contract Rate (“JC”) for each inmate times the number of days that the inmate is housed in the county jail. By statute, the core rate for jail contracting is 70% of the Department of Corrections’ actual cost per day (plus capital depreciation). However, the Legislature has final determination of the core rate. The 2008 Legislative session determined that the JC would be \$45 per inmate per day for FY 2009. The JC rate for 2010 was calculated either by increasing the 2009 JC rate by the general inflation rate used in each respective scenario (for scenarios 2,4,5,6, and 7), by a regression formula (in scenario 1) or according to a formula reflecting the percentage increase in the JC rate over the last 10 years (See scenario description below).

The DOC also reimburses the county for housing felony probationers at a rate also determined each year by the Legislature. The felony probationer reimbursement rate (“JR” rate) is tied to the JC rate. By statute, the core rate for jail reimbursement for felony probationers is 50% of the DOC cost per day. While the Legislature has discretion in setting this rate, we use the statutory computation for this analysis.

Table 3 below shows the number of state inmates per day and the number of felony probationer bed days per year for each option. The number of state inmates for Option 3 and 4 reflects the approximate number of state inmates authorized in SJR8 passed during the 2007 General Legislative Session. The number assumed in Options 1 and 2 were provided by the Kane County Sheriff’s Office.

The number of felony probationer bed days in Options 2, 3 and 4 are a function of county population. Felony probationer assignments to county jails are dependent on two factors—the probationer’s original county of residence and if the availability of bed space at that county’s facility. CPPA was provided historical data on the number of probationers and bed days for all Utah counties that receive probationers. In order to estimate future probationers’ usage of the Kane County facility, we calculated Kane County probationers as a percent of the total probationers sent to similar facilities in Duchesne, San Juan, Garfield and Beaver counties and compared that to the overall population of Kane County relative to the population of this total area. This creates a location quotient (LQ). An LQ, when used this way, is simply a way of calculating density. For Kane County this density calculation equaled about 6.0% of the total population of the county. This 6.0% figure was carried forward through 2049 using population estimates provided by the Governor’s Office of Planning and Budget. Due to space restrictions, felony probationers’ bed days were capped at 400 in Option 1. Table 3, below, highlights

the mix of state inmates and felony probationers for each Option. Table 4, which follows, details the probationers' bed days for each option by year.

**Table 3: Number of State Inmates and Felony Probationers Bed Days Per Year**

	Option 1	Option 2	Option 3	Option 4
Number of State Inmates per Year	0	50	140	140
Felony Probationers Bed Days per Year	400	6% of County Population (800 max.)	6% of County Population	6% of County Population

**Table 4: Felony Probationer Bed Days**

Year	Option 1	Option 2	Option 3	Option 4
2010	400	419	419	419
2011	400	430	430	430
2012	400	442	442	442
2013	400	454	454	454
2014	400	465	465	465
2015	400	476	476	476
2016	400	488	488	488
2017	400	499	499	499
2018	400	510	510	510
2019	400	521	521	521
2020	400	532	532	532
2021	400	542	542	542
2022	400	552	552	552
2023	400	562	562	562
2024	400	573	573	573
2025	400	583	583	583
2026	400	593	593	593
2027	400	603	603	603
2028	400	613	613	613
2029	400	622	622	622
2030	400	632	632	632
2031	400	641	641	641
2032	400	650	650	650
2033	400	660	660	660
2034	400	669	669	669
2035	400	679	679	679
2036	400	689	689	689
2037	400	699	699	699
2038	400	709	709	709
2039	400	720	720	720
2040	400	731	731	731
2041	400	743	743	743
2042	400	755	755	755
2043	400	767	767	767
2044	400	780	780	780
2045	400	793	793	793
2046	400	800	807	807
2047	400	800	821	821
2048	400	800	836	836
2049	400	800	851	851

## ***Expenses***

Expenses are divided into the Personnel Budget, Administration Operations Budget, Inmate Operations Budget, and Annual Debt Service Retirement.

The Personnel Budget includes salaries, employee benefits, holiday pay, overtime, uniform allowances, court security, and officer training. Salaries were determined individually for each employee for each Option. Table 5 below shows the number of FTEs per grade level for each option.

**Table 5: Base Case FTEs**

	Option 1	Option 2	Option 3	Option 4
Grade	FTE	FTE	FTE	FTE
17a	0	7	8	8
17b	3	0	0	0
17c	1	0	0	0
18a	0	5	6	6
18e	1	0	0	0
19a	0	5	6	6
20a	0	1	1	1
20e	1	0	0	0
21a	0	0	0	0
21h	1	0	0	0
22a	0	1	1	1
23a	0	1	1	1
24a	0	0	0	0
25a	0	1	1	1
Total	7	21	24	24

Source: Kane County Sheriff's Office

Salaries were projected using the pay grade increases for years of service according to the 2008 Salary Schedule provided by the Kane County Sheriff's Office. Salaries grow in the intervening years at the Cost of Living Allowance ("COLA") assumed in each scenario. In addition, 5% of the middle salary level is added each year to provide for possible promotions. Overtime and court security grow each year by COLA, while all other personnel expenses grow at the general inflation rate.

The Administration Operations Budget includes utilities, travel expenses, office supplies, supplies, office equipment maintenance, equipment and miscellaneous items. Each expense in the Administration Operations Budget grows each year at the rate of general inflation assumed in each scenario.

The Inmate Operations Budget includes medical treatment, meals and food supplies, and miscellaneous (Commissary) expenses. Meals and miscellaneous expenses

grow at the general inflation rate, while medical treatment grows at the medical inflation rate.

Initial Expense Information for 2008 was provided by the Kane County Sheriff's Office based on estimates provided by Sahara Inc. We increased the 2008 expense numbers, excluding salaries, utilities and debt service, which were calculated separately, by the general inflation rate projected by the Federal Reserve for 2009 to calculate expenses in 2009 dollars. 2009 expense numbers were then increased in each scenario by the general inflation rate relevant to each specific scenario in order to calculate 2010 expenses. Annual Debt Service was determined as described above.

### ***Net Cash Flow and Present Values***

Net Cash Flow is calculated each year from 2010 to 2049 by subtracting total expenses from total revenue. The net cash flow in each year is discounted to 2010 and summed in order to determine the aggregate present value of the future cash flows. The formula for present value is:

$$\text{Net Cash Flow (period } n) / (1 + \text{Discount Rate})^n$$

Period  $n$  is the year in which the cash flow occurs and  $n$  denotes the number of years from 2010 to Period  $n$ . The present value of each cash flow from each year in the projections is summed to determine the aggregate present value presented in this study.

We used 5% as a discount rate for all options and scenarios for comparability. Typically, the discount rate used in a financial feasibility analysis is either the "hurdle rate", the required return that must be achieved for an enterprise to undertake the project, or the Weighted Average Cost of Capital ("WACC") for the firm. For the purposes of this analysis, we determined that the cost of debt, 5%, was the most appropriate rate to use for the purpose of discounting future cash flows. Present value is an appropriate tool in comparing different cash flow streams. It allows for a direct comparison between alternatives that may exhibit very different net cash flow characteristics over time.

### **Scenario Analysis**

The purpose of the scenario analysis is to evaluate each option under different assumptions in order to show a range of possible outcomes. We constructed 7 scenarios for each option. Each scenario varies the Jail Contracting Rate ("JC" rate), and consequently the Jail Reimbursement Rate ("JR" rate), the general inflation rate, the medical inflation, and the Cost of Living Allowance ("COLA"). We analyzed historical trends in inflation, medical inflation and COLA data in order to frame the

range of the scenario analysis. We analyzed 40-year data, 20-year data and 9-year historical data. Scenarios that grow the JC Rate at the inflation rate begin the projection with the actual JC Rate of \$45 per day for 2009 as determined in the 2008 General Legislative Session.

***The task of projecting Jail Contracting rates, inflation rates and COLA 40 years into the future is an imperfect one at best CPPA does not represent probabilities associated with each scenario or that historical trends necessarily predict future trends. Rather, the scenarios below are intended to provide a range of possibilities and an evaluation of each option given those possibilities. We use historical data to inform the range of assumptions to be included in the analysis. While we have grown the JC Rate by the general inflation rate in several of the scenarios, it is important to note that the Legislature does not always reimburse counties according to DOC costs or according to the formula provided by statute.***

### **Scenario 1**

Scenario 1 utilizes regression analysis to project DOC costs, general inflation and COLA into the future. Straight line regression analysis is a way of looking at data from the past and projecting it into the future. The benefit regression analysis provides is that when very variable data is analyzed, the regression model can smooth out the peaks and valleys of such data and provide a linear projection into the future. The limitation to such analysis is that it tends to be either very conservative in its projections of future growth or overly robust. In this instance, the analysis provided a very conservative growth rate for both the Jail Contracting & Jail Reimbursement rates. Therefore, Scenario 1 can be considered a “worst case scenario,” in the context of this study, where revenues to Kane County do not grow as quickly as expenses.

- *The Jail Contracting Rate:* The JC Rate in this scenario was determined by projecting DOC costs per day and multiplying by 70%. The DOC cost per day was projected forward using a straight -line regression equation based on actual DOC costs from 1999 through 2008.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* The general inflation rate was projected using a straight-line regression equation based on the last 9 years of actual inflation data.
- *Medical Inflation Rate:* The medical inflation rate was calculated by adding 5.8% to the general inflation rate in each future period. 5.8% is the 40 year historical average between the medical inflation rate and the general inflation rate.
- *COLA:* The Cost of Living Allowance was projected forward using a straight-line regression equation based on the last 9 years of actual data.

Table 6 below shows the JC Rate, the JR Rate, general Inflation, medical Inflation, and COLA for each year for Scenario 1.

**Table 6: Scenario 1**

<b>JC Rate, JR Rate, General Inflation, Medical Inflation, COLA</b>						
Year	JC Rate	JR Rate	General Inflation	Medical Inflation	COLA	
2010	\$49.90	\$35.65	3.2%	9.0%	3.0%	
2011	\$50.30	\$35.93	3.3%	9.1%	3.1%	
2012	\$50.70	\$36.22	3.3%	9.1%	3.1%	
2013	\$51.10	\$36.50	3.4%	9.2%	3.2%	
2014	\$51.50	\$36.79	3.5%	9.3%	3.2%	
2015	\$51.90	\$37.07	3.5%	9.3%	3.3%	
2016	\$52.30	\$37.36	3.6%	9.4%	3.3%	
2017	\$52.71	\$37.65	3.7%	9.5%	3.4%	
2018	\$53.11	\$37.93	3.7%	9.5%	3.4%	
2019	\$53.51	\$38.22	3.8%	9.6%	3.5%	
2020	\$53.91	\$38.50	3.9%	9.7%	3.5%	
2021	\$54.31	\$38.79	3.9%	9.7%	3.6%	
2022	\$54.71	\$39.08	4.0%	9.8%	3.6%	
2023	\$55.11	\$39.36	4.1%	9.9%	3.7%	
2024	\$55.51	\$39.65	4.1%	9.9%	3.7%	
2025	\$55.91	\$39.93	4.2%	10.0%	3.8%	
2026	\$56.31	\$40.22	4.3%	10.1%	3.8%	
2027	\$56.71	\$40.51	4.4%	10.2%	3.9%	
2028	\$57.11	\$40.79	4.4%	10.2%	3.9%	
2029	\$57.51	\$41.08	4.5%	10.3%	4.0%	
2030	\$57.91	\$41.36	4.6%	10.4%	4.0%	
2031	\$58.31	\$41.65	4.6%	10.4%	4.1%	
2032	\$58.71	\$41.94	4.7%	10.5%	4.1%	
2033	\$59.11	\$42.22	4.8%	10.6%	4.2%	
2034	\$59.51	\$42.51	4.8%	10.6%	4.2%	
2035	\$59.91	\$42.79	4.9%	10.7%	4.3%	
2036	\$60.31	\$43.08	5.0%	10.8%	4.3%	
2037	\$60.71	\$43.36	5.0%	10.8%	4.4%	
2038	\$61.11	\$43.65	5.1%	10.9%	4.4%	
2039	\$61.51	\$43.94	5.2%	11.0%	4.5%	
2040	\$61.91	\$44.22	5.2%	11.0%	4.5%	
2041	\$62.31	\$44.51	5.3%	11.1%	4.6%	
2042	\$62.71	\$44.79	5.4%	11.2%	4.6%	
2043	\$63.11	\$45.08	5.4%	11.2%	4.7%	
2044	\$63.51	\$45.37	5.5%	11.3%	4.7%	
2045	\$63.91	\$45.65	5.6%	11.4%	4.8%	
2046	\$64.31	\$45.94	5.6%	11.4%	4.8%	
2047	\$64.71	\$46.22	5.7%	11.5%	4.9%	
2048	\$65.11	\$46.51	5.8%	11.6%	4.9%	
2049	\$65.51	\$46.80	5.9%	11.7%	5.0%	

## ***Scenario 2***

Scenario 2 projects Jail Contracting Rates at the rate of inflation. The general inflation rate, the medical inflation rate and COLA were determined by calculating the historical average from 1967 to 2007.

- *The Jail Contracting Rate:* The JC Rate grows by 4.66% each year. This scenario assumes that the JC Rate will grow at the rate of inflation.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* 4.66% each year (40 year historical average)
- *Medical Inflation Rate:* 11.2% each year (40 year historical average)
- *COLA:* 4.6% each year (40 year historical average)

Table 7 below shows the JC Rate, the JR Rate, general Inflation, medical Inflation, and COLA for each year for Scenario 2.

**Table 7: Scenario 2**

**JC Rate, JR Rate, General Inflation, Medical Inflation, COLA**

Year	JC Rate	JR Rate	General Inflation	Medical Inflation	COLA
2010	\$47.10	\$33.64	4.7%	11.2%	4.6%
2011	\$49.29	\$35.21	4.7%	11.2%	4.6%
2012	\$51.59	\$36.85	4.7%	11.2%	4.6%
2013	\$53.99	\$38.57	4.7%	11.2%	4.6%
2014	\$56.51	\$40.36	4.7%	11.2%	4.6%
2015	\$59.14	\$42.24	4.7%	11.2%	4.6%
2016	\$61.90	\$44.21	4.7%	11.2%	4.6%
2017	\$64.78	\$46.27	4.7%	11.2%	4.6%
2018	\$67.80	\$48.43	4.7%	11.2%	4.6%
2019	\$70.96	\$50.69	4.7%	11.2%	4.6%
2020	\$74.27	\$53.05	4.7%	11.2%	4.6%
2021	\$77.73	\$55.52	4.7%	11.2%	4.6%
2022	\$81.35	\$58.11	4.7%	11.2%	4.6%
2023	\$85.14	\$60.82	4.7%	11.2%	4.6%
2024	\$89.11	\$63.65	4.7%	11.2%	4.6%
2025	\$93.26	\$66.62	4.7%	11.2%	4.6%
2026	\$97.61	\$69.72	4.7%	11.2%	4.6%
2027	\$102.16	\$72.97	4.7%	11.2%	4.6%
2028	\$106.92	\$76.37	4.7%	11.2%	4.6%
2029	\$111.90	\$79.93	4.7%	11.2%	4.6%
2030	\$117.11	\$83.65	4.7%		

### **Scenario 3**

Scenario 3 repeats the trends in Jail Contracting Rates and general inflation from the last ten years every ten years into the future.

- *The Jail Contracting Rate:* The JC Rate grows by 21.2% every 10 year by a constant increment. From 1999 to 2009, the actual JC increased by 21.2%. This scenario assumes that this pattern will be repeated every ten years for the next 40 years.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* Actual annual inflation data for the 2000 to 2010 (2008, 2009, 2010 data reflects Federal Reserve inflation projections) is repeated every 10 years into the future.
- *Medical Inflation Rate:* General Inflation Rate plus 5.4% (the 7 year historical difference between the general inflation rate and the medical inflation rate)
- *COLA:* The General Inflation Rate minus 0.026% (the 7 year historical difference between the general inflation rate and COLA). This difference is negligible in the projections due to rounding to one decimal.

Table 8 below shows the JC Rate, the JR Rate, general Inflation, medical Inflation, and COLA for each year for Scenario 2.

**Table 8: Scenario 3****JC Rate, JR Rate, General Inflation, Medical Inflation, COLA**

Year	JC Rate	JR Rate	General Inflation	Medical Inflation	COLA
2010	\$45.95	\$32.82	3.4%	8.8%	3.4%
2011	\$46.90	\$33.50	2.8%	8.2%	2.8%
2012	\$47.86	\$34.18	1.6%	7.0%	1.6%
2013	\$48.81	\$34.86	2.3%	7.7%	2.3%
2014	\$49.76	\$35.54	2.7%	8.1%	2.7%
2015	\$50.71	\$36.22	3.4%	8.8%	3.4%
2016	\$51.67	\$36.90	3.2%	8.6%	3.2%
2017	\$52.62	\$37.58	2.8%	8.2%	2.8%
2018	\$53.57	\$38.27	2.3%	7.7%	2.3%
2019	\$54.52	\$38.95	1.9%	7.3%	1.9%
2020	\$55.68	\$39.77	3.4%	8.8%	3.4%
2021	\$56.83	\$40.59	2.8%	8.2%	2.8%
2022	\$57.99	\$41.42	1.6%	7.0%	1.6%
2023	\$59.14	\$42.24	2.3%	7.7%	2.3%
2024	\$60.29	\$43.07	2.7%	8.1%	2.7%
2025	\$61.45	\$43.89	3.4%	8.8%	3.4%
2026	\$62.60	\$44.71	3.2%	8.6%	3.2%
2027	\$63.75	\$45.54	2.8%	8.2%	2.8%
2028	\$64.91	\$46.36	2.3%	7.7%	2.3%
2029	\$66.06	\$47.19	1.9%	7.3%	1.9%
2030	\$67.46	\$48.19	3.4%	8.8%	3.4%
2031	\$68.86	\$49.18	2.8%	8.2%	2.8%
2032	\$70.26	\$50.18	1.6%	7.0%	1.6%
2033	\$71.65	\$51.18	2.3%	7.7%	2.3%
2034	\$73.05	\$52.18	2.7%	8.1%	2.7%
2035	\$74.45	\$53.18	3.4%	8.8%	3.4%
2036	\$75.85	\$54.18	3.2%	8.6%	3.2%
2037	\$77.25	\$55.18	2.8%	8.2%	2.8%
2038	\$78.65	\$56.18	2.3%	7.7%	2.3%
2039	\$80.04	\$57.17	1.9%	7.3%	1.9%
2040	\$81.74	\$58.38	3.4%	8.8%	3.4%
2041	\$83.43	\$59.59	2.8%	8.2%	2.8%
2042	\$85.13	\$60.80	1.6%	7.0%	1.6%
2043	\$86.82	\$62.01	2.3%	7.7%	2.3%
2044	\$88.51	\$63.22	2.7%	8.1%	2.7%
2045	\$90.21	\$64.43	3.4%	8.8%	3.4%
2046	\$91.90	\$65.64	3.2%	8.6%	3.2%
2047	\$93.59	\$66.85	2.8%	8.2%	2.8%
2048	\$95.29	\$68.06	2.3%	7.7%	2.3%
2049	\$96.98	\$69.27	1.9%	7.3%	1.9%

#### ***Scenario 4***

Scenario 4 grows the JC Rate at the inflation rate and uses 9-year historical averages for the general inflation rate, the medical inflation rate and COLA.

- *The Jail Contracting Rate:* The JC Rate grows by 2.7% each year. This scenario assumes that the JC Rate will grow at the rate of inflation.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* 2.7% each year (9 year historical average)
- *Medical Inflation Rate:* 7.8% each year (9 year historical average)
- *COLA:* 2.7% each year (9 year historical average)

Table 9 below shows the JC Rate, the JR Rate, general Inflation, medical Inflation, and COLA for each year for Scenario 4.

**Table 9: Scenario 4****JC Rate, JR Rate, General Inflation, Medical Inflation, COLA**

Year	JC Rate	JR Rate	General Inflation	Medical Inflation	COLA
2010	\$46.22	\$33.01	2.7%	7.8%	2.7%
2011	\$47.46	\$33.90	2.7%	7.8%	2.7%
2012	\$48.74	\$34.82	2.7%	7.8%	2.7%
2013	\$50.06	\$35.76	2.7%	7.8%	2.7%
2014	\$51.41	\$36.72	2.7%	7.8%	2.7%
2015	\$52.80	\$37.71	2.7%	7.8%	2.7%
2016	\$54.23	\$38.73	2.7%	7.8%	2.7%
2017	\$55.69	\$39.78	2.7%	7.8%	2.7%
2018	\$57.19	\$40.85	2.7%	7.8%	2.7%
2019	\$58.74	\$41.96	2.7%	7.8%	2.7%
2020	\$60.32	\$43.09	2.7%	7.8%	2.7%
2021	\$61.95	\$44.25	2.7%	7.8%	2.7%
2022	\$63.63	\$45.45	2.7%	7.8%	2.7%
2023	\$65.34	\$46.67	2.7%	7.8%	2.7%
2024	\$67.11	\$47.93	2.7%	7.8%	2.7%
2025	\$68.92	\$49.23	2.7%	7.8%	2.7%
2026	\$70.78	\$50.56	2.7%	7.8%	2.7%
2027	\$72.69	\$51.92	2.7%	7.8%	2.7%
2028	\$74.65	\$53.32	2.7%	7.8%	2.7%
2029	\$76.67	\$54.76	2.7%	7.8%	2.7%
2030	\$78.74	\$56.24	2.7%	7.8%	2.7%
2031	\$80.87	\$57.76	2.7%	7.8%	2.7%
2032	\$83.05	\$59.32	2.7%	7.8%	2.7%
2033	\$85.29	\$60.92	2.7%	7.8%	2.7%
2034	\$87.59	\$62.57	2.7%	7.8%	2.7%
2035	\$89.96	\$64.26	2.7%	7.8%	2.7%
2036	\$92.39	\$65.99	2.7%	7.8%	2.7%
2037	\$94.88	\$67.77	2.7%	7.8%	2.7%
2038	\$97.44	\$69.60	2.7%	7.8%	2.7%
2039	\$100.08	\$71.48	2.7%	7.8%	2.7%
2040	\$102.78	\$73.41	2.7%	7.8%	2.7%
2041	\$105.55	\$75.39	2.7%	7.8%	2.7%
2042	\$108.40	\$77.43	2.7%	7.8%	2.7%
2043	\$111.33	\$79.52	2.7%	7.8%	2.7%
2044	\$114.33	\$81.67	2.7%	7.8%	2.7%
2045	\$117.42	\$83.87	2.7%	7.8%	2.7%
2046	\$120.59	\$86.14	2.7%	7.8%	2.7%
2047	\$123.85	\$88.46	2.7%	7.8%	2.7%
2048	\$127.19	\$90.85	2.7%	7.8%	2.7%
2049	\$130.63	\$93.30	2.7%	7.8%	2.7%

## ***Scenario 5***

Scenario 5 grows the JC Rate at the rate of inflation and uses the 20-year historical averages of the general inflation rate, the medical inflation rate and COLA plus one standard deviation. The standard deviation is the most common measure of statistical dispersion and measures how widely values in a set of data vary from the average. For example, the 20-year historical average inflation rate is 3.1% and the standard deviation is .9%. This means that 68% of the inflation rates over the last 20 years fall within +/- .9% of the average of 3.1%. In this scenario, we add the standard deviation to the average.

- *The Jail Contracting Rate:* The JC Rate grows by 4.0% each year. This scenario assumes that the JC Rate will grow at the rate of inflation.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* 4.0% each year (20 year historical average of 3.1% plus one standard deviation)
- *Medical Inflation Rate:* 11.0% each year (20 year historical average of 8.4% plus one standard deviation)
- *COLA:* 4.0% each year (20 year historical average plus one standard deviation)

Table 10 below shows the JC Rate, the JR Rate, general Inflation, medical Inflation, and COLA for each year for Scenario 5.

**Table 10: Scenario 5****JC Rate, JR Rate, General Inflation, Medical Inflation, COLA**

Year	JC Rate	JR Rate	General Inflation	Medical Inflation	COLA
2010	\$46.80	\$33.43	4.0%	11.0%	4.0%
2011	\$48.67	\$34.77	4.0%	11.0%	4.0%
2012	\$50.62	\$36.16	4.0%	11.0%	4.0%
2013	\$52.64	\$37.60	4.0%	11.0%	4.0%
2014	\$54.75	\$39.11	4.0%	11.0%	4.0%
2015	\$56.94	\$40.67	4.0%	11.0%	4.0%
2016	\$59.22	\$42.30	4.0%	11.0%	4.0%
2017	\$61.59	\$43.99	4.0%	11.0%	4.0%
2018	\$64.05	\$45.75	4.0%	11.0%	4.0%
2019	\$66.61	\$47.58	4.0%	11.0%	4.0%
2020	\$69.28	\$49.48	4.0%	11.0%	4.0%
2021	\$72.05	\$51.46	4.0%	11.0%	4.0%
2022	\$74.93	\$53.52	4.0%	11.0%	4.0%
2023	\$77.93	\$55.66	4.0%	11.0%	4.0%
2024	\$81.04	\$57.89	4.0%	11.0%	4.0%
2025	\$84.28	\$60.20	4.0%	11.0%	4.0%
2026	\$87.66	\$62.61	4.0%	11.0%	4.0%
2027	\$91.16	\$65.12	4.0%	11.0%	4.0%
2028	\$94.81	\$67.72	4.0%	11.0%	4.0%
2029	\$98.60	\$70.43	4.0%	11.0%	4.0%
2030	\$102.54	\$73.25	4.0%	11.0%	4.0%
2031	\$106.65	\$76.18	4.0%	11.0%	4.0%
2032	\$110.91	\$79.22	4.0%	11.0%	4.0%
2033	\$115.35	\$82.39	4.0%	11.0%	4.0%
2034	\$119.96	\$85.69	4.0%	11.0%	4.0%
2035	\$124.76	\$89.12	4.0%	11.0%	4.0%
2036	\$129.75	\$92.68	4.0%	11.0%	4.0%
2037	\$134.94	\$96.39	4.0%	11.0%	4.0%
2038	\$140.34	\$100.24	4.0%	11.0%	4.0%
2039	\$145.95	\$104.25	4.0%	11.0%	4.0%
2040	\$151.79	\$108.42	4.0%	11.0%	4.0%
2041	\$157.86	\$112.76	4.0%	11.0%	4.0%
2042	\$164.18	\$117.27	4.0%	11.0%	4.0%
2043	\$170.74	\$121.96	4.0%	11.0%	4.0%
2044	\$177.57	\$126.84	4.0%	11.0%	4.0%
2045	\$184.68	\$131.91	4.0%	11.0%	4.0%
2046	\$192.06	\$137.19	4.0%	11.0%	4.0%
2047	\$199.75	\$142.68	4.0%	11.0%	4.0%
2048	\$207.74	\$148.38	4.0%	11.0%	4.0%
2049	\$216.05	\$154.32	4.0%	11.0%	4.0%

## ***Scenario 6***

Scenario 6 grows the Jail Contracting Rate at the rate of general inflation. The general inflation rate, the medical inflation rate, and COLA were determined by subtracting the standard deviation of .9% from the 20-year average of 3.1%.

- *The Jail Contracting Rate:* The JC Rate grows by 2.2% each year. This scenario assumes that the JC Rate will grow at the rate of inflation.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* 2.2% each year (20 year historical average of 3.1% minus one standard deviation)
- *Medical Inflation Rate:* 5.8%% each year (20 year historical average of 8.4% minus one standard deviation)
- *COLA:* 2.0% each year (20 year historical average minus one standard deviation)

Table 11 below shows the JC Rate, the JR Rate, general Inflation, medical Inflation, and COLA for each year for Scenario 6.

**Table 11: Scenario 6****JC Rate, JR Rate, General Inflation, Medical Inflation, COLA**

Year	JC Rate	JR Rate	General Inflation	Medical Inflation	COLA
2010	\$45.99	\$32.85	2.2%	5.8%	2.0%
2011	\$47.00	\$33.57	2.2%	5.8%	2.0%
2012	\$48.04	\$34.31	2.2%	5.8%	2.0%
2013	\$49.09	\$35.07	2.2%	5.8%	2.0%
2014	\$50.17	\$35.84	2.2%	5.8%	2.0%
2015	\$51.28	\$36.63	2.2%	5.8%	2.0%
2016	\$52.40	\$37.43	2.2%	5.8%	2.0%
2017	\$53.56	\$38.26	2.2%	5.8%	2.0%
2018	\$54.74	\$39.10	2.2%	5.8%	2.0%
2019	\$55.94	\$39.96	2.2%	5.8%	2.0%
2020	\$57.17	\$40.84	2.2%	5.8%	2.0%
2021	\$58.43	\$41.73	2.2%	5.8%	2.0%
2022	\$59.71	\$42.65	2.2%	5.8%	2.0%
2023	\$61.03	\$43.59	2.2%	5.8%	2.0%
2024	\$62.37	\$44.55	2.2%	5.8%	2.0%
2025	\$63.74	\$45.53	2.2%	5.8%	2.0%
2026	\$65.14	\$46.53	2.2%	5.8%	2.0%
2027	\$66.58	\$47.56	2.2%	5.8%	2.0%
2028	\$68.04	\$48.60	2.2%	5.8%	2.0%
2029	\$69.54	\$49.67	2.2%	5.8%	2.0%
2030	\$71.07	\$50.76	2.2%	5.8%	2.0%
2031	\$72.63	\$51.88	2.2%	5.8%	2.0%
2032	\$74.23	\$53.02	2.2%	5.8%	2.0%
2033	\$75.86	\$54.19	2.2%	5.8%	2.0%
2034	\$77.53	\$55.38	2.2%	5.8%	2.0%
2035	\$79.24	\$56.60	2.2%	5.8%	2.0%
2036	\$80.98	\$57.84	2.2%	5.8%	2.0%
2037	\$82.76	\$59.12	2.2%	5.8%	2.0%
2038	\$84.58	\$60.42	2.2%	5.8%	2.0%
2039	\$86.44	\$61.75	2.2%	5.8%	2.0%
2040	\$88.35	\$63.10	2.2%	5.8%	2.0%
2041	\$90.29	\$64.49	2.2%	5.8%	2.0%
2042	\$92.28	\$65.91	2.2%	5.8%	2.0%
2043	\$94.31	\$67.36	2.2%	5.8%	2.0%
2044	\$96.38	\$68.84	2.2%	5.8%	2.0%
2045	\$98.50	\$70.36	2.2%	5.8%	2.0%
2046	\$100.67	\$71.91	2.2%	5.8%	2.0%
2047	\$102.88	\$73.49	2.2%	5.8%	2.0%
2048	\$105.15	\$75.11	2.2%	5.8%	2.0%
2049	\$107.46	\$76.76	2.2%	5.8%	2.0%

## ***Scenario 7***

Scenario 7 grows the Jail Contracting Rate by the inflation rate. We use the 20-year historical averages for general inflation, medical inflation, and COLA in this scenario.

- *The Jail Contracting Rate:* The JC Rate grows by 3.1% each year. This scenario assumes that the JC Rate will grow at the rate of inflation.
- *The Jail Reimbursement Rate:* The JR Rate was calculated by dividing the JC rate by .7 (70%) to determine the DOC cost per day, and then multiplying by .5 (50%).
- *General Inflation Rate:* 3.1% each year (20 year historical average)
- *Medical Inflation Rate:* 8.4%% each year (20 year historical average)
- *COLA:* 3.0% each year (20 year historical average)

Table 12 below shows the JC Rate, the JR Rate, general Inflation, medical Inflation, and COLA for each year for Scenario 6.

**Table 12: Scenario 7****JC Rate, JR Rate, General Inflation, Medical Inflation, COLA**

Year	JC Rate	JR Rate	General Inflation	Medical Inflation	COLA
2010	\$46.40	\$33.14	3.1%	8.4%	3.0%
2011	\$47.83	\$34.17	3.1%	8.4%	3.0%
2012	\$49.32	\$35.23	3.1%	8.4%	3.0%
2013	\$50.84	\$36.32	3.1%	8.4%	3.0%
2014	\$52.42	\$37.44	3.1%	8.4%	3.0%
2015	\$54.05	\$38.60	3.1%	8.4%	3.0%
2016	\$55.72	\$39.80	3.1%	8.4%	3.0%
2017	\$57.45	\$41.03	3.1%	8.4%	3.0%
2018	\$59.23	\$42.31	3.1%	8.4%	3.0%
2019	\$61.07	\$43.62	3.1%	8.4%	3.0%
2020	\$62.96	\$44.97	3.1%	8.4%	3.0%
2021	\$64.91	\$46.36	3.1%	8.4%	3.0%
2022	\$66.92	\$47.80	3.1%	8.4%	3.0%
2023	\$69.00	\$49.28	3.1%	8.4%	3.0%
2024	\$71.14	\$50.81	3.1%	8.4%	3.0%
2025	\$73.34	\$52.39	3.1%	8.4%	3.0%
2026	\$75.62	\$54.01	3.1%	8.4%	3.0%
2027	\$77.96	\$55.69	3.1%	8.4%	3.0%
2028	\$80.38	\$57.41	3.1%	8.4%	3.0%
2029	\$82.87	\$59.19	3.1%	8.4%	3.0%
2030	\$85.44	\$61.03	3.1%	8.4%	3.0%
2031	\$88.09	\$62.92	3.1%	8.4%	3.0%
2032	\$90.82	\$64.87	3.1%	8.4%	3.0%
2033	\$93.63	\$66.88	3.1%	8.4%	3.0%
2034	\$96.53	\$68.95	3.1%	8.4%	3.0%
2035	\$99.53	\$71.09	3.1%	8.4%	3.0%
2036	\$102.61	\$73.29	3.1%	8.4%	3.0%
2037	\$105.79	\$75.57	3.1%	8.4%	3.0%
2038	\$109.07	\$77.91	3.1%	8.4%	3.0%
2039	\$112.45	\$80.32	3.1%	8.4%	3.0%
2040	\$115.94	\$82.81	3.1%	8.4%	3.0%
2041	\$119.53	\$85.38	3.1%	8.4%	3.0%
2042	\$123.24	\$88.03	3.1%	8.4%	3.0%
2043	\$127.06	\$90.76	3.1%	8.4%	3.0%
2044	\$131.00	\$93.57	3.1%	8.4%	3.0%
2045	\$135.06	\$96.47	3.1%	8.4%	3.0%
2046	\$139.25	\$99.46	3.1%	8.4%	3.0%
2047	\$143.56	\$102.54	3.1%	8.4%	3.0%
2048	\$148.01	\$105.72	3.1%	8.4%	3.0%
2049	\$152.60	\$109.00	3.1%	8.4%	3.0%

**Summary of Results of Financial Feasibility Analysis**

**Present Values: Net Cash Flows Including the County Budget**

As discussed in the methodology section, net cash flows were calculated by subtracting expenses from revenues. The net cash flows were discounted at a 5% discount rate to determine the present value of the future projected cash flows. Table 13 below shows the present values of the net cash flows before including the county budget for each option under each scenario. Table 14 shows the first year of positive cash flow. Appendix 1 shows graphs of revenues and expenses for each scenario and option, and Appendix 2 includes tables of the net cash flows.

**Table 13**

***PRESENT VALUE OF NET CASH FLOWS (Before Deducting County Budget)  
Using a 5% Discount Rate***

<u>Scenario</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
<b>1</b>	\$8,788,393	(\$18,443,087)	(\$5,167,809)	(\$8,589,007)
<b>2</b>	\$5,627,752	(\$12,695,942)	\$22,952,709	\$19,345,432
<b>3</b>	\$12,434,028	(\$6,608,216)	\$12,682,309	\$9,658,414
<b>4</b>	\$12,401,348	(\$4,267,175)	\$19,485,247	\$16,442,253
<b>5</b>	\$8,538,143	(\$10,048,371)	\$20,817,671	\$17,429,938
<b>6</b>	\$13,805,946	(\$1,868,668)	\$19,757,906	\$16,822,482
<b>7</b>	\$11,583,641	(\$5,297,921)	\$20,512,821	\$17,374,543

**Table 14**

***FIRST YEAR OF POSITIVE CASH FLOW (Before Deducting County Budget)***

<u>Scenario</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
<b>1</b>	2010	NA	2010, 2030	2030
<b>2</b>	2010	2043	2014	2018
<b>3</b>	2010	2030	2019	2026
<b>4</b>	2010	2030	2015	2019
<b>5</b>	2010	2031	2014	2018
<b>6</b>	2010	2030	2016	2019
<b>7</b>	2010	2030	2015	2019

NA: Cash Flows are Negative for all 40 years

## **Results by Scenario**

### ***Scenario 1***

Option 1 outperforms the other 3 options in scenario 1. The present value for Option 1 is \$8,788,393, while the present values for the three other options are negative. The JC rate in scenario 1 increases at the slowest rate of all the scenarios from \$49.90 in 2010 to \$65.51 in 2049. The inflation rate steadily increases from 3.2% in 2010 to 5.9% in 2049. Option 1 performs well under this scenario because it does not depend on revenue from state inmates. Therefore, the slow growth of the JC rate does not have as negative an impact on revenues as it does with respect to the other options. For Option 1, the County Budget is the most important source of revenue. While expenses increase with an increasing inflation rate, a 6.64% increase in the county budget each year is sufficient to cover expenses. As a result, the first year of positive cash flow occurs in 2010 and remains positive through all 40 years.

Of the other three options, Option 3 performs the best with the lowest negative present value of (\$5,167,809). For Option 3, which relies on revenue from state inmates, the slow growth of the JC rate has a negative and significant impact on the growth of revenue. Net cash flow is positive in 2010, but is negative until 2030, when the debt is fully paid down. Option 4 also has a negative present value and the first year of positive cash flow is in 2030 when the debt is fully paid. Option 2 has the largest negative present value of (\$18,443, 087) and net cash flow is negative throughout the time horizon of the projections.

### ***Scenario 2***

Option 3 is the best performing option under the assumptions included in scenario 2 with a present value of \$22,952,709. In this scenario, the JC rate grows by 4.66% per year from \$47.10 in 2010 to \$278.25 in 2049. Inflation remains constant at 4.66% per year. With 140 state inmates, revenue from housing these inmates is substantial and the first year of positive net cash flow is 2014. Option 4 has the second largest present value of \$19,345,432 and the first year of positive cash flow is 2018. Option 1 also has a positive net present value of \$5,627,752 and the first year of net positive net cash flow is 2010, the earliest of the 4 options. The present value of Option 2 is negative, (\$12,695,942) and the first year of net positive cash flow is not until 2043.

### ***Scenario 3***

Option 3 and Option 1 perform the best in this scenario with present values of \$12,682,309 and \$12,434,028, respectively. In this scenario, the JC rate increases from \$45.95 in 2010 to \$96.98 in 2049. Inflation remains relatively low, fluctuating from low of 1.6% to a high of 3.4%. The first year of positive cash flow for Option 1 is in 2010 and in 2019 for Option 3. The present value for Option 4 is \$9,658,414 and the first year of net positive cash flow is 2026. Again, the present value for

Option 2 is a negative (\$6,608,216) and the first year of net positive cash flow is in 2030.

#### ***Scenario 4***

Option 3 is the best performer in this scenario with a present value of \$19,485,247. The first year of net positive cash flow is in 2015. In this scenario the JC rate increases from \$46.22 in 2010 to \$130.63 in 2049. Inflation is constant at 2.7%. Option 4 has the second largest present value in this scenario, \$16,442,253. The first year of positive cash flow for Option 4 is in 2019. Option 1 also has a positive present value, \$12,401,348, with the first year of net positive cash flow in 2010. The present value for Option 2 is again negative, (\$4,267,175) and the first year is in 2030.

#### ***Scenario 5***

The results of scenario 5 are similar to those of scenario 2. In this scenario, the JC rate grows by 4% (the assumed inflation rate) each year from \$46.80 in 2010 to \$154.32 in 2049. The present value for Option 3 is \$ 20,817,671, the largest, followed by Option 4 with a present value of \$17,429,938. The first year of positive cash flow for Option 3 is in 2014 and in 2018 for Option 4. The present value of Option 1 is \$8,538,143 and the first year of positive cash flow is in 2010. Option 2 is again the worst performing option with a negative present value of \$10,048,371. The first year of net positive cash flow is in 2031.

#### ***Scenario 6***

Options 3 and 4 perform the best in this scenario with present values of \$19,757,906 and \$16,822,482, respectively. The first year of positive cash flow is in 2016 for Option 3 and 2019 for Option 4. Option 1 performs well in this scenario with a present value of \$13,805,946 and the first year of positive net cash flow is again in 2010. Option 2 has a negative present value of (\$1,868,668) and the first year of positive net cash flow is in 2030. In this scenario the JC rate increases at the assumed inflation rate of 2.2% from \$45.99 in 2010 to \$107.46 in 2049.

#### ***Scenario 7***

In this scenario, the JC rate increases at the assumed general inflation rate of 3.1% from \$46.40 in 2010 to \$152.60 in 2049. Again, Option 3 performs well with a present value of \$20,515,821 and the first year of positive cash flow is in 2015. Option 4 has the second largest present value, \$17,374,543, and the first year of net positive cash flow is in 2019. The present value for Option 1 is \$11,583,641 and the first year of positive net cash flow is in 2010. Option 2 is again the worst performer with a negative present value of (\$5,297,921). The first year of positive net cash flow is in 2030.

## **Results by Option**

### ***Option 1***

Including the county budget, Option 1 exhibits a positive present value for all 7 scenarios. In addition, the first year of positive cash flow for in all scenarios is in 2010, the first year of the analysis. The present values for Option 1 are lowest in scenarios 2 and 5, which have the highest rates of inflation. Scenarios with lower inflation assumptions, such as scenarios 3,4, and 6 benefit Option 1. Since Kane County will receive revenue from the state only for felony probationers and not state inmates, Option 1 does not benefit fully from greater increase in the JC rate. That is because the JR rate is approximately 71% of the JC rate and felony probationers do not increase with county population as a result of limited capacity. The county budget is the major source of revenue in Option 1.

### ***Option 2***

The present values for Option 2 are negative in all scenarios. The earliest year of positive cash flow is in 2030 in scenarios 3, 4, 6 and 7. Option 2 also benefits from low inflation rates. With only 50 state inmates, increased revenue from faster growing JC rates does not offset the greater expenses associated with higher inflation rates. As a result, while still negative, Option 2 performs the best in scenarios 4, 6 and 7 where lower inflation rates are assumed.

### ***Option 3***

Option 3 is the best performing option in all of the scenarios except for scenario 1. With 140 state inmates, revenue from increasing JC rates is very significant in this option. As a result, Option 3 performs the best in scenarios with higher inflation assumptions, such as scenarios 2, 5 and 7. Even in lower inflation scenarios, Option 3 outperforms the other options when the JC rate keeps pace with inflation. Only in scenario 1 does Option 3 produce a negative present value. This is because the JC rate only increases to \$65.51 in 2049 while inflation steadily climbs from 3.2% in 2010 to 5.9% in 2049.

### ***Option 4***

The present values for Option 4 are greatest in scenarios 2 and 5, the scenarios with the highest assumed general inflation rates and increases in the JC rate. Like Option 3, Option 4 does well in scenarios when the JC rate increases with general inflation. Option 4 is very similar to Option 3, with the additional cost associated with the Court Complex.

**Present Values: Net Cash Flows Without Including the County Budget**

Tables 15 and 16 below show the present values and first year of positive cash flows without including the county budget. Without the revenue from the county budget, present values are negative for all options in all scenarios. While still negative, Option 3 outperforms the other options in all but scenario 1. In scenario 1, Option 1 outperforms Option 3. While the present values are negative, cash flows for Options 3 and 4 are positive from 2030 to 2049 in scenarios 2, 4, 5, 6, and 7. For Options 1 and 2, cash flows without the revenue from the county budget are negative for all years in all scenarios. Revenue derived from the county budget is the most significant for Options 1 and 2 since there is no revenue from state inmates in Option 1 and only revenue from 50 state inmates in Option 2. In both Options, without revenue from the county budget, the public safety facility does not generate positive cash flow in any year from 2010 to 2049.

With the exception of Scenario 1, Option 3 shows the best economics on a stand-alone basis. In Scenarios 2 through 7, the present values for Option 3 are greater (least negative) than all of the other options. In Scenario 1, Option 1 has the best (least negative) present value and performs the best on a stand-alone basis.

**Table 15**

***PRESENT VALUE OF NET CASH FLOWS (After Deducting County Budget) Using a 5% Discount Rate***

<b><u>Scenario</u></b>	<b><u>Option 1</u></b>	<b><u>Option 2</u></b>	<b><u>Option 3</u></b>	<b><u>Option 4</u></b>
<b>1</b>	(\$16,087,709)	(\$43,319,189)	(\$30,043,911)	(\$33,465,109)
<b>2</b>	(\$19,248,351)	(\$37,572,044)	(\$1,923,393)	(\$5,530,670)
<b>3</b>	(\$12,442,074)	(\$31,484,319)	(\$12,193,793)	(\$15,217,688)
<b>4</b>	(\$12,474,754)	(\$29,143,277)	(\$5,390,855)	(\$8,433,849)
<b>5</b>	(\$16,337,960)	(\$34,924,473)	(\$4,058,431)	(\$7,446,165)
<b>6</b>	(\$11,070,157)	(\$26,744,770)	(\$5,118,196)	(\$8,053,620)
<b>7</b>	(\$13,292,462)	(\$30,174,023)	(\$4,363,281)	(\$7,501,559)

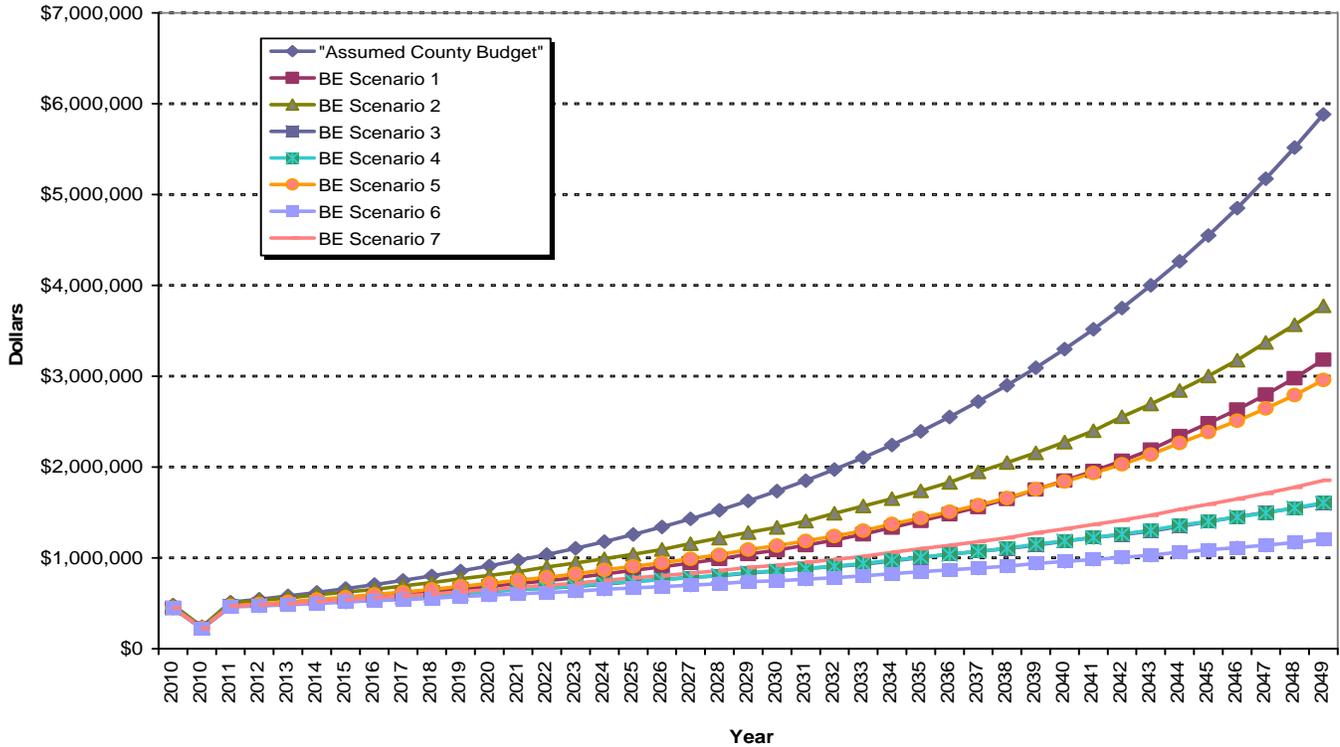
**Table 16**

***FIRST YEAR OF POSITIVE CASH FLOW (After Deducting County Budget)***

<b><u>Scenario</u></b>	<b><u>Option 1</u></b>	<b><u>Option 2</u></b>	<b><u>Option 3</u></b>	<b><u>Option 4</u></b>	
<b>1</b>	NA	NA	NA	NA	
<b>2</b>	NA	NA		2030	2030
<b>3</b>	NA	NA	NA	NA	
<b>4</b>	NA	NA		2030	2030
<b>5</b>	NA	NA		2030NA	NA

Budgets EMC

### Kane County 21 Bed Option County Budget Projections



While we have used the historical average annual rate of increase for the county budget, Table 17 below shows the average annual rate of increase that the county budget would have to be in order to break even over time for Option 1, which is the option most reliant on the county budget for revenue. While the rate of increase is different every year, the break even average annual rate provides a useful comparison to the 10-year historical average annual rate of increase of 6.64% used in the projections.

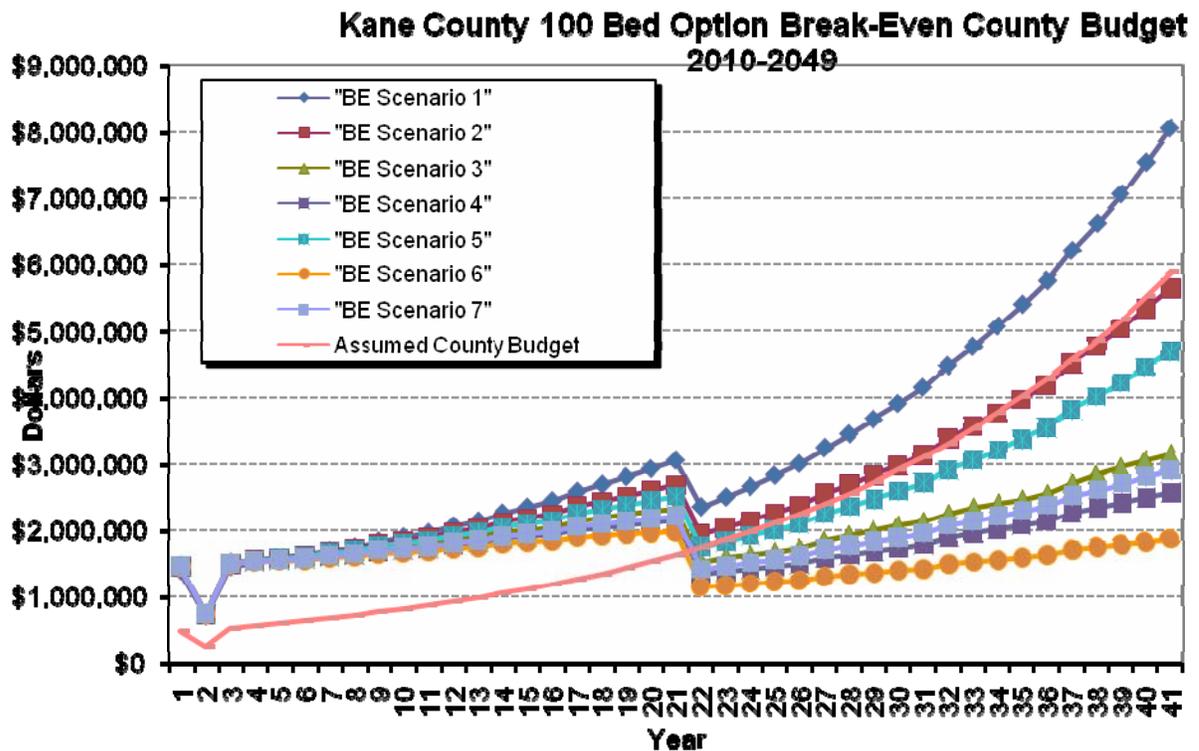
**Table 17**

**Average Annual Rate of Increase in County Budget  
Needed to Break Even**

	Option 1
<b>Scenario</b>	
1	5.16%
2	5.44%
3	3.31%
4	3.33%
5	4.94%
6	2.57%
7	3.70%

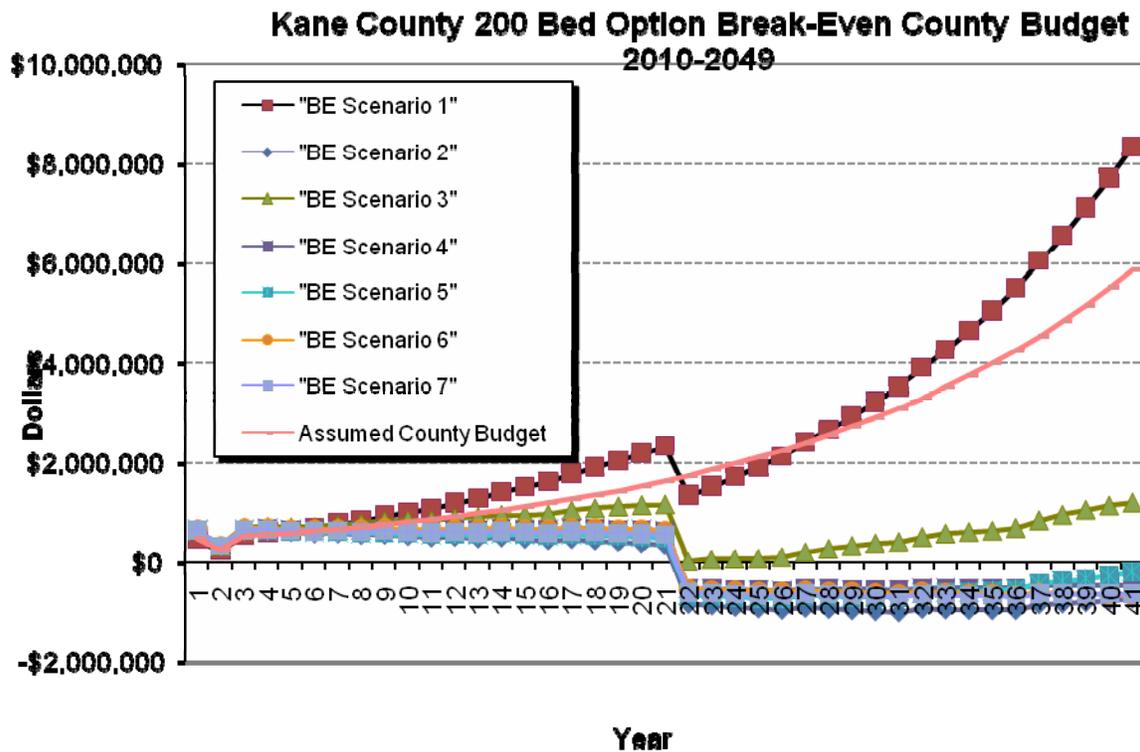
**Option 2**

The following graph shows the break-even county budgets under each scenario for Option 2. For the first 20 years, while the county is paying debt service associated with the construction of the 100 Bed Public Safety Facility, the break-even county budget is greater than that assumed in the analysis. After 2030, when the debt has been fully paid, the break-even county budget is equal to or less than the Assumed County Budget under all scenarios, except for Scenario 1.



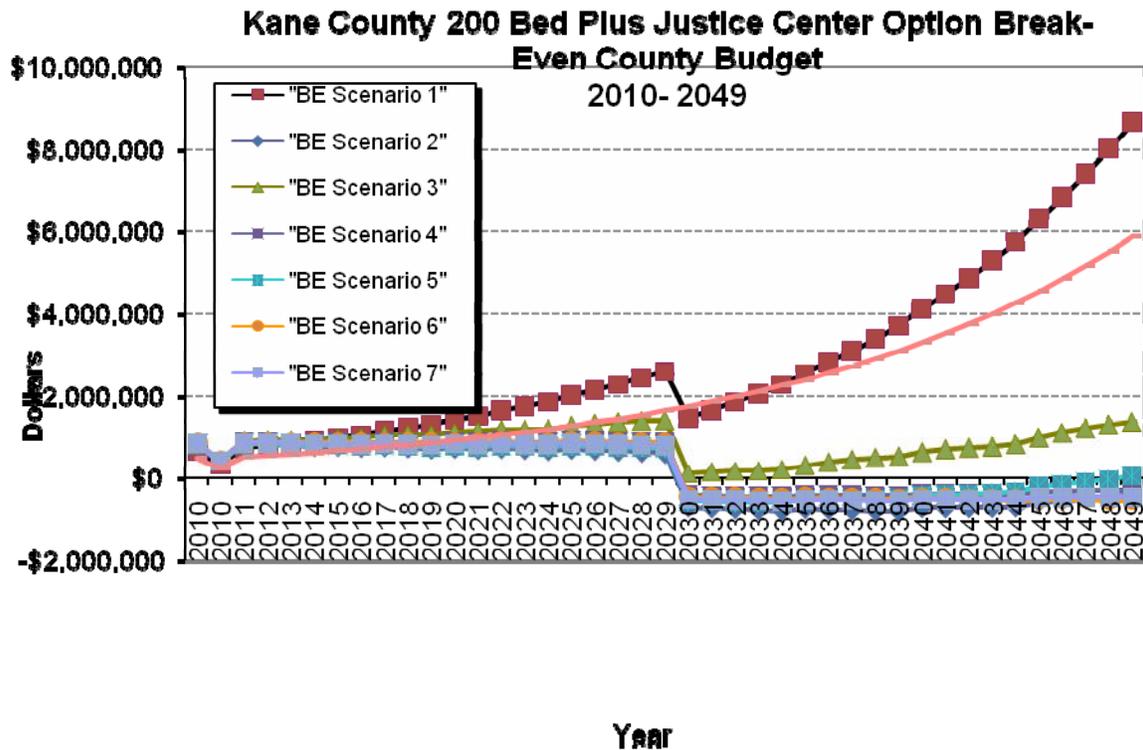
### Option 3

The next graph illustrates the same analysis for Option 3, the 200 Bed Public Safety Facility. In scenarios 2 through 7, the break-even county budgets are either equal to or less than the assumed budget for all 40 years. Under scenarios 2, 3, 4, 5 and 7, revenue from reimbursement for state inmates and felony probationers would exceed jail expenses after 2030. After 2030, the break-even county budget, under these scenarios, is less than zero. That is to say, the county would benefit from the difference between the revenue from housing state inmates and jail expenses under these scenarios and would not need to allocate additional funding to the facility.



### Option 4

The graph below shows the break-even county budgets for Option 4, the 200 Bed Public Safety Facility and Justice Court Complex. Until approximately 2018, the break-even county budget is greater than that assumed in the analysis under all scenarios. After approximately 2026, the break-even county budget, under scenarios 2 through 7, is equal to or less than the county budget assumed in the study. Under scenarios 2, 3, 4, 5, and 7, revenues from reimbursements for state inmates and felony probationers exceed facility expenses after 2030. Under Scenario 5, the difference between revenues from reimbursements and expenses narrows from 2047 to 2049.



**Break-Even Number of State Inmates: Options 3 and 4**

Table 18 below shows the minimum and maximum number of state inmates needed for Option 3 in order to breakeven (or achieve a positive cash-flow) in the year that has the maximum net positive cash flow and the minimum net cash flow, respectively. For example, in Scenario 1, the year with the largest deficit (including the county budget) is in 2049. In that year, 244 state inmates are needed in order to achieve a positive cash flow. The year with the largest positive net cash flow (including the county budget) is in 2030 in Scenario 1. The number of state inmates needed in order to break-even in 2030 is 122. It is important to note that, in this analysis, we calculate the break-even number of state inmates needed includes the county budget that increases at a 6.64% rate each year.

For Scenarios 2 through 7, the year with the largest deficit is in 2011 and, as a result, the greatest number of state inmates needed in order to break-even is in this year. Under Scenarios 2 through 7, the largest net cash-flow surplus is in 2049, and the least number of state inmates is needed in order to break-even is this year. The largest variance is in Scenario 6, with a minimum of zero state inmates in 2049 and a maximum of 150 in 2011.

**Table 18**

**Break-Even Number of State Inmates-Min/Max**

Scenario	Option 3		Year	Maximum	Year
	Minimum	Year			
1	122	2030	244	2049	
2	75	2049	147	2011	
3	8	2049	152	2011	
4	8	2049	149	2011	
5	63	2049	148	2011	
6	0	2049	150	2011	
7	23	2049	149	2011	

Table 19 below shows the minimum and maximum number of state inmates needed for Option 4. The results are similar to Option 3, except that more inmates are needed in each scenario in order to break-even as a result of the additional costs associated with the Justice Center. The greatest variance is in Scenario 6, with a minimum of state inmates needed of zero in 2049 and a maximum of 161 in 2011.

**Table 19**

**Break-Even Number of State Inmates-Min/Max**

Scenario	Option 4		Year	Maximum	Year
	Minimum	Year			
1	128	2030	257	2049	
2	79	2049	158	2011	
3	12	2049	163	2011	
4	11	2049	161	2011	
5	67	2049	159	2011	
6	0	2049	161	2011	
7	27	2049	160	2011	

Table 20 shows the number of state inmates needed to breakeven in 2030, the year after the final debt payment. Once the debt has been fully paid, the number of state inmates needed to breakeven in 2030 in Scenario 1 is 122 for Option 3 and 128 in Option 4. Under Scenarios 2 through 7, the break-even number of state inmates drops considerably. The break-even number of state inmates in 2030 for Option 3 ranges, in Scenarios 2 through 7, from 53 in Scenario 6 to 80 in Scenario 2. Similarly, for Option 4, the number of state inmates needed in order to break-even in 2030 ranges from 56 state inmates under Scenario 6 to 83 under Scenario 2.

**Table 20**

**Break-Even Number of State  
Inmates-2030**

<b>Scenario</b>	<b>Option 3</b>	<b>Option 4</b>
<b>1</b>	122	128
<b>2</b>	80	83
<b>3</b>	71	75
<b>4</b>	62	64
<b>5</b>	76	79
<b>6</b>	53	56
<b>7</b>	65	68

Finally, we calculated the constant number of inmates needed to achieve a break-even present value (including the county budget). Table 21 below shows the number of state inmates needed in order to break even on a present value basis for Options 3 and 4. For Options 3 and 4, Scenario 1 is the worst case, and the number of state inmates needed is the greatest at 156 and 166, respectively. Since this analysis uses a single number of state inmates throughout all 40 years, the net cash flow (including the county budget) in some years will be positive and negative in others. The number of state inmates needed in Scenario 1 is greater than 140 because the present value assuming 140 inmates is negative. In Scenarios 2 through 7, however, the present values assuming 140 state inmates are positive and, consequently, the number of inmates needed in order to achieve a break-even (zero) present value is less than 140. Excluding Scenario 1, the number of state inmates needed in Option 3 in order to break-even on a present value basis ranges from 89 under Scenario 6 to 106 in Scenario 3. For Option 4, excluding Scenario 1, the number of state inmates needed ranges from 97 under Scenario 6 to 114 under Scenario 3.

**Table 21**

**Break-Even Number of State  
Inmates-Present Value**

<b>Scenario</b>	<b>Option 3</b>	<b>Option 4</b>
<b>1</b>	156	166
<b>2</b>	102	108
<b>3</b>	106	114
<b>4</b>	94	101
<b>5</b>	101	108
<b>6</b>	89	97
<b>7</b>	95	102

### **County Inmate Projections and Bed Capacity**

Table 22 below shows the projected county inmate population for Kane County from 2010 to 2049 and the projected bed surplus or deficit for Option 2, 3 and 4. Including 50 state inmates and the projected number of felony probationers per day, Option 2 would produce a shortfall in the number of beds in 2026. For Options 3 and 4, a shortfall would occur beginning in 2038.

**Table 22**

**Projected Bed Surplus (Deficit) based on County Inmate Projections: 2010-2049**

<u>Year</u>	<u>Projected County Population</u>	<u>Projected County Inmates (1 per 200 County Residents)</u>	<u>Bed Surplus (Deficit)</u>	
			<u>Option 2</u>	<u>Options 3 &amp; 4</u>
2010	6893	34	14.4	24.4
2011	7083	35	13.4	23.4
2012	7274	36	12.4	22.4
2013	7465	37	11.4	21.4
2014	7653	38	10.5	20.5
2015	7839	39	9.5	19.5
2016	8025	40	8.5	18.5
2017	8211	41	7.6	17.6
2018	8392	42	6.6	16.6
2019	8571	43	5.7	15.7
2020	8746	44	4.8	14.8
2021	8916	45	3.9	13.9
2022	9084	45	3.1	13.1
2023	9253	46	2.2	12.2
2024	9423	47	1.3	11.3
2025	9592	48	0.4	10.4
2026	9756	49	(0.4)	9.6
2027	9921	50	(1.3)	8.7
2028	10081	50	(2.1)	7.9
2029	10238	51	(2.9)	7.1
2030	10394	52	(3.7)	6.3
2031	10546	53	(4.5)	5.5
2032	10699	53	(5.3)	4.7
2033	10855	54	(6.1)	3.9
2034	11012	55	(6.9)	3.1
2035	11174	56	(7.7)	2.3
2036	11335	57	(8.6)	1.4
2037	11503	58	(9.4)	0.6
2038	11672	58	(10.3)	(0.3)
2039	11848	59	(11.2)	(1.2)
2040	12034	60	(12.2)	(2.2)
2041	12224	61	(13.2)	(3.2)
2042	12422	62	(14.2)	(4.2)
2043	12626	63	(15.2)	(5.2)
2044	12834	64	(16.3)	(6.3)
2045	13050	65	(17.4)	(7.4)
2046	13275	66	(18.6)	(8.6)
2047	13511	68	(19.8)	(9.8)
2048	13755	69	(21.1)	(11.1)
2049	14007	70	(22.4)	(12.4)

Table 23 below shows the decrease in revenue for Option 3 from 2038 through 2049 for each scenario due to a shift from state inmates to county inmates. In Table 23, the fiscal impact is determined using the actual number of bed shortfall for each year.

**Table 23**

**Fiscal Impact of Decrease in State Inmates: 2038-2049**

**Option 3**

	<b><u>Scenario</u></b>						
	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>5</u></b>	<b><u>6</u></b>	<b><u>7</u></b>
<b>2038</b>	(\$6,767)	(\$18,669)	(\$8,709)	(\$10,789	(\$15,540	(\$9,365)	(\$12,077
	)	)	)	)	)	)	)
<b>2039</b>	(\$27,226	(\$78,105)	(\$35,428	(\$44,298	(\$64,601	(\$38,260	(\$49,773
	)	)	)	)	)	)	)
<b>2040</b>	(\$49,118	(\$146,521)	(\$64,851	(\$81,543	(\$120,42	(\$70,095	(\$91,984
	)	)	)	)	7)	)	)
<b>2041</b>	(\$71,761	(\$222,596)	(\$96,084	(\$121,55	(\$181,80	(\$103,98	(\$137,66
	)	)	)	9)	3)	5)	0)
<b>2042</b>	(\$95,636	(\$308,504)	(\$129,82	(\$165,31	(\$250,38	(\$140,73	(\$187,94
	)	)	8)	6)	4)	2)	8)
<b>2043</b>	(\$120,52	(\$404,333)	(\$165,80	(\$212,61	(\$326,07	(\$180,10	(\$242,65
	5)	)	5)	3)	2)	9)	3)
<b>2044</b>	(\$146,20	(\$510,076)	(\$203,75	(\$263,18	(\$408,76	(\$221,86	(\$301,56
	0)	)	0)	7)	5)	6)	1)
<b>2045</b>	(\$173,15	(\$628,319)	(\$244,40	(\$318,12	(\$500,35	(\$266,86	(\$365,92
	3)	)	8)	9)	8)	8)	1)
<b>2046</b>	(\$201,52	(\$760,592)	(\$287,98	(\$377,88	(\$601,84	(\$315,46	(\$436,35
	3)	)	0)	3)	3)	2)	7)
<b>2047</b>	(\$231,57	(\$909,088)	(\$334,92	(\$443,21	(\$714,83	(\$368,17	(\$513,75
	5)	)	7)	7)	8)	3)	3)
<b>2048</b>	(\$262,96	(\$1,073,75	(\$384,85	(\$513,69	(\$839,01	(\$424,67	(\$597,78
	6)	3)	6)	4)	8)	9)	1)
<b>2049</b>	(\$295,71	(\$1,256,02	(\$437,76	(\$589,66	(\$975,25	(\$485,07	(\$688,83
	3)	2)	8)	5)	1)	5)	7)

**Risk Factors**

The following are risk factors that may influence the reliability of the projections over time. Projections based on historical information are unable to factor in changes that may occur due to events or issues that may arise in the future. We have identified several of these factors that are the most critical to the success of the Kane County project. These are:

- Increase in the County Budget

- Legislative Discretion with Respect to JC and JR Rates
- Number of State Inmates
- Number of Employees
- Time Horizon

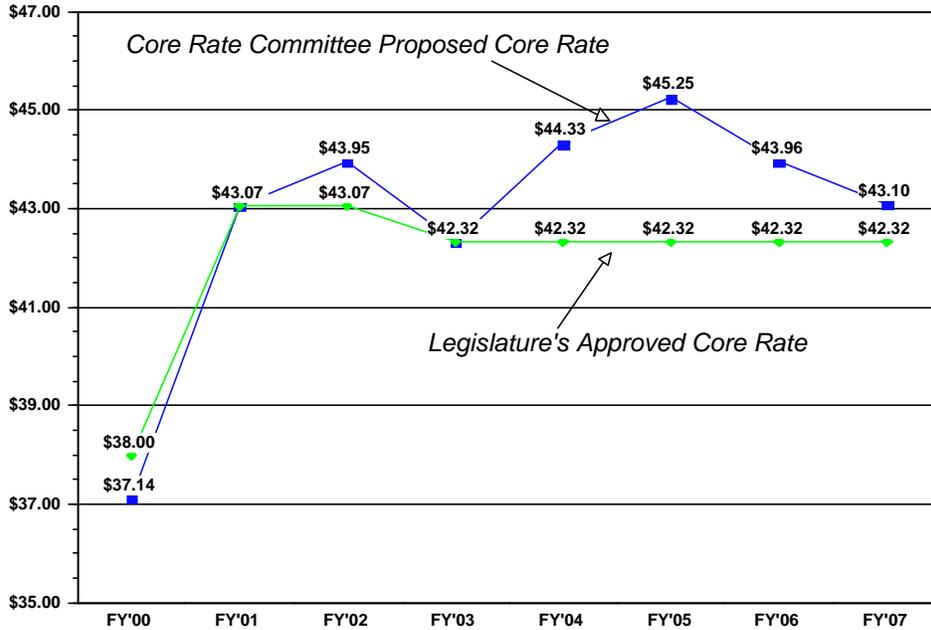
### ***Increase in the County Budget***

This risk factor is particularly important in Option 1, which relies on the county budget for the majority of its revenue. While historically the county budget has grown at an annual average rate of 6.64%, in a period of low inflation, there is no guarantee that the county budget will continue at that rate. Trends in property tax valuation and property tax rates may impact the future rate of increase of the amount of revenue received from the county.

### ***Legislative Discretion with Respect to JC and JR Rates***

While the JC and JR rates are statutorily calculated based on actual DOC costs, the Legislature has ultimate discretion in setting those rates. In fact, the Legislature has not always followed the rate that would be set by statute. This risk is particularly important to Options 3 and 4. The following graph shows the Core Rate approved by the Legislature versus the Core Rate recommendations of the Core Rate Committee from 200 through 2007.

**Core Rate Committee Core Rate Recommendations  
Versus the Legislature's Approved Core Rate**



Source: DOC

***Number of State Inmates***

SJR8 authorizes the approximate number of state inmates that the DOC will contract to house at the Kane County Public Safety Facility at 140. However, there is always a risk that the Legislature could revise this number. This risk is particularly important in Options 3 and 4. The analysis above illustrates the number of state inmates needed in order to breakeven in each scenario. The risk is clearly greatest under Scenario 1 that assumes a slow growing JC rate. Under Scenarios 2 through 7, the risk is greatest in 2011, where the break-even number of inmates needed exceeds the number authorized by the Legislature. On a present value basis, however, the risk exists primarily under Scenario 1. Under Scenarios 2 through 7, the break even number of inmates needed on a present value basis is less than the authorized number of 140.

***Number of Employees***

Local employment opportunities and demographics may impact the availability of qualified employees for Options 2, 3 and 4. Currently, Kane County is able to fill opens at the existing jail from within the local labor force. However, going forward, this may not be the case. The law enforcement sector is heavily dependent on having a fairly young and physically fit pool of applicants. However, Kane County, like much of rural Utah is seeing young people leaving to seek better opportunities elsewhere.

While a facility like this may entice some of Kane County's youth to remain, the number of jobs and the low turnover rate are not going to be a large enough incentive to keep the best qualified applicants in the county.

Additionally, Kane County is projected to have a high proportion of senior citizens as the baby boom generation retires. Kane County may also see itself become a haven for retirees from other parts of Utah, the region or even nationally. The relatively low cost of living coupled with the proximity of the County to recreational venues may mean that Kane County starts to see a large in-migration of this demographic. The senior population tends to utilize similar services (such as medical care, social service providers, food and laundry vendors) to those needed for a large prison facility. This competition may lead to a rise in costs to the jail if any of these types of services are contracted out by Kane County officials. Conversely, if Kane County decides to directly hire physicians, nursing staff, social workers, dietitians and all of the other specialized staff that is required of a large facility—the costs associated with attracting qualified applicants from outside the County borders will push salary expenses far above the projections in this study. Since salaries are one of the largest on-going expenditure associated with this project, the ability to hold down salary expenses while maintaining a sufficient and qualified staff is a large risk factor going forward.

### ***Time Horizon***

Creating financial projections with a 40-year time horizon is difficult at best. It is impossible to predict assumptions that far into the future with certainty. We have relied on historical data to inform the range of possibilities to be analyzed through a scenario analysis. While this is the most appropriate method for choosing assumptions, unforeseen events are always a possibility. The advantage of a long time horizon, however, is that unforeseen events usually take place for short periods of time and the impact is generally temporary. Nonetheless, there is an inherent risk in predicting cash flows that far into the future.

### **Summary**

The financial projections presented in this study outline the benefits and risks of each of the four options under a number of different scenarios. Inherent in such a long time horizon, unforeseen circumstances could lead to significantly different conditions than those considered in this study. The risk factors described above should be considered in the context of a changing political and economic landscape.

**Appendix 1-Revenue and Expense Graphs**

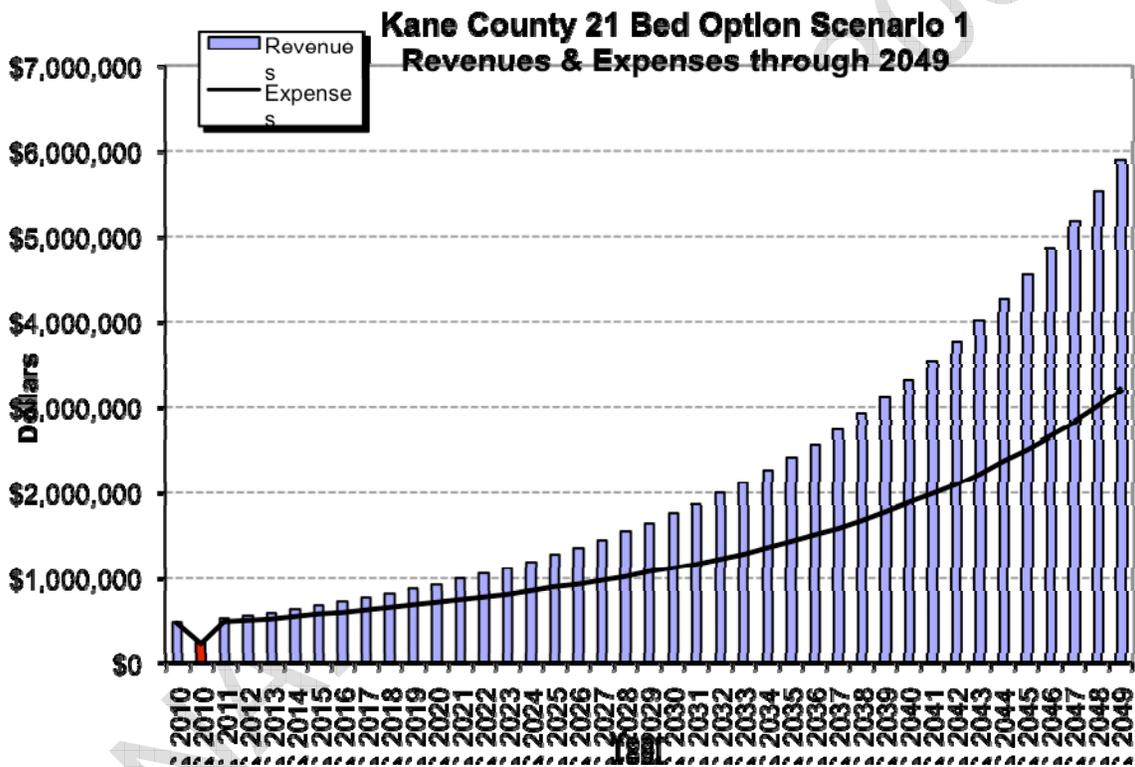
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**Revenue and Expense Graphs**

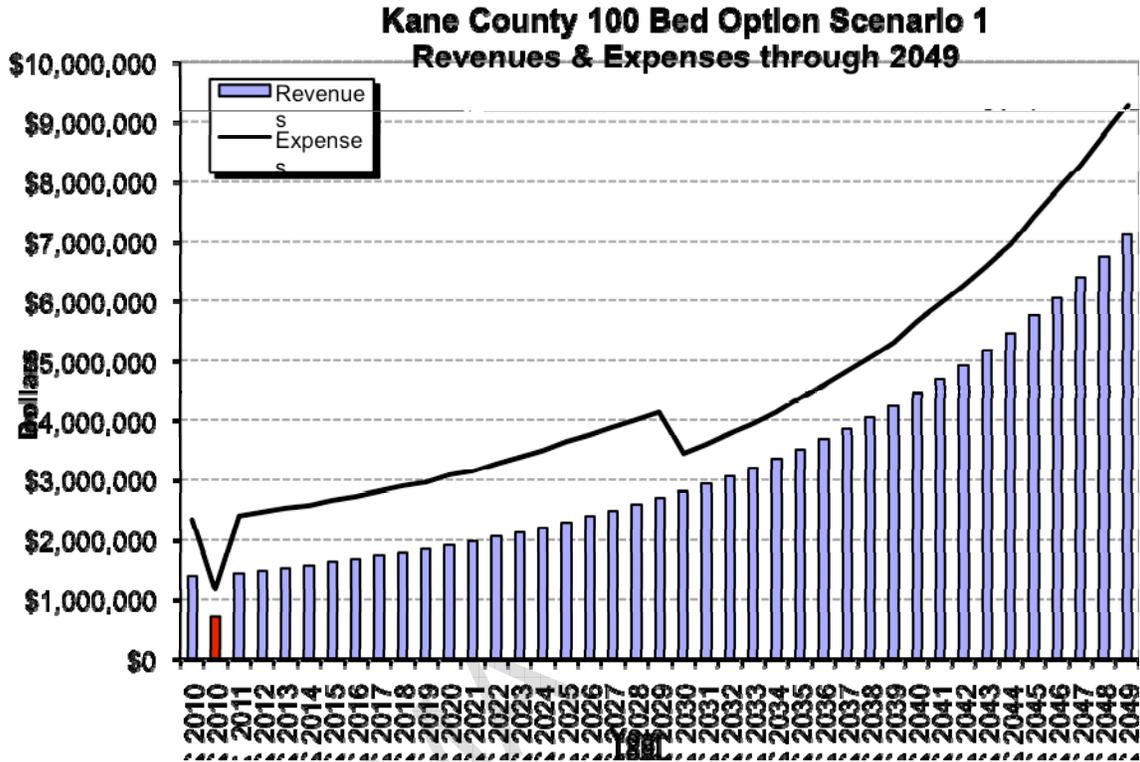
The following graphs illustrate the revenues (including the county budget) and expenses for each option under the 7 scenarios analyzed. The red bar signifies a half-year of revenues in 2010.

**Scenario 1**

**Option 1**



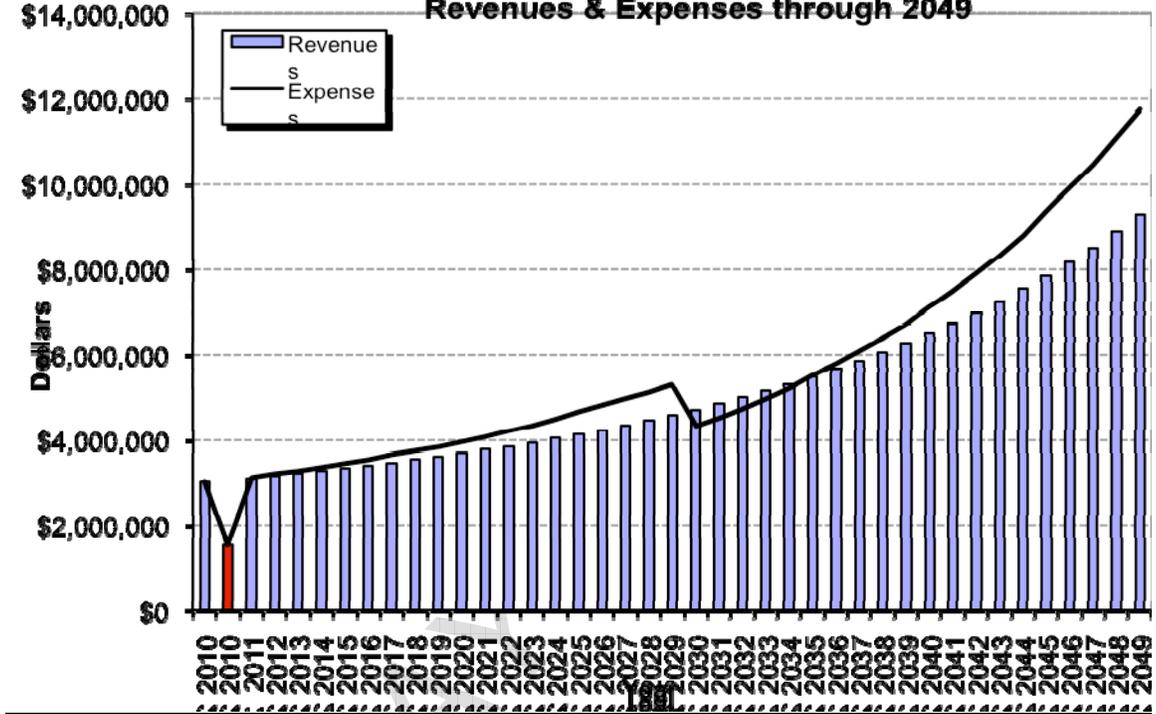
Option 2



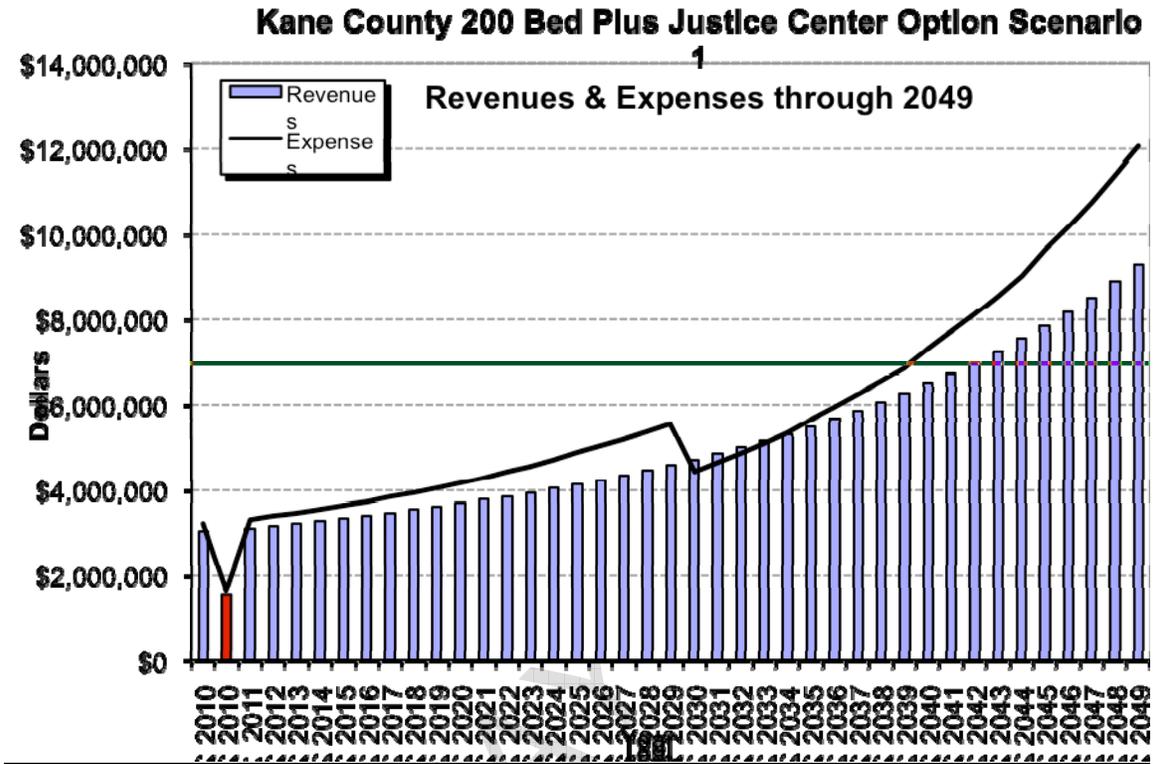
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Option 3

**Kane County 200 Bed Option Scenario 1  
Revenues & Expenses through 2049**



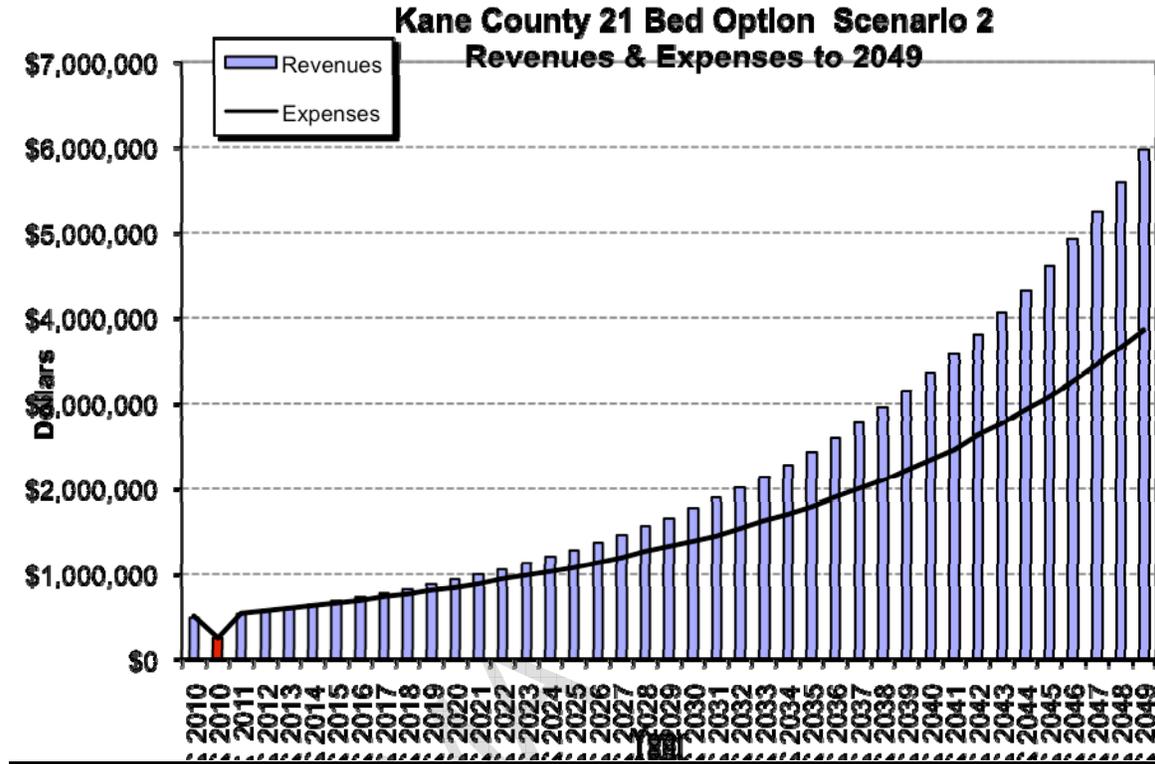
Option 4



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Scenario 2

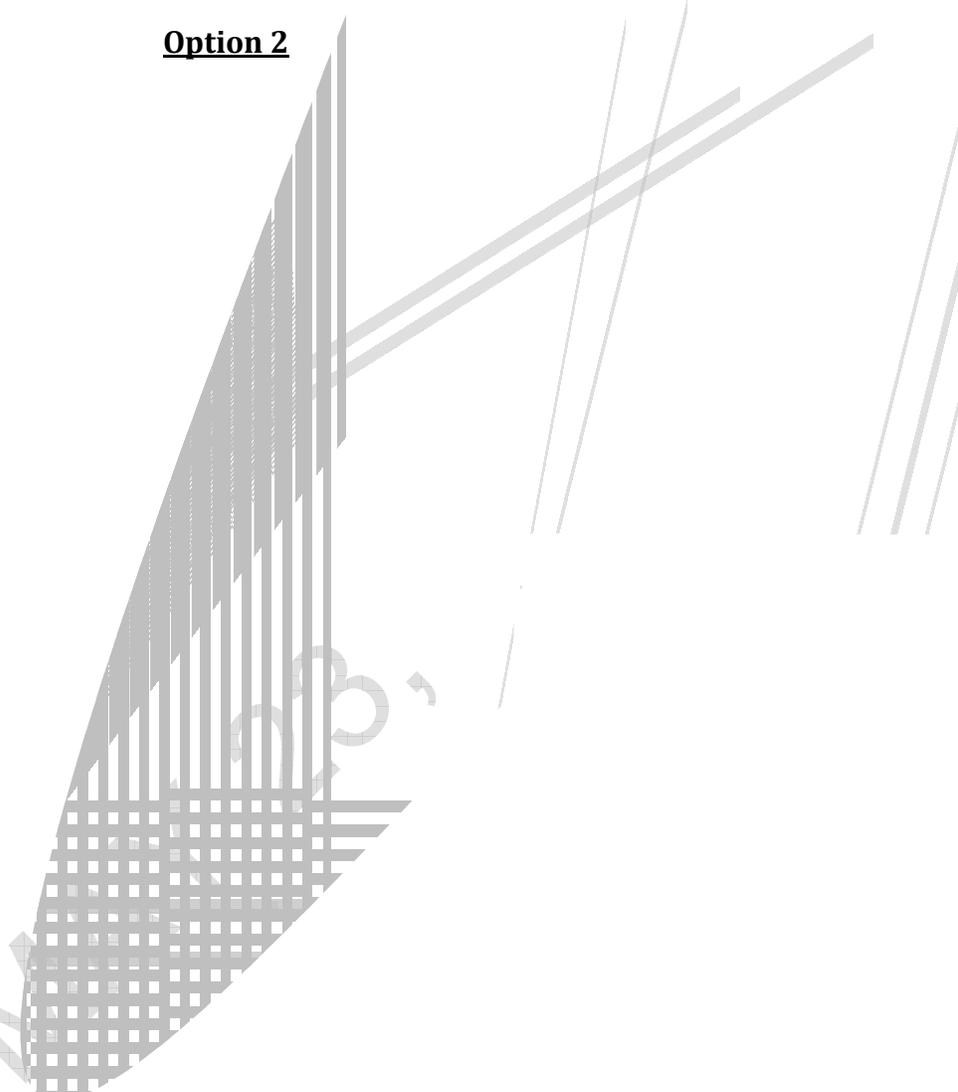
Option 1



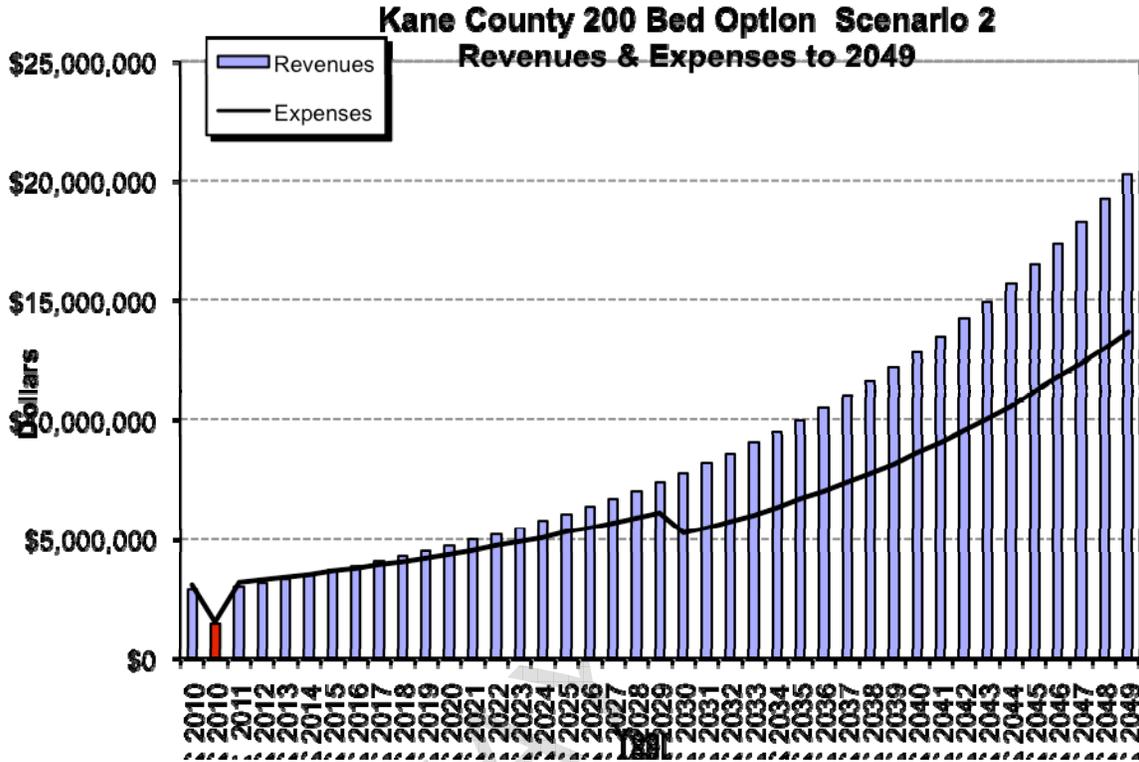
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**Option 2**

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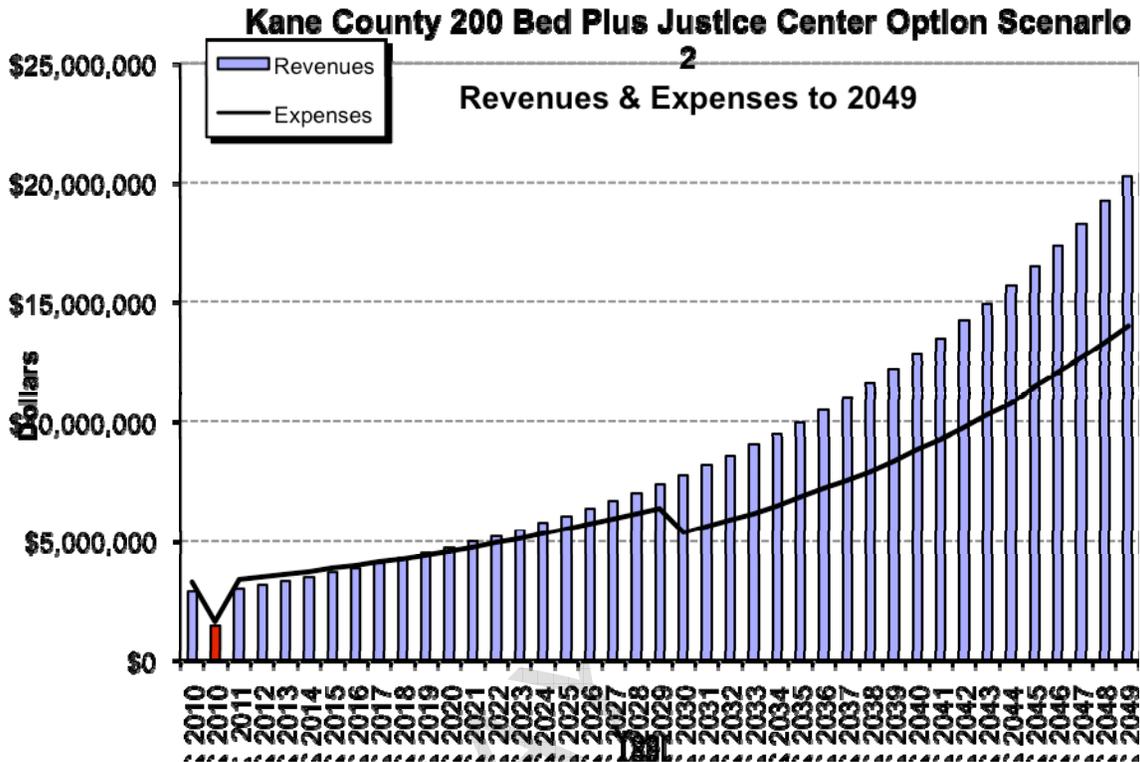


Option 3



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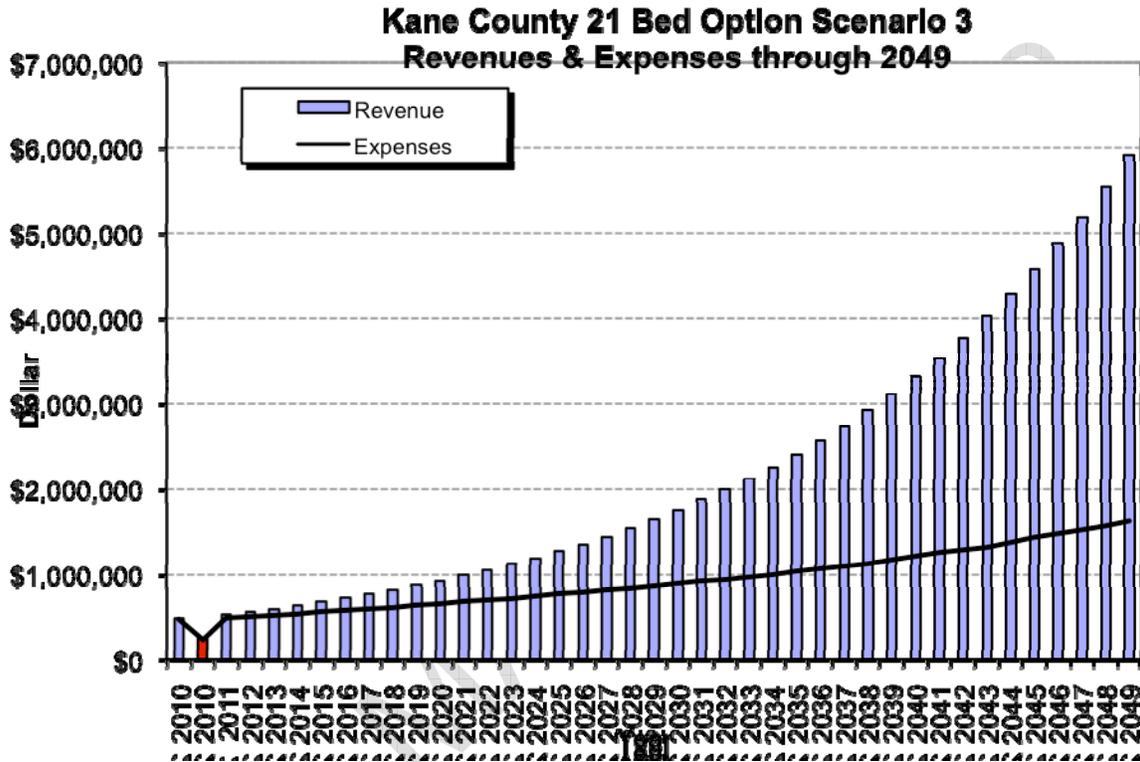
Option 4



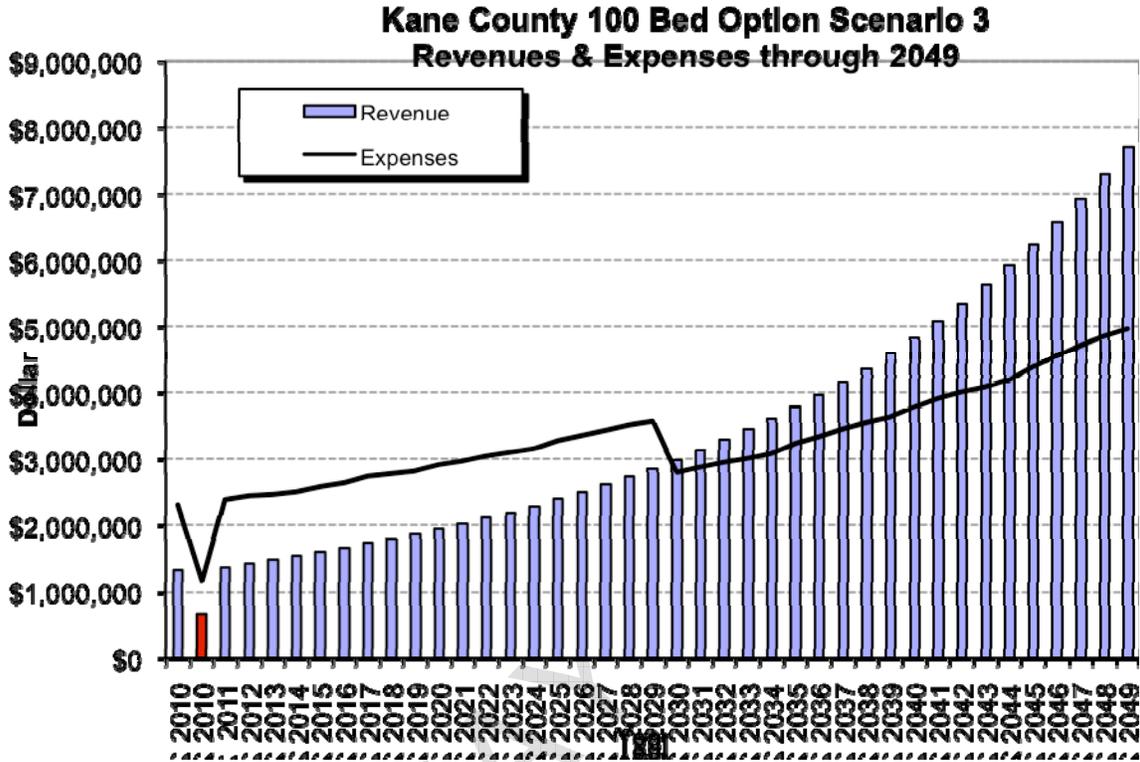
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Scenario 3

Option 1

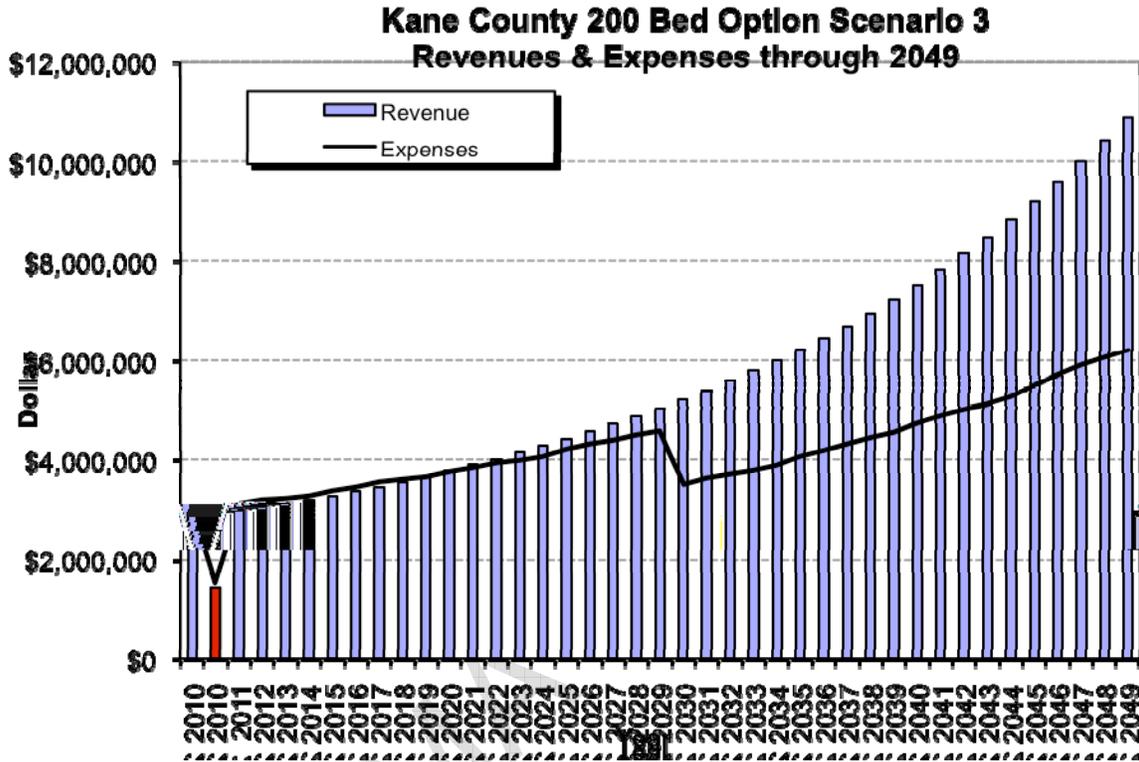


Option 2



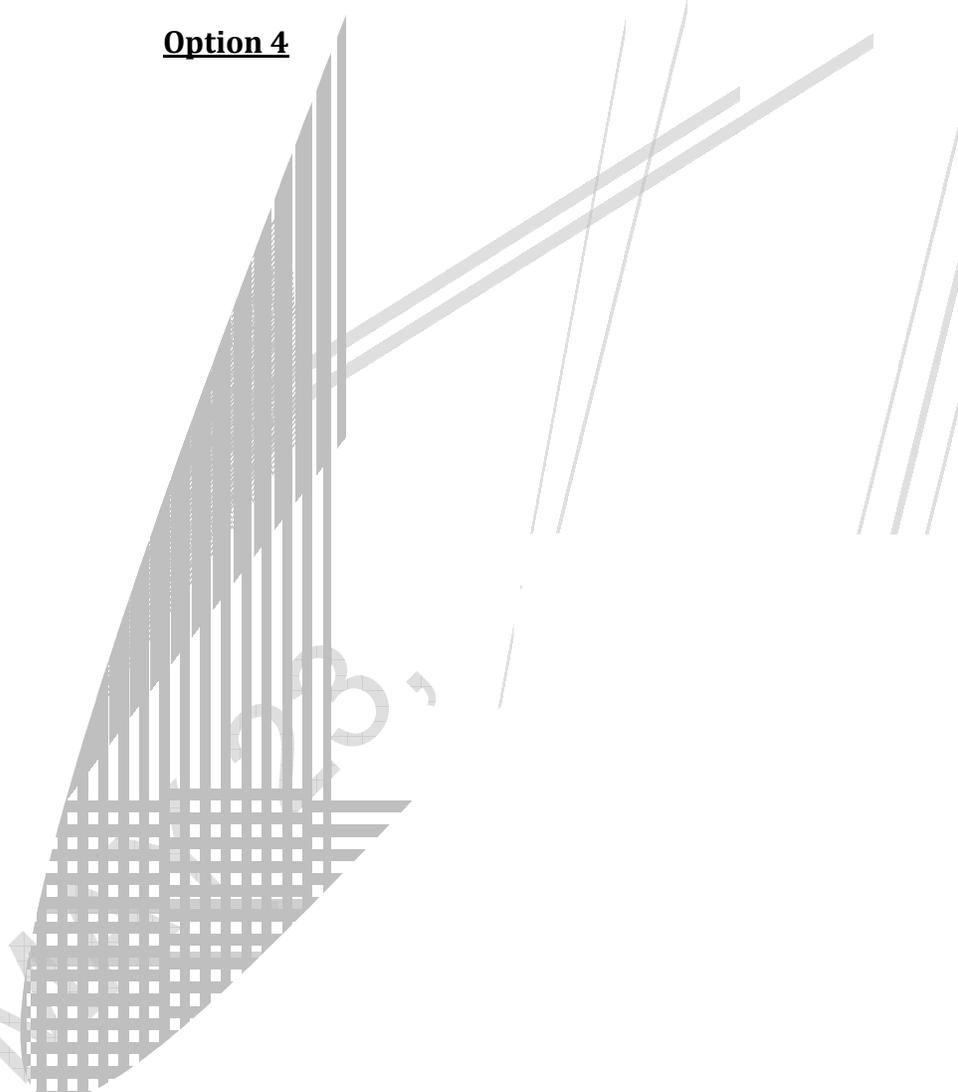
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Option 3



**Option 4**

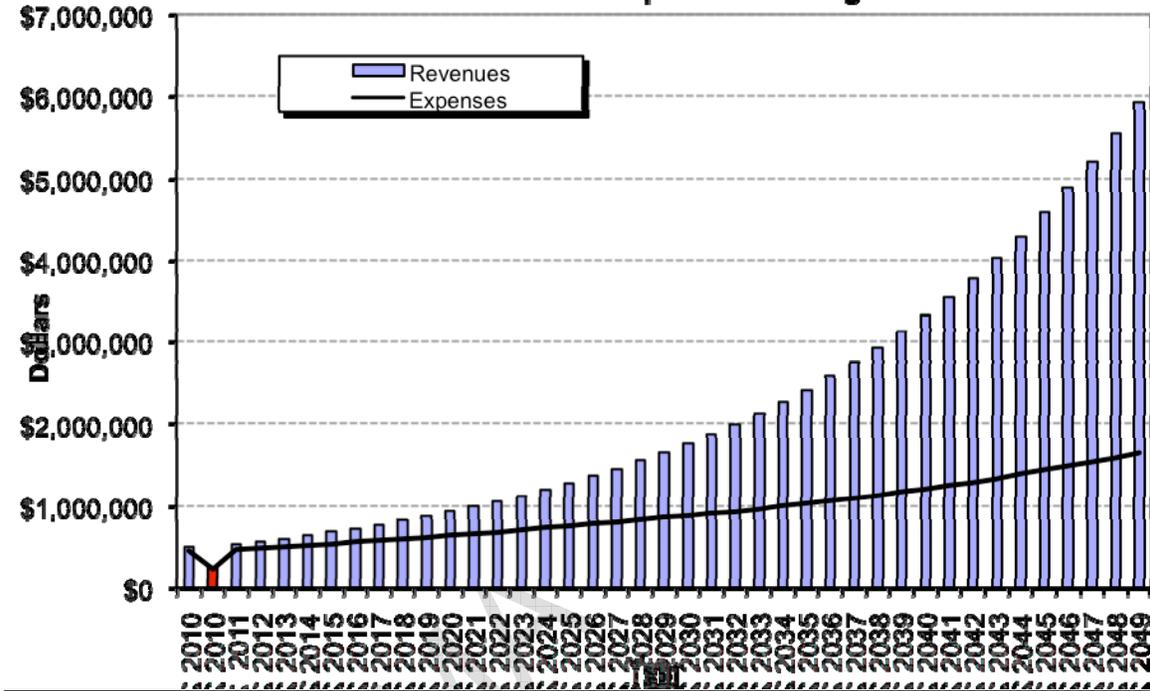
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Scenario 4

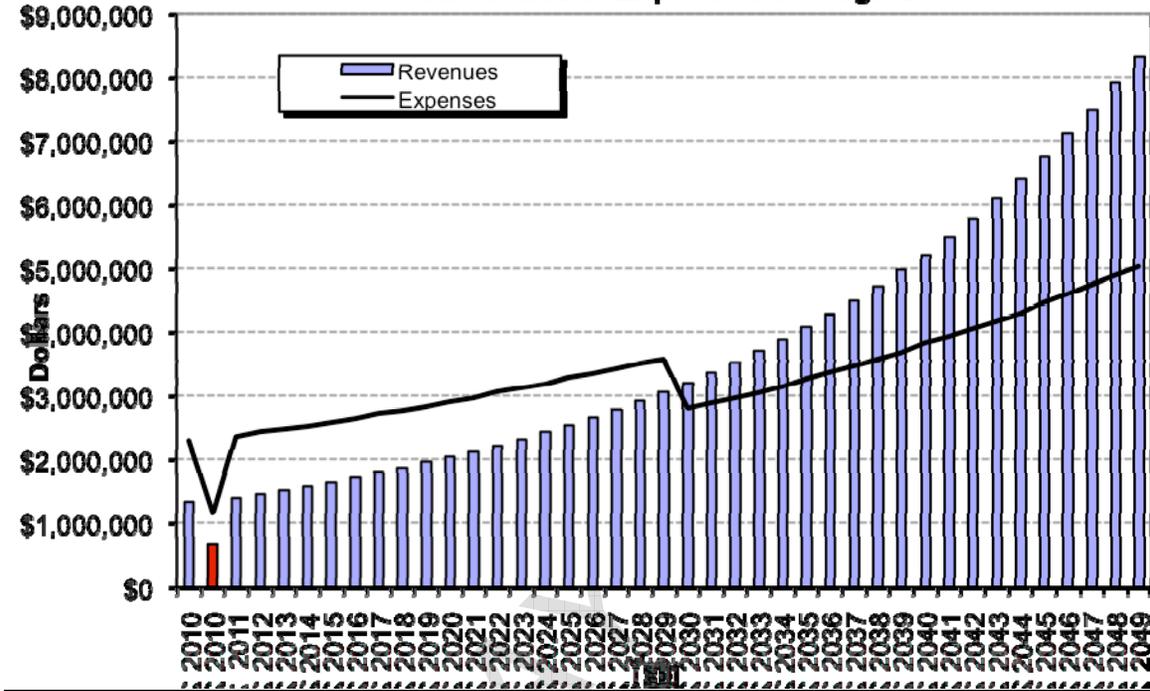
Option 1

**Kane County 21 Bed Option Scenario 4  
Revenues & Expenses through 2049**



Option 2

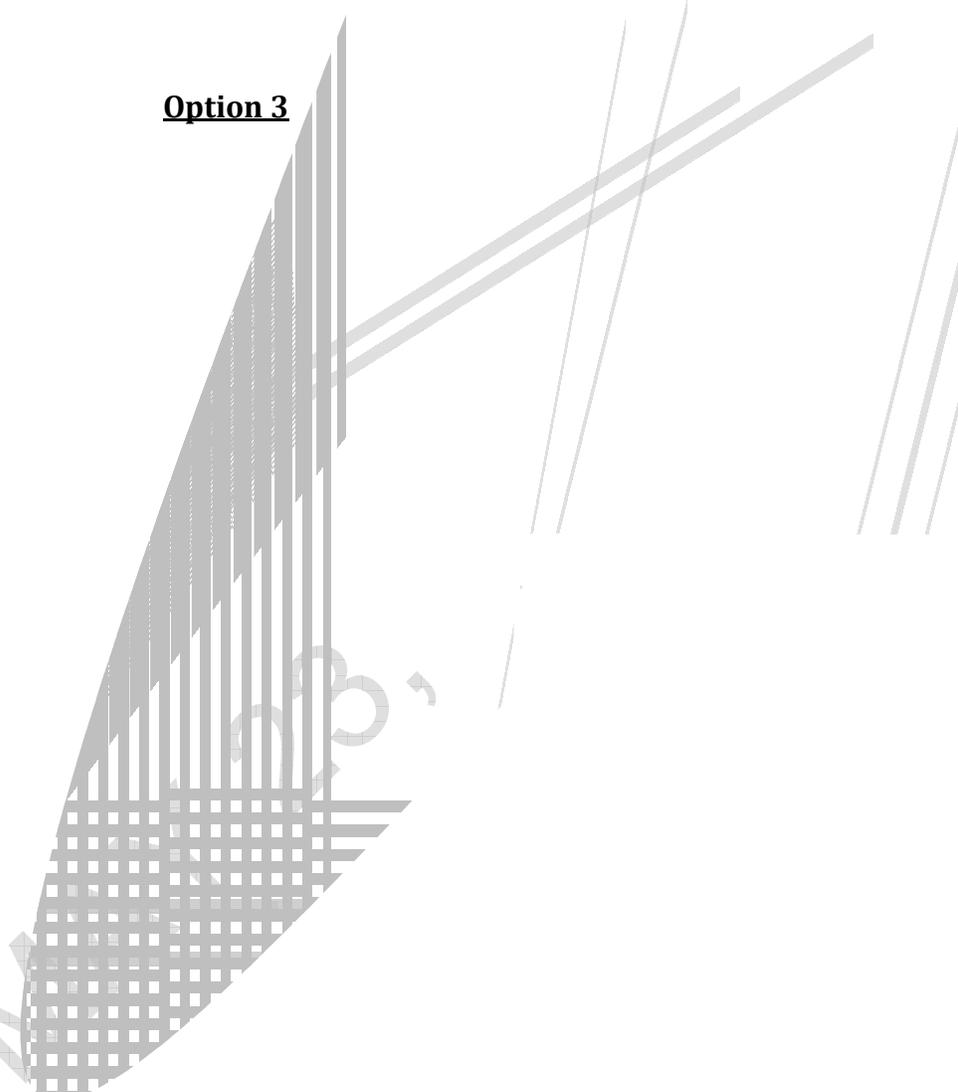
**Kane County 100 Bed Option Scenario 4  
Revenues & Expenses through 2049**



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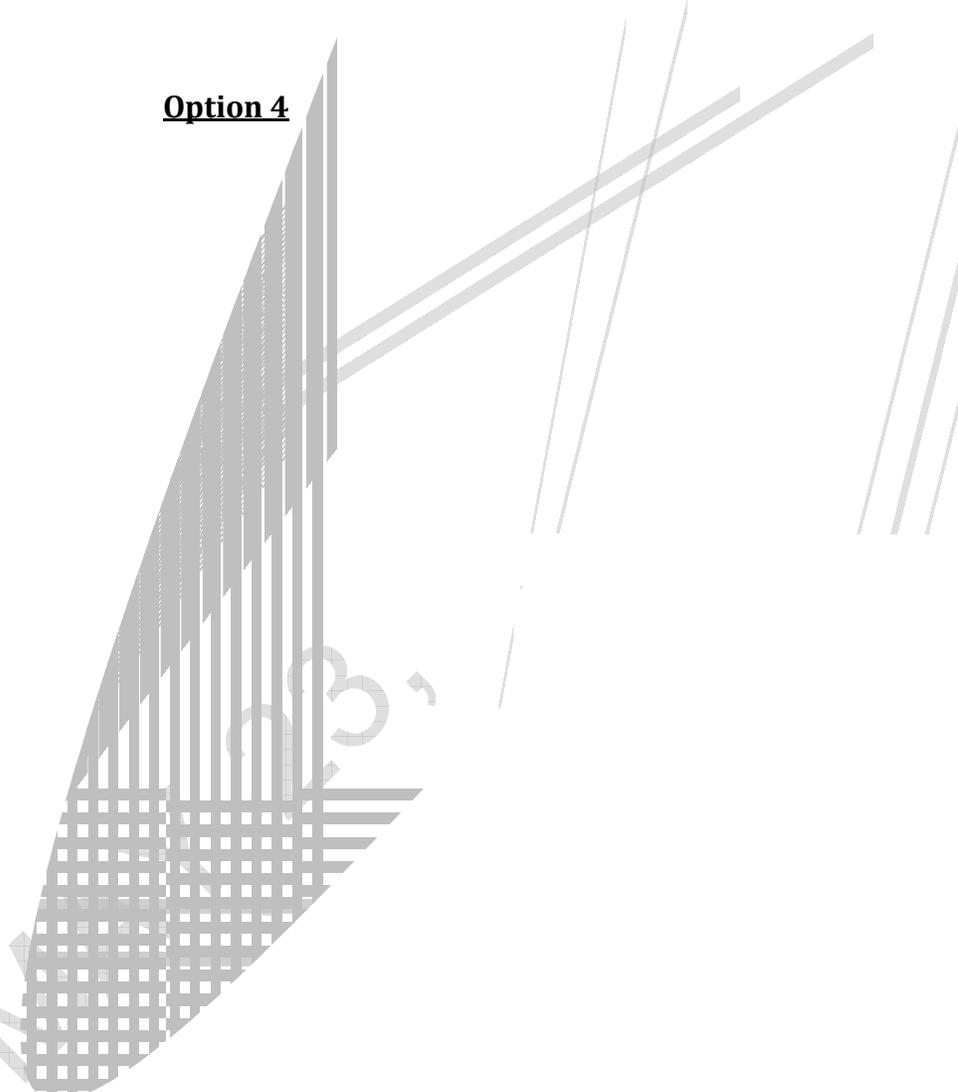
**Option 3**

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**Option 4**

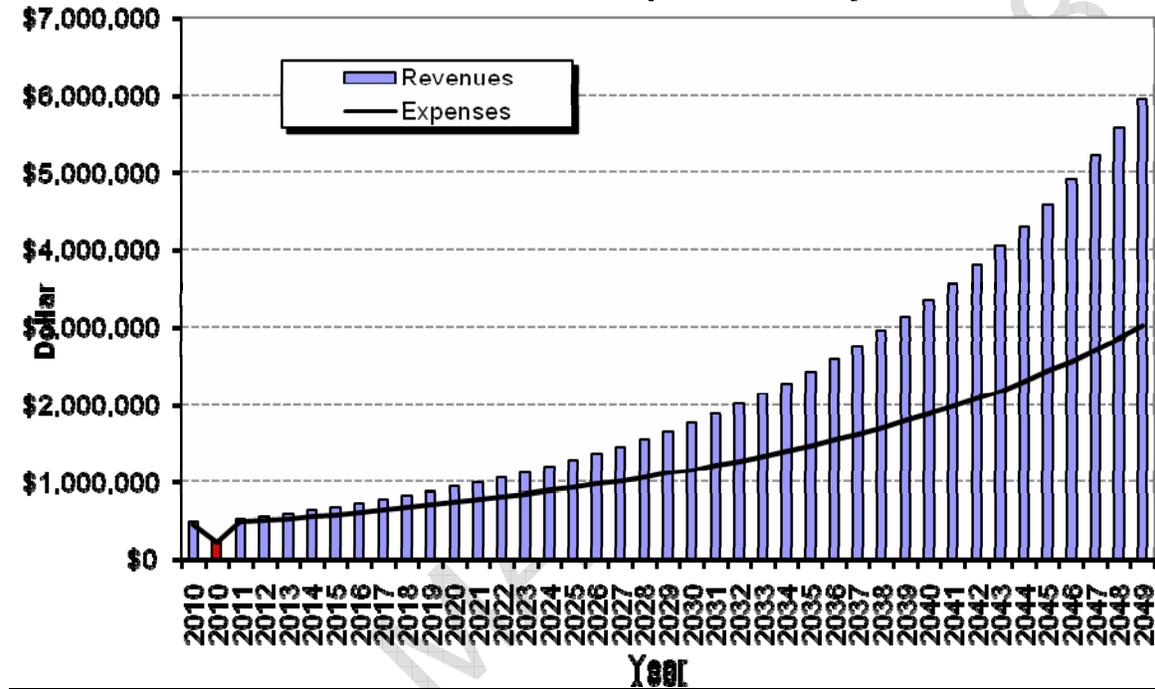
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Scenario 5

Option 1

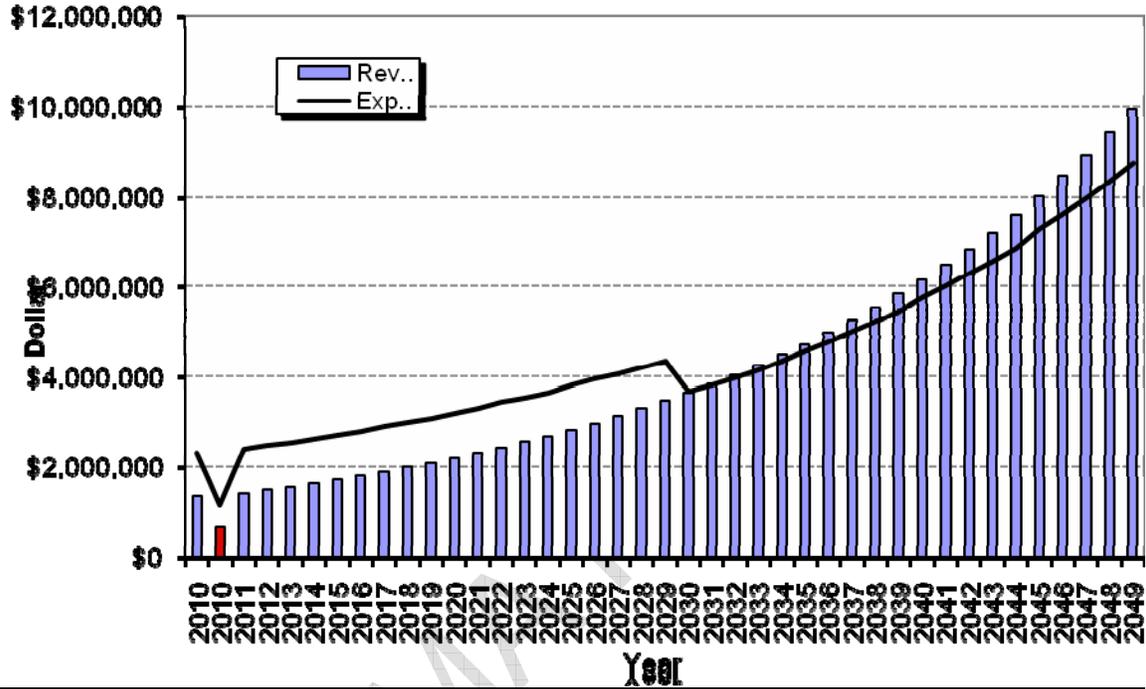
**Kane County 21 Bed Option Scenario 5  
Revenues & Expenses through 2049**



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Option 2

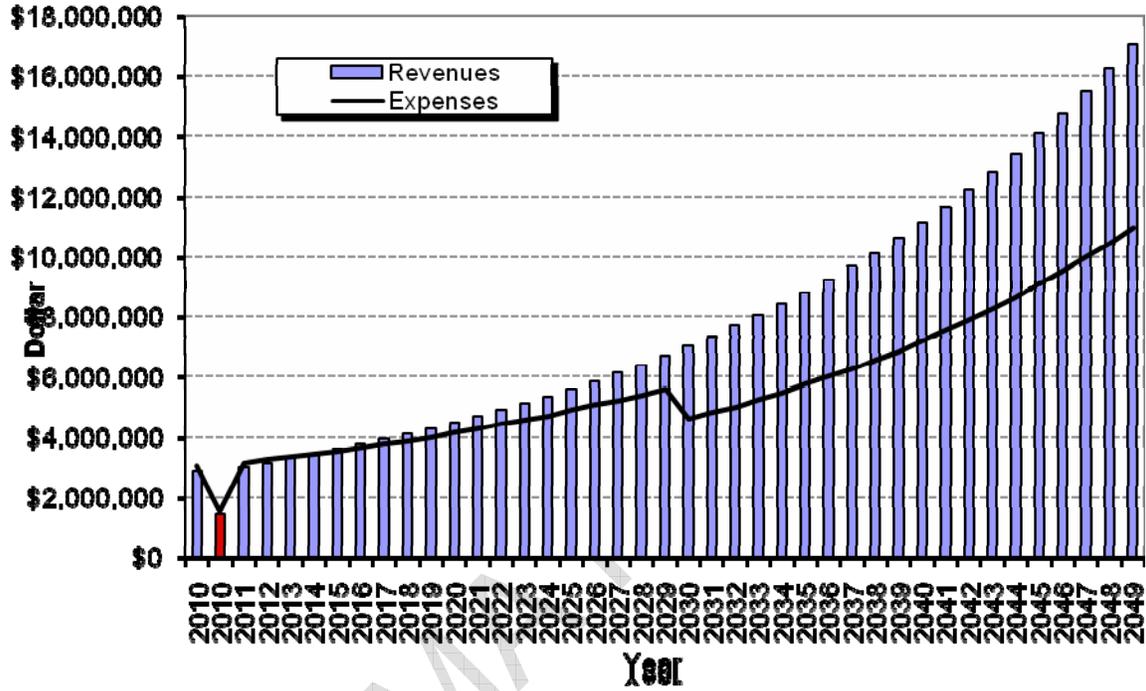
**Kane County 100 Bed Option Scenario 5  
Revenues & Expenses through 2049**



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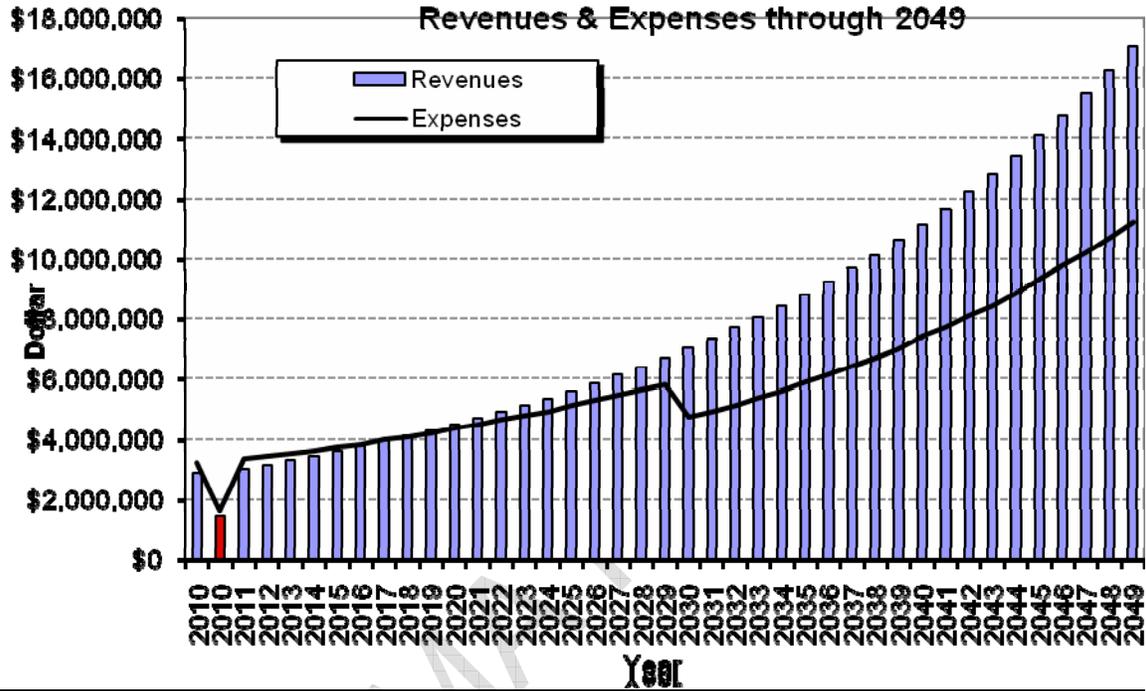
Option 3

**Kane County 200 Bed Option Scenario 5  
Revenues & Expenses through 2049**



Option 4

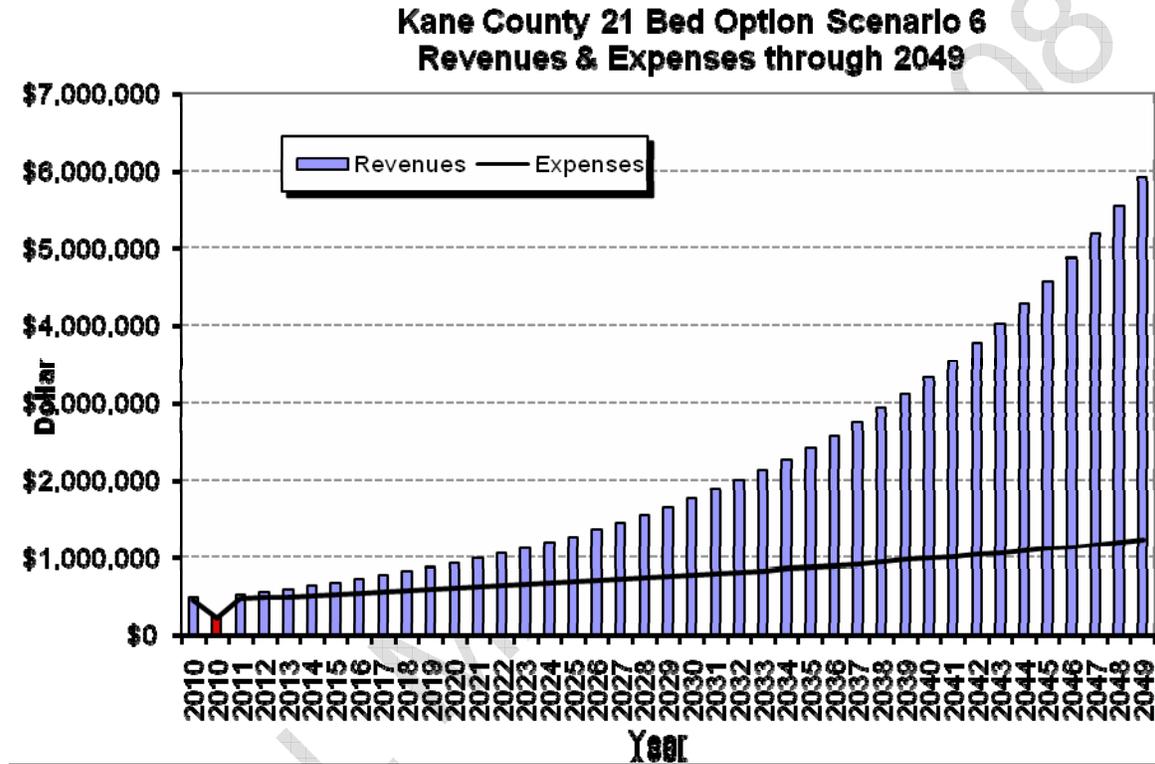
**Kane County 200 Bed Plus Justice Center Option Scenario  
5**



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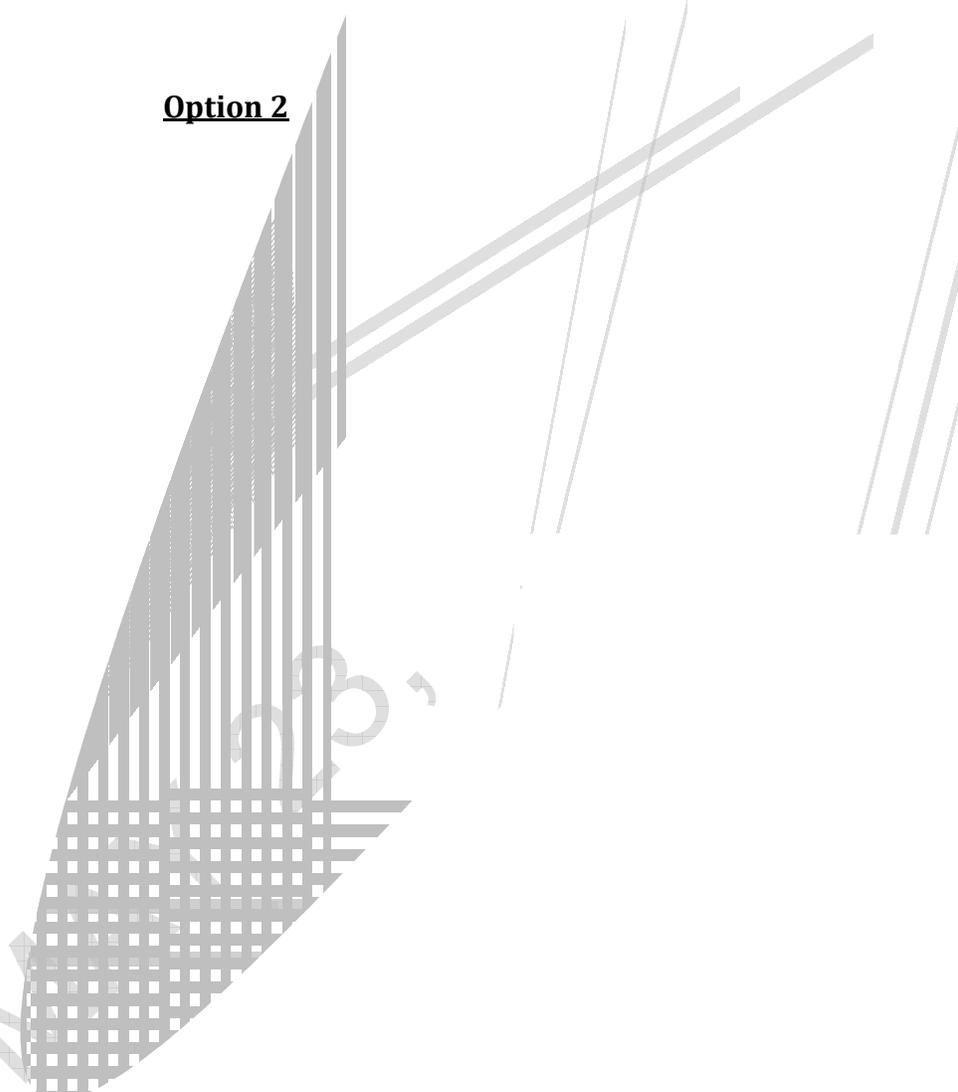
Scenario 6

Option 1



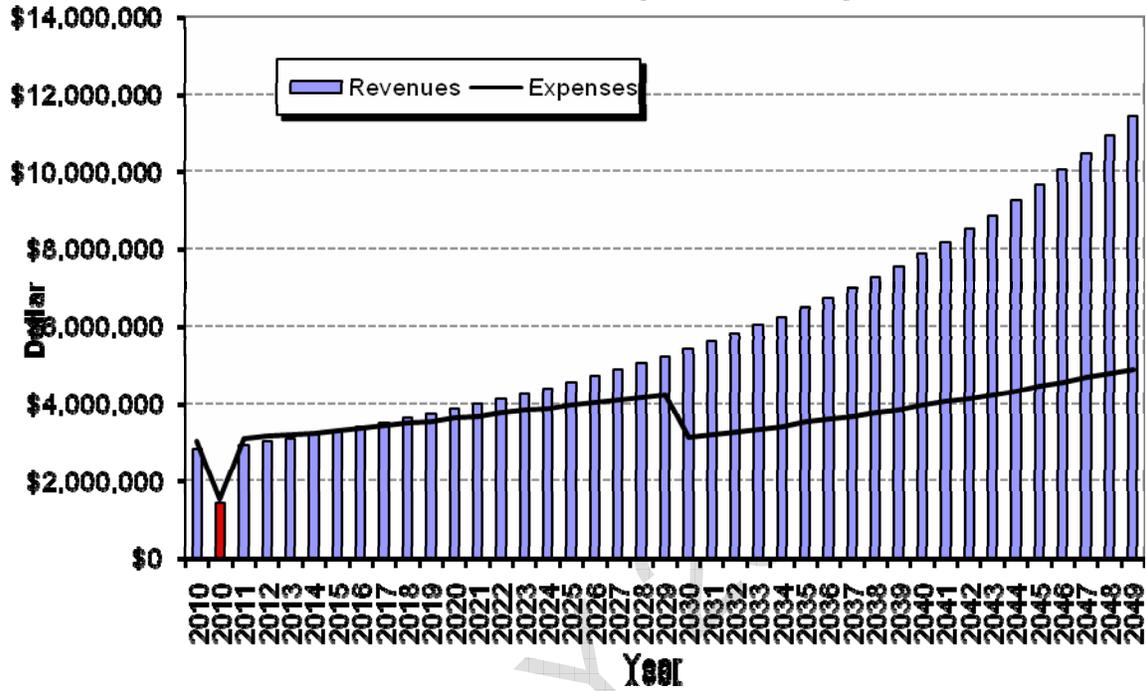
**Option 2**

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Option 3

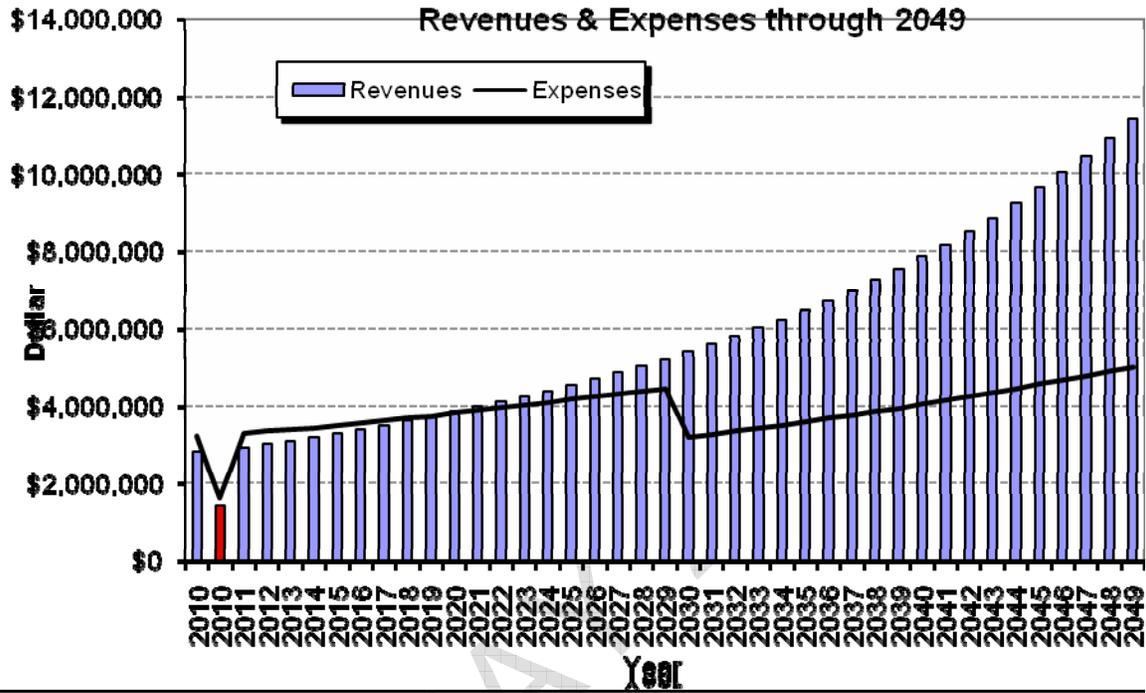
**Kane County 200 Bed Option Scenario 6  
Revenues & Expenses through 2049**



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Option 4

**Kane County 200 Bed Plus Justice Center Option Scenario  
6**

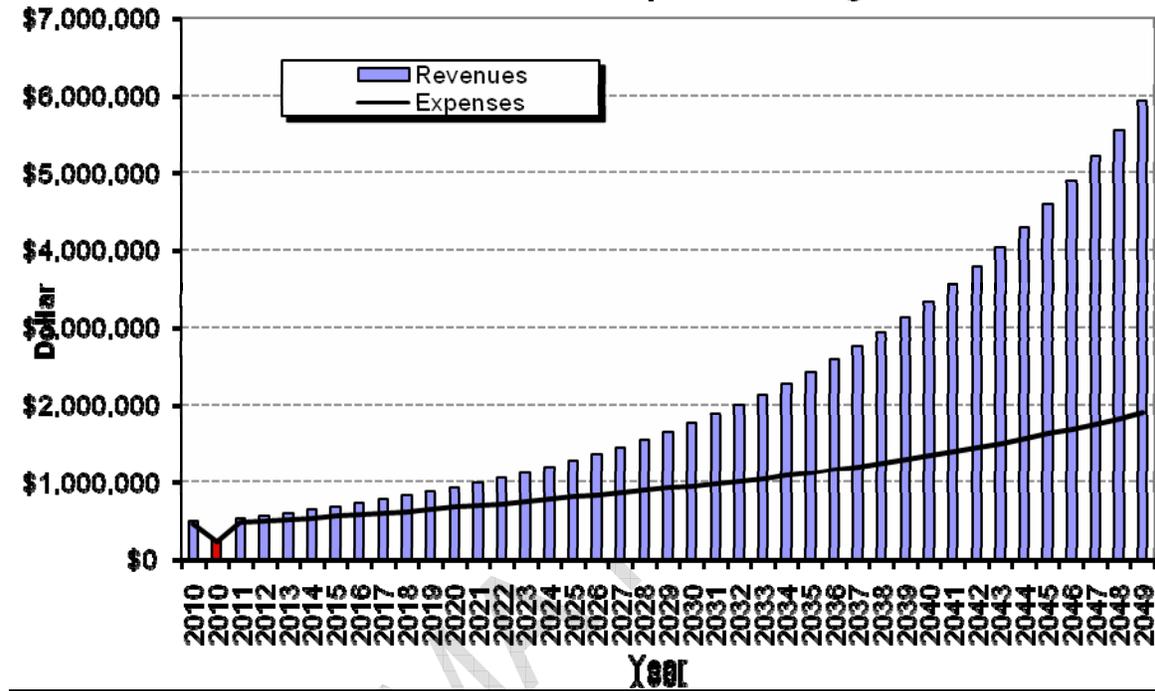


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Scenario 7

Option 1

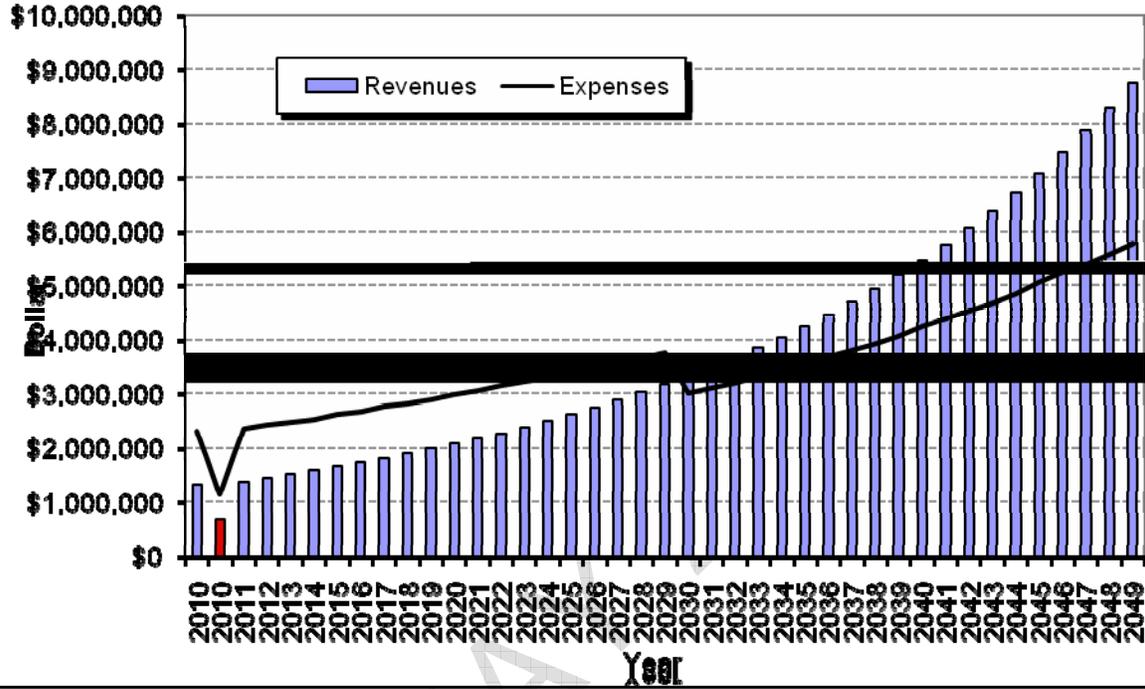
Kane County 21 Bed Option Scenario 7  
Revenues & Expenses through 2049



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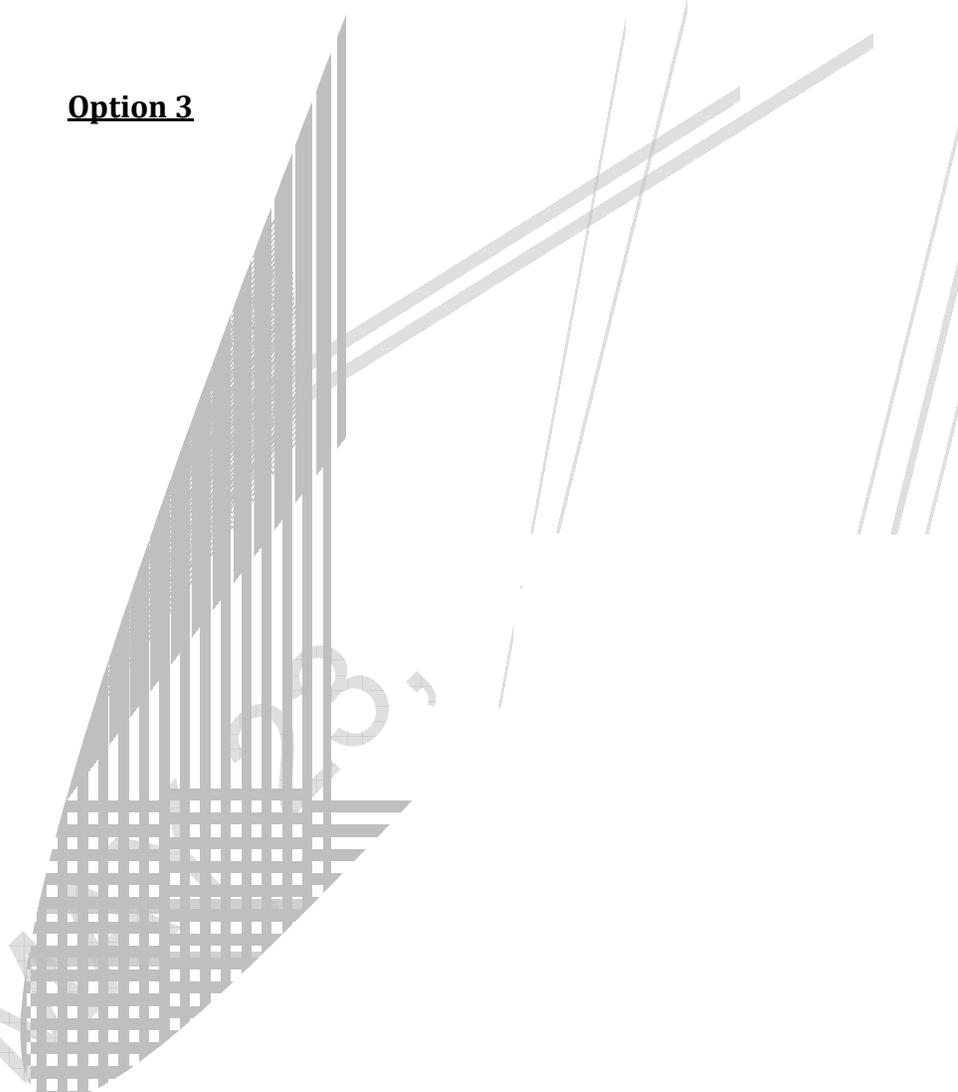
Option 2

**Kane County 100 Bed Option Scenario 7  
Revenues & Expenses through 2049**



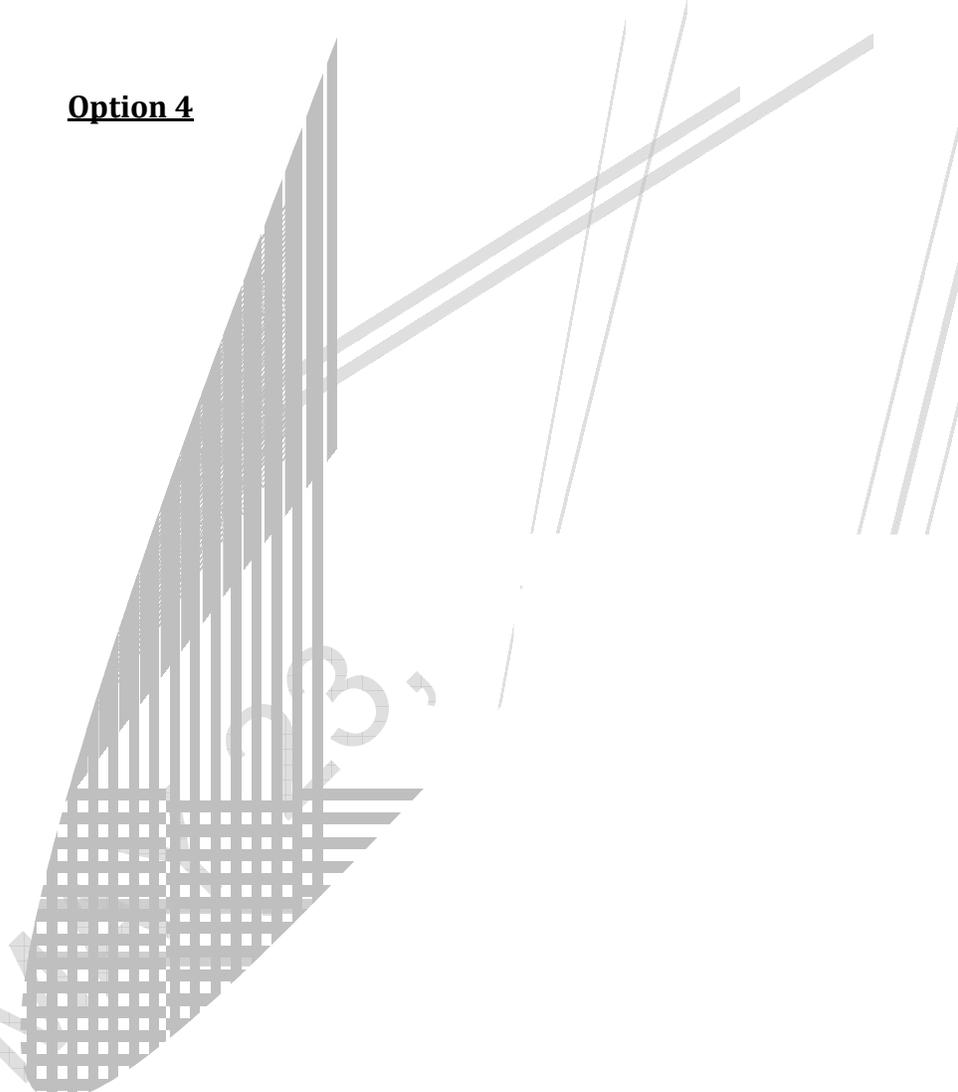
**Option 3**

FINAL



**Option 4**

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# **Appendix 2—Cash Flows through 2049 for all Scenarios and Options**

## Scenario 1 Cash Flows through 2049 for All Options

	Full Year	Half Year					
<b>Net Cash Flow</b>	<b>2010</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Option 1</b>							
21 Bed Option	\$31,122	\$15,561	\$42,420	\$60,035	\$77,975	\$92,480	\$111,773
21 Bed Option minus County Budget	(\$448,280)	(\$224,140)	(\$468,814)	(\$485,145)	(\$503,405)	(\$527,504)	(\$549,377)
<b>Option 2</b>							
100 Bed Option	(\$916,089)	(\$458,045)	(\$942,404)	(\$970,546)	(\$979,284)	(\$989,098)	(\$1,021,340)
100 Bed Option minus County Budget	(\$1,395,491)	(\$697,745)	(\$1,453,638)	(\$1,515,726)	(\$1,560,664)	(\$1,609,082)	(\$1,682,491)
<b>Option 3</b>							
200 Bed Option	\$9,017	\$4,509	(\$19,736)	(\$51,087)	(\$61,140)	(\$73,219)	(\$111,420)
200 Bed Option minus County Budget	(\$470,384)	(\$235,192)	(\$530,970)	(\$596,268)	(\$642,520)	(\$693,202)	(\$772,570)
<b>Option 4</b>							
200 Bed + JC Option	(\$184,655)	(\$92,328)	(\$215,228)	(\$248,459)	(\$260,512)	(\$274,719)	(\$315,124)
200 Bed + JC minus County Budget	(\$664,057)	(\$332,028)	(\$726,462)	(\$793,639)	(\$841,892)	(\$894,703)	(\$976,275)

	2016	2017	2018	2019	2020	2021	2022
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$128,141	\$152,746	\$178,030	\$198,652	\$225,796	\$253,582	\$288,170
21 Bed Option minus County Budget	(\$576,910)	(\$599,120)	(\$623,761)	(\$656,378)	(\$686,007)	(\$718,765)	(\$748,741)
<b>Option 2</b>							
100 Bed Option	(\$1,032,436)	(\$1,073,164)	(\$1,085,955)	(\$1,099,199)	(\$1,147,389)	(\$1,162,679)	(\$1,216,694)
100 Bed Option minus County Budget	(\$1,737,486)	(\$1,825,030)	(\$1,887,745)	(\$1,954,228)	(\$2,059,192)	(\$2,135,026)	(\$2,253,605)
<b>Option 3</b>							
200 Bed Option	(\$126,496)	(\$175,908)	(\$194,653)	(\$214,995)	(\$276,218)	(\$301,002)	(\$371,108)
200 Bed Option minus County Budget	(\$831,547)	(\$927,774)	(\$996,443)	(\$1,070,024)	(\$1,188,021)	(\$1,273,349)	(\$1,408,018)
<b>Option 4</b>							
200 Bed + JC Option	(\$332,547)	(\$384,457)	(\$405,792)	(\$428,893)	(\$493,055)	(\$520,892)	(\$594,252)
200 Bed + JC minus County Budget	(\$1,037,598)	(\$1,136,323)	(\$1,207,582)	(\$1,283,922)	(\$1,404,858)	(\$1,493,239)	(\$1,631,163)

	2023	2024	2025	2026	2027	2028	2029
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$323,367	\$354,559	\$394,760	\$439,698	\$487,611	\$537,626	\$583,676
21 Bed Option minus County Budget	(\$782,394)	(\$824,625)	(\$862,722)	(\$901,280)	(\$942,409)	(\$987,347)	(\$1,042,555)
<b>Option 2</b>							
100 Bed Option	(\$1,235,553)	(\$1,254,981)	(\$1,317,967)	(\$1,341,899)	(\$1,366,892)	(\$1,392,878)	(\$1,420,125)
100 Bed Option minus County Budget	(\$2,341,314)	(\$2,434,165)	(\$2,575,449)	(\$2,682,878)	(\$2,796,912)	(\$2,917,851)	(\$3,046,356)
<b>Option 3</b>							
200 Bed Option	(\$402,656)	(\$436,041)	(\$520,507)	(\$562,286)	(\$607,090)	(\$654,601)	(\$705,602)
200 Bed Option minus County Budget	(\$1,508,417)	(\$1,615,225)	(\$1,777,989)	(\$1,903,265)	(\$2,037,110)	(\$2,179,574)	(\$2,331,833)
<b>Option 4</b>							
200 Bed + JC Option	(\$629,269)	(\$666,266)	(\$754,582)	(\$800,470)	(\$849,658)	(\$901,746)	(\$957,634)
200 Bed + JC minus County Budget	(\$1,735,030)	(\$1,845,450)	(\$2,012,064)	(\$2,141,448)	(\$2,279,678)	(\$2,426,719)	(\$2,583,866)

	2030	2031	2032	2033	2034	2035	2036
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$647,347	\$709,594	\$775,894	\$844,419	\$908,797	\$985,220	\$1,069,671
21 Bed Option minus County Budget	(\$1,086,866)	(\$1,139,771)	(\$1,196,269)	(\$1,258,695)	(\$1,333,963)	(\$1,406,460)	(\$1,480,816)
<b>Option 2</b>							
100 Bed Option	(\$612,925)	(\$644,335)	(\$679,022)	(\$715,609)	(\$754,123)	(\$842,532)	(\$889,900)
100 Bed Option minus County Budget	(\$2,347,138)	(\$2,493,700)	(\$2,651,184)	(\$2,818,723)	(\$2,996,884)	(\$3,234,212)	(\$3,440,388)
<b>Option 3</b>							
200 Bed Option	\$391,316	\$331,416	\$265,266	\$194,240	\$118,611	(\$16,822)	(\$108,944)
200 Bed Option minus County Budget	(\$1,342,897)	(\$1,517,949)	(\$1,706,897)	(\$1,908,874)	(\$2,124,150)	(\$2,408,502)	(\$2,659,431)
<b>Option 4</b>							
200 Bed + JC Option	\$272,601	\$207,240	\$135,254	\$57,987	(\$24,182)	(\$166,611)	(\$266,222)
200 Bed + JC minus County Budget	(\$1,461,612)	(\$1,642,125)	(\$1,836,908)	(\$2,045,126)	(\$2,266,943)	(\$2,558,291)	(\$2,816,710)

	2037	2038	2039	2040	2041	2042	2043
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$1,159,912	\$1,253,200	\$1,340,509	\$1,448,122	\$1,562,076	\$1,682,579	\$1,807,790
21 Bed Option minus County Budget	(\$1,559,928)	(\$1,647,237)	(\$1,752,518)	(\$1,850,281)	(\$1,955,342)	(\$2,068,394)	(\$2,192,249)
<b>Option 2</b>							
100 Bed Option	(\$938,025)	(\$991,948)	(\$1,048,876)	(\$1,170,253)	(\$1,238,775)	(\$1,315,343)	(\$1,394,904)
100 Bed Option minus County Budget	(\$3,657,865)	(\$3,892,386)	(\$4,141,902)	(\$4,468,656)	(\$4,756,192)	(\$5,066,317)	(\$5,394,942)
<b>Option 3</b>							
200 Bed Option	(\$204,927)	(\$311,258)	(\$425,220)	(\$616,129)	(\$751,676)	(\$901,457)	(\$1,059,327)
200 Bed Option minus County Budget	(\$2,924,767)	(\$3,211,696)	(\$3,518,246)	(\$3,914,532)	(\$4,269,093)	(\$4,652,431)	(\$5,059,366)
<b>Option 4</b>							
200 Bed + JC Option	(\$370,070)	(\$484,823)	(\$607,810)	(\$808,214)	(\$953,941)	(\$1,114,645)	(\$1,284,027)
200 Bed + JC minus County Budget	(\$3,089,910)	(\$3,385,261)	(\$3,700,836)	(\$4,106,618)	(\$4,471,359)	(\$4,865,619)	(\$5,284,066)

	2044	2045	2046	2047	2048	2049
<b>Net Cash Flow</b>						
<b>Option 1</b>						
21 Bed Option	\$1,924,975	\$2,066,842	\$2,217,471	\$2,375,988	\$2,538,826	\$2,701,110
21 Bed Option minus County Budget	(\$2,340,666)	(\$2,482,037)	(\$2,633,455)	(\$2,797,039)	(\$2,977,690)	(\$3,181,702)
<b>Option 2</b>						
100 Bed Option	(\$1,484,022)	(\$1,658,158)	(\$1,767,127)	(\$1,886,416)	(\$2,020,538)	(\$2,167,774)
100 Bed Option minus County Budget	(\$5,749,663)	(\$6,207,038)	(\$6,618,052)	(\$7,059,443)	(\$7,537,053)	(\$8,050,586)
<b>Option 3</b>						
200 Bed Option	(\$1,233,919)	(\$1,511,459)	(\$1,720,475)	(\$1,948,146)	(\$2,200,538)	(\$2,476,400)
200 Bed Option minus County Budget	(\$5,499,560)	(\$6,060,339)	(\$6,571,401)	(\$7,121,173)	(\$7,717,054)	(\$8,359,212)
<b>Option 4</b>						
200 Bed + JC Option	(\$1,470,978)	(\$1,761,793)	(\$1,984,828)	(\$2,227,567)	(\$2,496,165)	(\$2,789,469)
200 Bed + JC minus County Budget	(\$5,736,619)	(\$6,310,673)	(\$6,835,753)	(\$7,400,594)	(\$8,012,681)	(\$8,672,281)

## Scenario 2 Cash Flows through 2049 for All Options

	Full Year	Half Year					
<b>Net Cash Flow</b>	<b>2010</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Option 1</b>							
21 Bed Option	\$812	\$406	\$9,170	\$13,484	\$22,014	\$26,813	\$39,780
21 Bed Option minus County Budget	(\$478,590)	(\$239,295)	(\$502,064)	(\$531,696)	(\$559,366)	(\$593,171)	(\$621,370)
<b>Option 2</b>							
100 Bed Option	(\$976,199)	(\$488,100)	(\$990,992)	(\$1,007,350)	(\$1,003,254)	(\$998,412)	(\$1,017,017)
100 Bed Option minus County Budget	(\$1,455,601)	(\$727,801)	(\$1,502,226)	(\$1,552,530)	(\$1,584,634)	(\$1,618,396)	(\$1,678,168)
<b>Option 3</b>							
200 Bed Option	(\$146,146)	(\$73,073)	(\$110,150)	(\$73,580)	(\$11,305)	\$54,389	\$96,111
200 Bed Option minus County Budget	(\$625,548)	(\$312,774)	(\$621,384)	(\$618,760)	(\$592,685)	(\$565,594)	(\$565,039)
<b>Option 4</b>							
200 Bed + JC Option	(\$339,819)	(\$169,909)	(\$306,392)	(\$272,511)	(\$213,050)	(\$150,301)	(\$111,662)
200 Bed + JC minus County Budget	(\$819,221)	(\$409,610)	(\$817,626)	(\$817,691)	(\$794,430)	(\$770,285)	(\$772,812)

	2016	2017	2018	2019	2020	2021	2022
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$52,552	\$59,542	\$72,944	\$85,804	\$105,443	\$124,915	\$138,372
21 Bed Option minus County Budget	(\$652,499)	(\$692,324)	(\$728,846)	(\$769,225)	(\$806,360)	(\$847,431)	(\$898,539)
<b>Option 2</b>							
100 Bed Option	(\$1,011,477)	(\$1,036,936)	(\$1,030,932)	(\$1,023,887)	(\$1,053,449)	(\$1,045,849)	(\$1,079,690)
100 Bed Option minus County Budget	(\$1,716,528)	(\$1,788,802)	(\$1,832,723)	(\$1,878,916)	(\$1,965,252)	(\$2,018,196)	(\$2,116,600)
<b>Option 3</b>							
200 Bed Option	\$168,063	\$207,700	\$286,132	\$368,916	\$413,396	\$503,560	\$550,215
200 Bed Option minus County Budget	(\$536,988)	(\$544,167)	(\$515,658)	(\$486,113)	(\$498,407)	(\$468,787)	(\$486,696)
<b>Option 4</b>							
200 Bed + JC Option	(\$42,937)	(\$6,677)	\$68,222	\$147,307	\$187,916	\$274,028	\$316,443
200 Bed + JC minus County Budget	(\$747,988)	(\$758,543)	(\$733,568)	(\$707,722)	(\$723,887)	(\$698,318)	(\$720,467)

	2023	2024	2025	2026	2027	2028	2029
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$161,309	\$188,472	\$218,041	\$248,335	\$272,709	\$307,335	\$347,632
21 Bed Option minus County Budget	(\$944,453)	(\$990,712)	(\$1,039,441)	(\$1,092,644)	(\$1,157,311)	(\$1,217,637)	(\$1,278,599)
<b>Option 2</b>							
100 Bed Option	(\$1,071,501)	(\$1,061,912)	(\$1,101,410)	(\$1,091,219)	(\$1,079,476)	(\$1,066,068)	(\$1,050,958)
100 Bed Option minus County Budget	(\$2,177,262)	(\$2,241,096)	(\$2,358,892)	(\$2,432,198)	(\$2,509,495)	(\$2,591,041)	(\$2,677,189)
<b>Option 3</b>							
200 Bed Option	\$648,377	\$752,018	\$803,938	\$916,561	\$1,035,351	\$1,160,620	\$1,292,607
200 Bed Option minus County Budget	(\$457,384)	(\$427,166)	(\$453,544)	(\$424,418)	(\$394,668)	(\$364,353)	(\$333,624)
<b>Option 4</b>							
200 Bed + JC Option	\$410,167	\$509,164	\$556,223	\$663,757	\$777,223	\$896,919	\$1,023,074
200 Bed + JC minus County Budget	(\$695,594)	(\$670,020)	(\$701,259)	(\$677,221)	(\$652,796)	(\$628,054)	(\$603,158)

	2030	2031	2032	2033	2034	2035	2036
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$399,295	\$444,127	\$481,639	\$532,568	\$591,044	\$654,079	\$718,924
21 Bed Option minus County Budget	(\$1,334,918)	(\$1,405,237)	(\$1,490,523)	(\$1,570,546)	(\$1,651,717)	(\$1,737,601)	(\$1,831,564)
<b>Option 2</b>							
100 Bed Option	(\$205,226)	(\$188,342)	(\$169,408)	(\$148,201)	(\$124,779)	(\$158,618)	(\$132,826)
100 Bed Option minus County Budget	(\$1,939,439)	(\$2,037,707)	(\$2,141,571)	(\$2,251,315)	(\$2,367,540)	(\$2,550,298)	(\$2,683,314)
<b>Option 3</b>							
200 Bed Option	\$2,575,353	\$2,719,499	\$2,871,354	\$3,031,377	\$3,199,748	\$3,309,074	\$3,492,458
200 Bed Option minus County Budget	\$841,141	\$870,134	\$899,192	\$928,263	\$956,987	\$917,394	\$941,970
<b>Option 4</b>							
200 Bed + JC Option	\$2,438,254	\$2,576,010	\$2,721,179	\$2,874,204	\$3,035,251	\$3,136,912	\$3,312,272
200 Bed + JC minus County Budget	\$704,041	\$726,646	\$749,017	\$771,090	\$792,490	\$745,232	\$761,785

	2037	2038	2039	2040	2041	2042	2043
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$774,657	\$852,236	\$935,578	\$1,025,026	\$1,117,038	\$1,197,592	\$1,306,357
21 Bed Option minus County Budget	(\$1,945,183)	(\$2,048,201)	(\$2,157,449)	(\$2,273,378)	(\$2,400,380)	(\$2,553,382)	(\$2,693,682)
<b>Option 2</b>							
100 Bed Option	(\$104,451)	(\$74,454)	(\$39,337)	(\$79,024)	(\$42,369)	(\$2,707)	\$40,037
100 Bed Option minus County Budget	(\$2,824,291)	(\$2,974,891)	(\$3,132,363)	(\$3,377,427)	(\$3,559,786)	(\$3,753,681)	(\$3,960,001)
<b>Option 3</b>							
200 Bed Option	\$3,685,306	\$3,886,927	\$4,101,092	\$4,237,691	\$4,468,612	\$4,710,802	\$4,964,633
200 Bed Option minus County Budget	\$965,466	\$986,490	\$1,008,066	\$939,287	\$951,194	\$959,828	\$964,594
<b>Option 4</b>							
200 Bed + JC Option	\$3,496,724	\$3,689,557	\$3,894,525	\$4,021,497	\$4,242,343	\$4,473,989	\$4,716,785
200 Bed + JC minus County Budget	\$776,884	\$789,119	\$801,498	\$723,094	\$724,926	\$723,015	\$716,747

	2044	2045	2046	2047	2048	2049
<b>Net Cash Flow</b>						
<b>Option 1</b>						
21 Bed Option	\$1,422,680	\$1,546,964	\$1,674,623	\$1,800,178	\$1,949,896	\$2,109,223
21 Bed Option minus County Budget	(\$2,842,962)	(\$3,001,916)	(\$3,176,302)	(\$3,372,848)	(\$3,566,620)	(\$3,773,589)
<b>Option 2</b>						
100 Bed Option	\$86,082	\$37,020	\$83,905	\$132,405	\$183,601	\$237,368
100 Bed Option minus County Budget	(\$4,179,560)	(\$4,511,860)	(\$4,767,020)	(\$5,040,622)	(\$5,332,915)	(\$5,645,445)
<b>Option 3</b>						
200 Bed Option	\$5,230,623	\$5,397,245	\$5,683,297	\$5,982,088	\$6,294,046	\$6,619,190
200 Bed Option minus County Budget	\$964,982	\$848,366	\$832,372	\$809,062	\$777,531	\$736,378
<b>Option 4</b>						
200 Bed + JC Option	\$4,971,225	\$5,125,760	\$5,399,161	\$5,684,711	\$5,982,811	\$6,293,452
200 Bed + JC minus County Budget	\$705,584	\$576,880	\$548,235	\$511,684	\$466,295	\$410,639

### Scenario 3 Cash Flows through 2049 for All Options

	Full Year	Half Year					
<b>Net Cash Flow</b>	<b>2010</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Option 1</b>							
21 Bed Option	\$29,806	\$14,903	\$43,351	\$67,538	\$90,938	\$110,656	\$132,186
21 Bed Option minus County Budget	(\$449,595)	(\$224,798)	(\$467,883)	(\$477,642)	(\$490,442)	(\$509,327)	(\$528,965)
<b>Option 2</b>							
100 Bed Option	(\$989,890)	(\$494,945)	(\$1,004,540)	(\$1,006,151)	(\$983,951)	(\$968,690)	(\$983,662)
100 Bed Option minus County Budget	(\$1,469,292)	(\$734,646)	(\$1,515,774)	(\$1,551,331)	(\$1,565,331)	(\$1,588,674)	(\$1,644,812)
<b>Option 3</b>							
200 Bed Option	(\$194,812)	(\$97,406)	(\$192,644)	(\$173,399)	(\$129,199)	(\$94,169)	(\$95,525)
200 Bed Option minus County Budget	(\$674,214)	(\$337,107)	(\$703,878)	(\$718,579)	(\$710,579)	(\$714,153)	(\$756,676)
<b>Option 4</b>							
200 Bed + JC Option	(\$388,485)	(\$194,243)	(\$387,860)	(\$369,522)	(\$326,647)	(\$293,207)	(\$296,620)
200 Bed + JC minus County Budget	(\$867,887)	(\$433,943)	(\$899,094)	(\$914,702)	(\$908,027)	(\$913,191)	(\$957,771)

	2016	2017	2018	2019	2020	2021	2022
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$152,109	\$183,859	\$219,005	\$251,236	\$284,197	\$321,333	\$371,717
21 Bed Option minus County Budget	(\$552,942)	(\$568,007)	(\$582,785)	(\$603,793)	(\$627,606)	(\$651,013)	(\$665,193)
<b>Option 2</b>							
100 Bed Option	(\$979,250)	(\$997,324)	(\$977,934)	(\$948,079)	(\$955,587)	(\$937,914)	(\$934,061)
100 Bed Option minus County Budget	(\$1,684,300)	(\$1,749,190)	(\$1,779,724)	(\$1,803,108)	(\$1,867,390)	(\$1,910,261)	(\$1,970,972)
<b>Option 3</b>							
200 Bed Option	(\$74,749)	(\$79,555)	(\$41,225)	\$9,370	\$19,568	\$58,794	\$84,992
200 Bed Option minus County Budget	(\$779,800)	(\$831,422)	(\$843,015)	(\$845,659)	(\$892,235)	(\$913,553)	(\$951,918)
<b>Option 4</b>							
200 Bed + JC Option	(\$277,846)	(\$284,460)	(\$247,656)	(\$198,351)	(\$190,505)	(\$153,282)	(\$128,260)
200 Bed + JC minus County Budget	(\$982,897)	(\$1,036,326)	(\$1,049,446)	(\$1,053,380)	(\$1,102,308)	(\$1,125,629)	(\$1,165,171)

	2023	2024	2025	2026	2027	2028	2029
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$421,835	\$468,380	\$520,235	\$578,823	\$646,291	\$720,453	\$794,536
21 Bed Option minus County Budget	(\$683,927)	(\$710,804)	(\$737,247)	(\$762,156)	(\$783,729)	(\$804,520)	(\$831,695)
<b>Option 2</b>							
100 Bed Option	(\$888,378)	(\$851,292)	(\$862,165)	(\$838,669)	(\$805,109)	(\$756,525)	(\$692,116)
100 Bed Option minus County Budget	(\$1,994,139)	(\$2,030,476)	(\$2,119,646)	(\$2,179,648)	(\$2,235,129)	(\$2,281,498)	(\$2,318,347)
<b>Option 3</b>							
200 Bed Option	\$155,882	\$215,103	\$217,257	\$257,675	\$309,638	\$379,441	\$467,136
200 Bed Option minus County Budget	(\$949,880)	(\$964,081)	(\$1,040,225)	(\$1,083,304)	(\$1,120,382)	(\$1,145,532)	(\$1,159,095)
<b>Option 4</b>							
200 Bed + JC Option	(\$59,089)	(\$1,932)	(\$2,447)	\$35,374	\$84,991	\$152,814	\$238,835
200 Bed + JC minus County Budget	(\$1,164,851)	(\$1,181,116)	(\$1,259,928)	(\$1,305,605)	(\$1,345,028)	(\$1,372,159)	(\$1,387,396)

	2030	2031	2032	2033	2034	2035	2036
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$878,722	\$966,643	\$1,068,872	\$1,173,515	\$1,276,880	\$1,388,119	\$1,511,175
21 Bed Option minus County Budget	(\$855,491)	(\$882,721)	(\$903,290)	(\$929,599)	(\$965,880)	(\$1,003,561)	(\$1,039,312)
<b>Option 2</b>							
100 Bed Option	\$209,458	\$260,473	\$341,960	\$436,721	\$522,167	\$559,429	\$631,952
100 Bed Option minus County Budget	(\$1,524,755)	(\$1,588,892)	(\$1,630,203)	(\$1,666,393)	(\$1,720,593)	(\$1,832,251)	(\$1,918,536)
<b>Option 3</b>							
200 Bed Option	\$1,709,701	\$1,784,413	\$1,896,536	\$2,019,723	\$2,129,760	\$2,180,833	\$2,270,884
200 Bed Option minus County Budget	(\$24,512)	(\$64,951)	(\$75,627)	(\$83,391)	(\$113,001)	(\$210,847)	(\$279,603)
<b>Option 4</b>							
200 Bed + JC Option	\$1,616,887	\$1,689,000	\$1,799,596	\$1,920,554	\$2,027,913	\$2,075,524	\$2,162,205
200 Bed + JC minus County Budget	(\$117,326)	(\$160,364)	(\$172,566)	(\$182,560)	(\$214,847)	(\$316,156)	(\$388,283)

	2037	2038	2039	2040	2041	2042	2043
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$1,649,169	\$1,799,337	\$1,952,673	\$2,114,573	\$2,293,750	\$2,496,534	\$2,706,619
21 Bed Option minus County Budget	(\$1,070,671)	(\$1,101,101)	(\$1,140,353)	(\$1,183,831)	(\$1,223,667)	(\$1,254,440)	(\$1,293,420)
<b>Option 2</b>							
100 Bed Option	\$720,803	\$832,143	\$969,267	\$1,057,032	\$1,181,792	\$1,351,802	\$1,544,041
100 Bed Option minus County Budget	(\$1,999,037)	(\$2,068,294)	(\$2,123,759)	(\$2,241,371)	(\$2,335,625)	(\$2,399,172)	(\$2,455,998)
<b>Option 3</b>							
200 Bed Option	\$2,379,156	\$2,513,162	\$2,675,753	\$2,783,301	\$2,932,760	\$3,136,973	\$3,360,549
200 Bed Option minus County Budget	(\$340,683)	(\$387,276)	(\$417,273)	(\$515,102)	(\$584,658)	(\$614,000)	(\$639,489)
<b>Option 4</b>							
200 Bed + JC Option	\$2,267,434	\$2,398,870	\$2,559,290	\$2,662,878	\$2,808,965	\$3,011,198	\$3,231,881
200 Bed + JC minus County Budget	(\$452,406)	(\$501,568)	(\$533,737)	(\$635,525)	(\$708,453)	(\$739,776)	(\$768,158)

	2044	2045	2046	2047	2048	2049
<b>Net Cash Flow</b>						
<b>Option 1</b>						
21 Bed Option	\$2,919,261	\$3,150,075	\$3,399,142	\$3,673,945	\$3,971,127	\$4,285,028
21 Bed Option minus County Budget	(\$1,346,380)	(\$1,398,804)	(\$1,451,783)	(\$1,499,081)	(\$1,545,389)	(\$1,597,784)
<b>Option 2</b>						
100 Bed Option	\$1,727,794	\$1,850,609	\$2,025,614	\$2,227,471	\$2,466,300	\$2,744,749
100 Bed Option minus County Budget	(\$2,537,847)	(\$2,698,271)	(\$2,825,312)	(\$2,945,556)	(\$3,050,216)	(\$3,138,063)
<b>Option 3</b>						
200 Bed Option	\$3,569,927	\$3,703,998	\$3,895,292	\$4,116,312	\$4,378,950	\$4,684,993
200 Bed Option minus County Budget	(\$695,714)	(\$844,882)	(\$955,633)	(\$1,056,715)	(\$1,137,566)	(\$1,197,819)
<b>Option 4</b>						
200 Bed + JC Option	\$3,437,784	\$3,567,362	\$3,754,284	\$3,971,355	\$4,230,660	\$4,533,885
200 Bed + JC minus County Budget	(\$827,857)	(\$981,518)	(\$1,096,641)	(\$1,201,671)	(\$1,285,856)	(\$1,348,927)

## Scenario 4 Cash Flows through 2049 for All Options

	Full Year	Half Year					
<b>Net Cash Flow</b>	<b>2010</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Option 1</b>							
21 Bed Option	\$31,293	\$15,647	\$45,639	\$66,626	\$88,541	\$107,716	\$132,162
21 Bed Option minus County Budget	(\$448,109)	(\$224,054)	(\$465,596)	(\$478,554)	(\$492,839)	(\$512,267)	(\$528,989)
<b>Option 2</b>							
100 Bed Option	(\$980,814)	(\$490,407)	(\$984,479)	(\$988,107)	(\$970,286)	(\$950,663)	(\$951,670)
100 Bed Option minus County Budget	(\$1,460,216)	(\$730,108)	(\$1,495,713)	(\$1,533,287)	(\$1,551,666)	(\$1,570,647)	(\$1,612,820)
<b>Option 3</b>							
200 Bed Option	(\$175,534)	(\$87,767)	(\$151,625)	(\$127,102)	(\$77,619)	(\$25,501)	\$3,758
200 Bed Option minus County Budget	(\$654,936)	(\$327,468)	(\$662,859)	(\$672,282)	(\$658,999)	(\$645,485)	(\$657,393)
<b>Option 4</b>							
200 Bed + JC Option	(\$369,207)	(\$184,603)	(\$346,787)	(\$323,792)	(\$275,879)	(\$225,374)	(\$197,771)
200 Bed + JC minus County Budget	(\$848,609)	(\$424,304)	(\$858,021)	(\$868,972)	(\$857,259)	(\$845,357)	(\$858,921)

	2016	2017	2018	2019	2020	2021	2022
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$154,529	\$185,818	\$218,409	\$247,642	\$284,320	\$322,525	\$368,480
21 Bed Option minus County Budget	(\$550,522)	(\$566,048)	(\$583,381)	(\$607,387)	(\$627,483)	(\$649,822)	(\$668,430)
<b>Option 2</b>							
100 Bed Option	(\$928,523)	(\$931,776)	(\$904,744)	(\$875,122)	(\$874,782)	(\$840,300)	(\$837,610)
100 Bed Option minus County Budget	(\$1,633,573)	(\$1,683,642)	(\$1,706,534)	(\$1,730,151)	(\$1,786,585)	(\$1,812,647)	(\$1,874,521)
<b>Option 3</b>							
200 Bed Option	\$61,050	\$88,930	\$151,815	\$218,230	\$251,947	\$325,050	\$362,592
200 Bed Option minus County Budget	(\$644,001)	(\$662,937)	(\$649,975)	(\$636,799)	(\$659,856)	(\$647,297)	(\$674,318)
<b>Option 4</b>							
200 Bed + JC Option	(\$142,180)	(\$116,046)	(\$54,954)	\$9,618	\$41,443	\$112,603	\$148,150
200 Bed + JC minus County Budget	(\$847,231)	(\$867,913)	(\$856,745)	(\$845,411)	(\$870,360)	(\$859,744)	(\$888,761)

	2023	2024	2025	2026	2027	2028	2029
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$416,510	\$462,232	\$518,178	\$580,202	\$647,055	\$717,717	\$787,698
21 Bed Option minus County Budget	(\$689,252)	(\$716,952)	(\$739,304)	(\$760,777)	(\$782,964)	(\$807,256)	(\$838,533)
<b>Option 2</b>							
100 Bed Option	(\$797,479)	(\$753,664)	(\$745,165)	(\$694,367)	(\$639,110)	(\$579,071)	(\$513,960)
100 Bed Option minus County Budget	(\$1,903,241)	(\$1,932,848)	(\$2,002,647)	(\$2,035,346)	(\$2,069,129)	(\$2,104,043)	(\$2,140,191)
<b>Option 3</b>							
200 Bed Option	\$443,251	\$528,646	\$574,451	\$668,862	\$768,856	\$874,781	\$986,954
200 Bed Option minus County Budget	(\$662,510)	(\$650,538)	(\$683,031)	(\$672,116)	(\$661,164)	(\$650,192)	(\$639,277)
<b>Option 4</b>							
200 Bed + JC Option	\$226,759	\$310,049	\$353,693	\$445,884	\$543,598	\$647,182	\$756,950
200 Bed + JC minus County Budget	(\$879,002)	(\$869,135)	(\$903,789)	(\$895,095)	(\$886,422)	(\$877,791)	(\$869,281)

	2030	2031	2032	2033	2034	2035	2036
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$877,065	\$966,557	\$1,062,807	\$1,164,691	\$1,267,032	\$1,384,007	\$1,511,945
21 Bed Option minus County Budget	(\$857,148)	(\$882,807)	(\$909,356)	(\$938,423)	(\$975,729)	(\$1,007,673)	(\$1,038,543)
<b>Option 2</b>							
100 Bed Option	\$398,929	\$474,522	\$556,393	\$645,050	\$740,849	\$805,736	\$916,522
100 Bed Option minus County Budget	(\$1,335,284)	(\$1,374,843)	(\$1,415,769)	(\$1,458,064)	(\$1,501,912)	(\$1,585,944)	(\$1,633,965)
<b>Option 3</b>							
200 Bed Option	\$2,264,872	\$2,389,839	\$2,522,339	\$2,662,906	\$2,811,927	\$2,926,092	\$3,092,663
200 Bed Option minus County Budget	\$530,659	\$540,475	\$550,177	\$559,793	\$569,166	\$534,412	\$542,175
<b>Option 4</b>							
200 Bed + JC Option	\$2,170,937	\$2,293,367	\$2,423,262	\$2,561,155	\$2,707,428	\$2,818,772	\$2,982,445
200 Bed + JC minus County Budget	\$436,724	\$444,003	\$451,100	\$458,041	\$464,667	\$427,092	\$431,957

	2037	2038	2039	2040	2041	2042	2043
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$1,649,308	\$1,794,883	\$1,942,715	\$2,112,087	\$2,293,738	\$2,488,507	\$2,695,110
21 Bed Option minus County Budget	(\$1,070,532)	(\$1,105,555)	(\$1,150,311)	(\$1,186,316)	(\$1,223,679)	(\$1,262,467)	(\$1,304,929)
<b>Option 2</b>							
100 Bed Option	\$1,036,117	\$1,164,513	\$1,304,320	\$1,409,020	\$1,569,394	\$1,742,086	\$1,927,950
100 Bed Option minus County Budget	(\$1,683,723)	(\$1,735,924)	(\$1,788,706)	(\$1,889,383)	(\$1,948,023)	(\$2,008,888)	(\$2,072,089)
<b>Option 3</b>							
200 Bed Option	\$3,269,434	\$3,456,427	\$3,656,280	\$3,816,323	\$4,039,561	\$4,276,647	\$4,528,466
200 Bed Option minus County Budget	\$549,594	\$555,989	\$563,253	\$517,920	\$522,143	\$525,674	\$528,427
<b>Option 4</b>							
200 Bed + JC Option	\$3,156,240	\$3,340,177	\$3,536,891	\$3,693,710	\$3,913,638	\$4,147,324	\$4,395,651
200 Bed + JC minus County Budget	\$436,400	\$439,739	\$443,865	\$395,307	\$396,220	\$396,351	\$395,613

	2044	2045	2046	2047	2048	2049
<b>Net Cash Flow</b>						
<b>Option 1</b>						
21 Bed Option	\$2,906,724	\$3,146,071	\$3,402,478	\$3,677,103	\$3,968,632	\$4,275,562
21 Bed Option minus County Budget	(\$1,358,917)	(\$1,402,809)	(\$1,448,447)	(\$1,495,924)	(\$1,547,884)	(\$1,607,251)
<b>Option 2</b>						
100 Bed Option	\$2,127,979	\$2,290,085	\$2,519,325	\$2,765,084	\$3,029,125	\$3,312,703
100 Bed Option minus County Budget	(\$2,137,662)	(\$2,258,795)	(\$2,331,600)	(\$2,407,942)	(\$2,487,390)	(\$2,570,109)
<b>Option 3</b>						
200 Bed Option	\$4,796,038	\$5,020,066	\$5,320,514	\$5,639,796	\$5,979,208	\$6,339,948
200 Bed Option minus County Budget	\$530,397	\$471,186	\$469,589	\$466,769	\$462,693	\$457,136
<b>Option 4</b>						
200 Bed + JC Option	\$4,659,637	\$4,879,982	\$5,176,648	\$5,492,046	\$5,827,469	\$6,184,112
200 Bed + JC minus County Budget	\$393,996	\$331,103	\$325,723	\$319,019	\$310,953	\$301,299

## Scenario 5 Cash Flows through 2049 for All Options

	Full Year	Half Year					
<b>Net Cash Flow</b>	<b>2010</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Option 1</b>							
21 Bed Option	\$28,703	\$14,351	\$36,992	\$51,410	\$66,252	\$77,637	\$93,758
21 Bed Option minus County Budget	(\$450,699)	(\$225,349)	(\$474,242)	(\$493,770)	(\$515,128)	(\$542,347)	(\$567,393)
<b>Option 2</b>							
100 Bed Option	(\$977,908)	(\$488,954)	(\$989,422)	(\$1,001,987)	(\$993,772)	(\$984,465)	(\$997,693)
100 Bed Option minus County Budget	(\$1,457,310)	(\$728,655)	(\$1,500,657)	(\$1,547,167)	(\$1,575,152)	(\$1,604,449)	(\$1,658,843)
<b>Option 3</b>							
200 Bed Option	(\$156,246)	(\$78,123)	(\$124,978)	(\$93,268)	(\$36,243)	\$23,783	\$60,013
200 Bed Option minus County Budget	(\$635,648)	(\$317,824)	(\$636,212)	(\$638,448)	(\$617,623)	(\$596,201)	(\$601,138)
<b>Option 4</b>							
200 Bed + JC Option	(\$349,919)	(\$174,959)	(\$320,856)	(\$291,439)	(\$236,800)	(\$179,255)	(\$145,605)
200 Bed + JC minus County Budget	(\$829,320)	(\$414,660)	(\$832,090)	(\$836,619)	(\$818,180)	(\$799,238)	(\$806,755)

	2016	2017	2018	2019	2020	2021	2022
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$106,872	\$128,600	\$150,832	\$168,300	\$192,754	\$217,597	\$249,796
21 Bed Option minus County Budget	(\$598,179)	(\$623,266)	(\$650,958)	(\$686,729)	(\$719,049)	(\$754,750)	(\$787,115)
<b>Option 2</b>							
100 Bed Option	(\$986,762)	(\$1,005,330)	(\$992,809)	(\$978,739)	(\$998,855)	(\$982,808)	(\$1,004,982)
100 Bed Option minus County Budget	(\$1,691,813)	(\$1,757,196)	(\$1,794,599)	(\$1,833,768)	(\$1,910,658)	(\$1,955,155)	(\$2,041,892)
<b>Option 3</b>							
200 Bed Option	\$125,569	\$159,543	\$230,852	\$305,990	\$344,409	\$426,138	\$466,702
200 Bed Option minus County Budget	(\$579,482)	(\$592,323)	(\$570,938)	(\$549,039)	(\$567,394)	(\$546,209)	(\$570,209)
<b>Option 4</b>							
200 Bed + JC Option	(\$82,731)	(\$51,548)	\$16,859	\$88,979	\$124,258	\$202,723	\$239,892
200 Bed + JC minus County Budget	(\$787,782)	(\$803,414)	(\$784,931)	(\$766,050)	(\$787,545)	(\$769,624)	(\$797,019)

	2023	2024	2025	2026	2027	2028	2029
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$282,843	\$311,403	\$349,982	\$393,711	\$440,978	\$490,343	\$535,929
21 Bed Option minus County Budget	(\$822,918)	(\$867,781)	(\$907,500)	(\$947,267)	(\$989,042)	(\$1,034,630)	(\$1,090,302)
<b>Option 2</b>							
100 Bed Option	(\$986,670)	(\$966,216)	(\$990,189)	(\$967,023)	(\$941,367)	(\$913,049)	(\$881,956)
100 Bed Option minus County Budget	(\$2,092,432)	(\$2,145,400)	(\$2,247,671)	(\$2,308,002)	(\$2,371,387)	(\$2,438,022)	(\$2,508,187)
<b>Option 3</b>							
200 Bed Option	\$555,624	\$649,391	\$695,164	\$797,080	\$904,469	\$1,017,605	\$1,136,703
200 Bed Option minus County Budget	(\$550,138)	(\$529,793)	(\$562,318)	(\$543,898)	(\$525,550)	(\$507,368)	(\$489,528)
<b>Option 4</b>							
200 Bed + JC Option	\$325,283	\$415,378	\$457,332	\$555,277	\$658,535	\$767,375	\$882,005
200 Bed + JC minus County Budget	(\$780,479)	(\$763,806)	(\$800,150)	(\$785,702)	(\$771,485)	(\$757,598)	(\$744,226)

	2030	2031	2032	2033	2034	2035	2036
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$600,506	\$663,926	\$732,220	\$803,616	\$870,808	\$952,185	\$1,042,656
21 Bed Option minus County Budget	(\$1,133,707)	(\$1,185,439)	(\$1,239,942)	(\$1,299,498)	(\$1,371,953)	(\$1,439,495)	(\$1,507,832)
<b>Option 2</b>							
100 Bed Option	(\$14,337)	\$21,344	\$60,397	\$103,118	\$149,568	\$147,983	\$200,760
100 Bed Option minus County Budget	(\$1,748,550)	(\$1,828,020)	(\$1,911,765)	(\$1,999,996)	(\$2,093,193)	(\$2,243,697)	(\$2,349,728)
<b>Option 3</b>							
200 Bed Option	\$2,411,179	\$2,541,328	\$2,678,346	\$2,822,639	\$2,974,377	\$3,074,787	\$3,240,333
200 Bed Option minus County Budget	\$676,966	\$691,963	\$706,184	\$719,525	\$731,617	\$683,107	\$689,845
<b>Option 4</b>							
200 Bed + JC Option	\$2,290,373	\$2,415,690	\$2,547,683	\$2,686,749	\$2,833,052	\$2,927,808	\$3,087,475
200 Bed + JC minus County Budget	\$556,160	\$566,325	\$575,520	\$583,635	\$590,291	\$536,128	\$536,987

	2037	2038	2039	2040	2041	2042	2043
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$1,139,755	\$1,241,289	\$1,338,168	\$1,457,021	\$1,584,255	\$1,720,366	\$1,862,625
21 Bed Option minus County Budget	(\$1,580,085)	(\$1,659,149)	(\$1,754,859)	(\$1,841,382)	(\$1,933,163)	(\$2,030,608)	(\$2,137,413)
<b>Option 2</b>							
100 Bed Option	\$257,983	\$319,002	\$386,881	\$394,089	\$469,283	\$550,131	\$636,894
100 Bed Option minus County Budget	(\$2,461,857)	(\$2,581,436)	(\$2,706,145)	(\$2,904,314)	(\$3,048,134)	(\$3,200,843)	(\$3,363,144)
<b>Option 3</b>							
200 Bed Option	\$3,414,363	\$3,596,336	\$3,789,424	\$3,917,329	\$4,126,203	\$4,345,280	\$4,574,916
200 Bed Option minus County Budget	\$694,523	\$695,899	\$696,398	\$618,926	\$608,785	\$594,306	\$574,877
<b>Option 4</b>							
200 Bed + JC Option	\$3,255,391	\$3,431,005	\$3,617,480	\$3,738,507	\$3,940,228	\$4,151,866	\$4,373,765
200 Bed + JC minus County Budget	\$535,551	\$530,567	\$524,453	\$440,104	\$422,810	\$400,892	\$373,727

	2044	2045	2046	2047	2048	2049
<b>Net Cash Flow</b>						
<b>Option 1</b>						
21 Bed Option	\$1,999,711	\$2,164,796	\$2,340,937	\$2,528,737	\$2,724,776	\$2,925,018
21 Bed Option minus County Budget	(\$2,265,930)	(\$2,384,083)	(\$2,509,989)	(\$2,644,290)	(\$2,791,740)	(\$2,957,794)
<b>Option 2</b>						
100 Bed Option	\$729,958	\$748,489	\$850,612	\$958,458	\$1,073,155	\$1,194,885
100 Bed Option minus County Budget	(\$3,535,683)	(\$3,800,390)	(\$4,000,313)	(\$4,214,568)	(\$4,443,361)	(\$4,687,928)
<b>Option 3</b>						
200 Bed Option	\$4,815,585	\$4,975,480	\$5,235,426	\$5,507,101	\$5,790,917	\$6,086,964
200 Bed Option minus County Budget	\$549,944	\$426,600	\$384,501	\$334,075	\$274,401	\$204,151
<b>Option 4</b>						
200 Bed + JC Option	\$4,606,388	\$4,757,915	\$5,009,159	\$5,271,784	\$5,546,187	\$5,832,444
200 Bed + JC minus County Budget	\$340,747	\$209,036	\$158,234	\$98,757	\$29,671	(\$50,368)

## Scenario 6 Cash Flows through 2049 for All Options

	Full Year	Half Year					
<b>Net Cash Flow</b>	<b>2010</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Option 1</b>							
21 Bed Option	\$32,388	\$16,194	\$49,607	\$73,659	\$98,817	\$121,516	\$149,659
21 Bed Option minus County Budget	(\$447,014)	(\$223,507)	(\$461,627)	(\$471,521)	(\$482,563)	(\$498,468)	(\$511,492)
<b>Option 2</b>							
100 Bed Option	(\$981,800)	(\$490,900)	(\$980,968)	(\$979,592)	(\$956,500)	(\$931,330)	(\$925,898)
100 Bed Option minus County Budget	(\$1,461,201)	(\$730,601)	(\$1,492,202)	(\$1,524,772)	(\$1,537,880)	(\$1,551,313)	(\$1,587,048)
<b>Option 3</b>							
200 Bed Option	(\$182,739)	(\$91,370)	(\$159,860)	(\$136,082)	(\$87,346)	(\$35,974)	(\$6,775)
200 Bed Option minus County Budget	(\$662,141)	(\$331,071)	(\$671,094)	(\$681,262)	(\$668,726)	(\$655,958)	(\$667,925)
<b>Option 4</b>							
200 Bed + JC Option	(\$376,412)	(\$188,206)	(\$354,745)	(\$332,207)	(\$284,738)	(\$234,661)	(\$206,785)
200 Bed + JC minus County Budget	(\$855,814)	(\$427,907)	(\$865,979)	(\$877,387)	(\$866,118)	(\$854,645)	(\$867,935)



	2023	2024	2025	2026	2027	2028	2029
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$473,225	\$525,638	\$588,147	\$656,937	\$730,910	\$809,212	\$887,955
21 Bed Option minus County Budget	(\$632,537)	(\$653,546)	(\$669,334)	(\$684,041)	(\$699,109)	(\$715,761)	(\$738,276)
<b>Option 2</b>							
100 Bed Option	(\$702,978)	(\$648,840)	(\$625,961)	(\$563,418)	(\$495,820)	(\$422,816)	(\$344,076)
100 Bed Option minus County Budget	(\$1,808,739)	(\$1,828,024)	(\$1,883,443)	(\$1,904,396)	(\$1,925,840)	(\$1,947,789)	(\$1,970,307)
<b>Option 3</b>							
200 Bed Option	\$438,678	\$524,950	\$575,791	\$671,772	\$773,528	\$881,427	\$995,811
200 Bed Option minus County Budget	(\$667,083)	(\$654,234)	(\$681,691)	(\$669,206)	(\$656,491)	(\$643,546)	(\$630,420)
<b>Option 4</b>							
200 Bed + JC Option	\$226,979	\$311,641	\$360,836	\$455,137	\$555,175	\$661,317	\$773,907
200 Bed + JC minus County Budget	(\$878,783)	(\$867,543)	(\$896,646)	(\$885,842)	(\$874,845)	(\$863,656)	(\$852,324)

	2030	2031	2032	2033	2034	2035	2036
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$985,933	\$1,084,267	\$1,189,824	\$1,301,730	\$1,415,681	\$1,543,964	\$1,683,485
21 Bed Option minus County Budget	(\$748,280)	(\$765,098)	(\$782,338)	(\$801,384)	(\$827,080)	(\$847,716)	(\$867,002)
<b>Option 2</b>							
100 Bed Option	\$587,116	\$678,076	\$776,099	\$881,729	\$995,381	\$1,084,838	\$1,215,752
100 Bed Option minus County Budget	(\$1,147,097)	(\$1,171,288)	(\$1,196,063)	(\$1,221,385)	(\$1,247,380)	(\$1,306,843)	(\$1,334,736)
<b>Option 3</b>							
200 Bed Option	\$2,280,721	\$2,408,793	\$2,544,723	\$2,689,070	\$2,842,268	\$2,967,625	\$3,139,700
200 Bed Option minus County Budget	\$546,508	\$559,428	\$572,560	\$585,956	\$599,507	\$575,945	\$589,212
<b>Option 4</b>							
200 Bed + JC Option	\$2,195,521	\$2,321,718	\$2,455,733	\$2,598,123	\$2,749,319	\$2,872,631	\$3,042,616
200 Bed + JC minus County Budget	\$461,308	\$472,354	\$483,570	\$495,009	\$506,558	\$480,951	\$492,129

	2037	2038	2039	2040	2041	2042	2043
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$1,833,054	\$1,991,805	\$2,155,004	\$2,338,806	\$2,535,675	\$2,746,498	\$2,970,470
21 Bed Option minus County Budget	(\$886,786)	(\$908,632)	(\$938,022)	(\$959,598)	(\$981,743)	(\$1,004,476)	(\$1,029,569)
<b>Option 2</b>							
100 Bed Option	\$1,356,518	\$1,507,272	\$1,670,429	\$1,807,875	\$1,994,690	\$2,195,224	\$2,410,416
100 Bed Option minus County Budget	(\$1,363,322)	(\$1,393,165)	(\$1,422,597)	(\$1,490,529)	(\$1,522,728)	(\$1,555,750)	(\$1,589,623)
<b>Option 3</b>							
200 Bed Option	\$3,322,504	\$3,516,188	\$3,723,187	\$3,900,324	\$4,132,755	\$4,379,868	\$4,642,621
200 Bed Option minus County Budget	\$602,664	\$615,751	\$630,161	\$601,921	\$615,337	\$628,894	\$642,582
<b>Option 4</b>							
200 Bed + JC Option	\$3,223,285	\$3,414,786	\$3,619,554	\$3,794,411	\$4,024,512	\$4,269,244	\$4,529,563
200 Bed + JC minus County Budget	\$503,445	\$514,349	\$526,528	\$496,008	\$507,095	\$518,270	\$529,524

	2044	2045	2046	2047	2048	2049
<b>Net Cash Flow</b>						
<b>Option 1</b>						
21 Bed Option	\$3,202,417	\$3,460,810	\$3,737,333	\$4,033,213	\$4,347,774	\$4,680,272
21 Bed Option minus County Budget	(\$1,063,224)	(\$1,088,070)	(\$1,113,592)	(\$1,139,814)	(\$1,168,742)	(\$1,202,540)
<b>Option 2</b>						
100 Bed Option	\$2,641,334	\$2,846,907	\$3,111,150	\$3,393,926	\$3,697,025	\$4,021,827
100 Bed Option minus County Budget	(\$1,624,307)	(\$1,701,973)	(\$1,739,775)	(\$1,779,100)	(\$1,819,491)	(\$1,860,985)
<b>Option 3</b>						
200 Bed Option	\$4,922,100	\$5,171,509	\$5,486,760	\$5,822,136	\$6,179,031	\$6,558,776
200 Bed Option minus County Budget	\$656,459	\$622,629	\$635,834	\$649,110	\$662,516	\$675,964
<b>Option 4</b>						
200 Bed + JC Option	\$4,806,555	\$5,053,422	\$5,366,075	\$5,698,796	\$6,052,978	\$6,429,949
200 Bed + JC minus County Budget	\$540,914	\$504,542	\$515,149	\$525,770	\$536,462	\$547,137

## Scenario 7 Cash Flows through 2049 for All Options

	Full Year	Half Year					
<b>Net Cash Flow</b>	<b>2010</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Option 1</b>							
21 Bed Option	\$30,546	\$15,273	\$43,321	\$62,626	\$82,751	\$99,981	\$122,371
21 Bed Option minus County Budget	(\$448,856)	(\$224,428)	(\$467,914)	(\$482,554)	(\$498,629)	(\$520,003)	(\$538,780)
<b>Option 2</b>							
100 Bed Option	(\$979,854)	(\$489,927)	(\$985,205)	(\$990,739)	(\$974,942)	(\$957,467)	(\$961,013)
100 Bed Option minus County Budget	(\$1,459,256)	(\$729,628)	(\$1,496,439)	(\$1,535,919)	(\$1,556,322)	(\$1,577,451)	(\$1,622,164)
<b>Option 3</b>							
200 Bed Option	(\$169,493)	(\$84,746)	(\$142,529)	(\$114,917)	(\$62,187)	(\$6,655)	\$25,892
200 Bed Option minus County Budget	(\$648,895)	(\$324,447)	(\$653,763)	(\$660,098)	(\$643,567)	(\$626,639)	(\$635,258)
<b>Option 4</b>							
200 Bed + JC Option	(\$363,165)	(\$181,583)	(\$337,911)	(\$312,061)	(\$261,148)	(\$207,489)	(\$176,872)
200 Bed + JC minus County Budget	(\$842,567)	(\$421,284)	(\$849,145)	(\$857,241)	(\$842,528)	(\$827,472)	(\$838,023)

	2016	2017	2018	2019	2020	2021	2022
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$142,485	\$171,467	\$201,588	\$228,056	\$261,892	\$297,027	\$339,855
21 Bed Option minus County Budget	(\$562,566)	(\$580,400)	(\$600,202)	(\$626,973)	(\$649,911)	(\$675,320)	(\$697,055)
<b>Option 2</b>							
100 Bed Option	(\$940,357)	(\$946,749)	(\$922,617)	(\$896,066)	(\$899,820)	(\$868,907)	(\$871,118)
100 Bed Option minus County Budget	(\$1,645,408)	(\$1,698,615)	(\$1,724,407)	(\$1,751,095)	(\$1,811,623)	(\$1,841,253)	(\$1,908,029)
<b>Option 3</b>							
200 Bed Option	\$86,862	\$118,031	\$184,840	\$255,360	\$292,411	\$369,855	\$410,648
200 Bed Option minus County Budget	(\$618,189)	(\$633,835)	(\$616,950)	(\$599,669)	(\$619,392)	(\$602,491)	(\$626,262)
<b>Option 4</b>							
200 Bed + JC Option	(\$117,894)	(\$88,778)	(\$24,085)	\$44,253	\$79,054	\$154,179	\$192,581
200 Bed + JC minus County Budget	(\$822,945)	(\$840,644)	(\$825,875)	(\$810,776)	(\$832,749)	(\$818,167)	(\$844,329)

	2023	2024	2025	2026	2027	2028	2029
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$384,522	\$426,442	\$478,586	\$536,654	\$599,326	\$665,500	\$730,400
21 Bed Option minus County Budget	(\$721,240)	(\$752,742)	(\$778,896)	(\$804,325)	(\$830,694)	(\$859,473)	(\$895,831)
<b>Option 2</b>							
100 Bed Option	(\$835,126)	(\$795,687)	(\$793,434)	(\$747,707)	(\$697,816)	(\$643,455)	(\$584,358)
100 Bed Option minus County Budget	(\$1,940,887)	(\$1,974,871)	(\$2,050,916)	(\$2,088,686)	(\$2,127,835)	(\$2,168,428)	(\$2,210,589)
<b>Option 3</b>							
200 Bed Option	\$495,869	\$586,014	\$634,926	\$734,276	\$839,392	\$950,623	\$1,068,280
200 Bed Option minus County Budget	(\$609,892)	(\$593,170)	(\$622,556)	(\$606,703)	(\$590,628)	(\$574,350)	(\$557,951)
<b>Option 4</b>							
200 Bed + JC Option	\$275,336	\$362,940	\$409,231	\$505,879	\$608,209	\$716,568	\$831,265
200 Bed + JC minus County Budget	(\$830,425)	(\$816,244)	(\$848,251)	(\$835,100)	(\$821,811)	(\$808,405)	(\$794,967)

	2030	2031	2032	2033	2034	2035	2036
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$814,681	\$898,900	\$989,576	\$1,085,463	\$1,180,958	\$1,291,131	\$1,412,031
21 Bed Option minus County Budget	(\$919,532)	(\$950,464)	(\$982,586)	(\$1,017,651)	(\$1,061,803)	(\$1,100,549)	(\$1,138,456)
<b>Option 2</b>							
100 Bed Option	\$320,309	\$389,008	\$463,581	\$544,518	\$632,134	\$685,585	\$786,996
100 Bed Option minus County Budget	(\$1,413,904)	(\$1,460,357)	(\$1,508,581)	(\$1,558,596)	(\$1,610,627)	(\$1,706,095)	(\$1,763,491)
<b>Option 3</b>							
200 Bed Option	\$2,349,754	\$2,480,392	\$2,618,732	\$2,765,310	\$2,920,494	\$3,037,827	\$3,210,637
200 Bed Option minus County Budget	\$615,541	\$631,027	\$646,569	\$662,196	\$677,733	\$646,147	\$660,150
<b>Option 4</b>							
200 Bed + JC Option	\$2,248,224	\$2,375,715	\$2,510,809	\$2,654,042	\$2,805,777	\$2,919,553	\$3,088,697
200 Bed + JC minus County Budget	\$514,011	\$526,350	\$538,647	\$550,928	\$563,016	\$527,873	\$538,210

	2037	2038	2039	2040	2041	2042	2043
<b>Net Cash Flow</b>							
<b>Option 1</b>							
21 Bed Option	\$1,541,950	\$1,679,496	\$1,818,112	\$1,978,591	\$2,150,826	\$2,335,622	\$2,531,448
21 Bed Option minus County Budget	(\$1,177,890)	(\$1,220,941)	(\$1,274,915)	(\$1,319,813)	(\$1,366,591)	(\$1,415,352)	(\$1,468,591)
<b>Option 2</b>							
100 Bed Option	\$896,659	\$1,014,453	\$1,143,183	\$1,232,099	\$1,379,682	\$1,538,805	\$1,710,267
100 Bed Option minus County Budget	(\$1,823,181)	(\$1,885,984)	(\$1,949,843)	(\$2,066,304)	(\$2,137,735)	(\$2,212,169)	(\$2,289,771)
<b>Option 3</b>							
200 Bed Option	\$3,393,772	\$3,587,163	\$3,793,668	\$3,955,867	\$4,185,537	\$4,429,080	\$4,687,348
200 Bed Option minus County Budget	\$673,932	\$686,726	\$700,641	\$657,463	\$668,120	\$678,106	\$687,309
<b>Option 4</b>							
200 Bed + JC Option	\$3,268,052	\$3,457,546	\$3,660,032	\$3,818,088	\$4,043,488	\$4,282,626	\$4,536,355
200 Bed + JC minus County Budget	\$548,212	\$557,108	\$567,006	\$519,685	\$526,071	\$531,653	\$536,316

	2044	2045	2046	2047	2048	2049
<b>Net Cash Flow</b>						
<b>Option 1</b>						
21 Bed Option	\$2,730,641	\$2,958,030	\$3,201,755	\$3,462,927	\$3,739,888	\$4,030,728
21 Bed Option minus County Budget	(\$1,535,000)	(\$1,590,850)	(\$1,649,170)	(\$1,710,100)	(\$1,776,628)	(\$1,852,084)
<b>Option 2</b>						
100 Bed Option	\$1,895,018	\$2,035,419	\$2,247,011	\$2,473,909	\$2,717,887	\$2,980,112
100 Bed Option minus County Budget	(\$2,370,623)	(\$2,513,460)	(\$2,603,915)	(\$2,699,118)	(\$2,798,629)	(\$2,902,700)
<b>Option 3</b>						
200 Bed Option	\$4,961,344	\$5,185,504	\$5,491,840	\$5,816,839	\$6,161,761	\$6,527,729
200 Bed Option minus County Budget	\$695,703	\$636,624	\$640,915	\$643,813	\$645,245	\$644,917
<b>Option 4</b>						
200 Bed + JC Option	\$4,805,671	\$5,025,004	\$5,326,365	\$5,646,234	\$5,985,867	\$6,346,383
200 Bed + JC minus County Budget	\$540,030	\$476,125	\$475,440	\$473,208	\$469,351	\$463,571

## Appendix 3- Financials of Public Safety Facilities of Comparable Counties

Appendix 3 presents the information available from Beaver, Duchesne and Garfield counties with respect to the fiscal impact of their public safety facility expansions. In addition, we have included the information from the county budgets available on the Utah State Auditors Website. It is important to note that different counties account for revenue and expenses differently and the information from one county is not necessarily comparable to that of another.

**Beaver County**

According to the Utah Department of Corrections (“A State and Local Partnership that Works, January 2007), Beaver County currently operates a 400-Bed facility, with 360 beds available for contract to the DOC. In November 2006, Beaver County completed a new addition to their facility adding 200 state inmate beds.

The information in the first two tables below was provided by Beaver County.

**Beaver County Revenue and Expenses: General Fund: 1997-2007**

	<u>General Fund Revenue</u>	<u>Expenses</u>	<u>Difference</u>
1997	\$0.00	\$430,779.39	(\$430,779.39)
1998	\$448,593.11	\$1,453,119.02	(\$1,004,525.91)
1999	\$1,380,298.68	\$1,635,127.02	(\$254,828.34)
2000	\$1,763,338.65	\$1,895,017.85	(\$131,679.20)
2001	\$1,986,497.87	\$2,327,389.78	(\$340,891.91)
2002	\$1,976,453.38	\$2,038,259.77	(\$61,806.39)
2003	\$1,952,443.53	\$2,157,297.78	(\$204,854.25)
2004	\$2,006,958.58	\$2,313,459.96	(\$306,501.38)
2005	\$2,046,333.05	\$2,500,396.83	(\$454,063.78)
2006	\$2,379,332.56	\$3,282,913.64	(\$903,581.08)
2007	\$3,870,209.23	\$4,413,492.63	(\$543,283.40)

Source:Beaver County

**Beaver County Revenue and Expenses: Debt Service Fund: 1997-2007**

	<u>Debt Service Fund Revenue</u>		<u>Total Revenue</u>	<u>Expenses</u>	<u>Difference</u>
	<u>Charges for Services</u>	<u>Other</u>		<u>Debt Service</u>	
1997	\$0.00	\$1,006,065.48	\$1,006,065.48	\$228,075.19	\$777,990.29
1998	\$0.00	\$58,050.47	\$58,050.47	\$408,746.26	(\$350,695.79)
1999	\$1,106,364.80	\$163,832.45	\$1,270,197.25	\$409,821.26	\$860,375.99
2000	\$841,150.26	\$39,739.71	\$880,889.97	\$541,551.26	\$339,338.71
2001	\$765,234.20	\$2,998.83	\$768,233.03	\$650,490.19	\$117,742.84
2002	\$784,033.97	\$55,213.22	\$839,247.19	\$709,533.76	\$129,713.43
2003	\$886,160.24	\$74,409.62	\$960,569.86	\$652,191.26	\$308,378.60
2004	\$733,620.06	\$5,821,517.10	\$6,555,137.16	\$6,359,195.92	\$195,941.24
2005	\$747,821.01	\$316,123.38	\$1,063,944.39	\$2,094,463.95	(\$1,030,519.56)

2006	\$715,857.20	\$50,349.20	\$766,206.40	\$374,747.50	\$391,458.90
2007	\$2,130,169.36	\$52,206.88	\$2,182,376.24	\$873,304.18	\$1,309,072.06

Source:Beaver County

Note: Debt Service Expenses include non-jail related debt

Paul Barton, the Beaver County Clerk, has indicated that general fund revenue is also allocated to expenses that were ongoing before the new jail was built. The revenue from state inmates offsets the additional expenses incurred due to the construction and operation of the new jail. According to Mr. Barton, there have been no property tax increases since the jail was built.

### Beaver County: County Budget Data: 1998-2007

The data in the table below was taken from the Beaver County Budget as reported to the Utah State Auditor's website.

<u>Beaver County</u>				
	<u>General Fund</u>	<u>Debt Service</u>		
	<u>State Prisoner</u>	<u>Fund</u>	<u>Jail</u>	
	<u>Contract</u>	<u>State Prisoner</u>	<u>Expenditures</u>	<u>Difference</u>
		<u>Contract</u>		
1998	\$406,554.00	\$0.00	\$1,453,119.00	(\$1,046,565.00)
1999	\$1,340,917.00	\$971,693.00	\$1,635,127.00	\$677,483.00
2000	\$1,601,358.00	\$763,182.00	\$1,895,018.00	\$469,522.00
2001	\$1,800,826.00	\$687,266.00	\$2,327,390.00	\$160,702.00
2002	\$1,800,000.00	\$703,999.00	\$2,038,270.00	\$465,729.00
2003	\$1,800,000.00	\$798,979.00	\$2,157,298.00	\$441,681.00
2004	\$1,840,000.00	\$655,652.00	\$2,313,460.00	\$182,192.00
2005	\$1,855,572.00	\$674,874.00	\$2,500,397.00	\$30,049.00
2006	\$2,242,485.00	\$628,734.00	\$3,282,914.00	(\$411,695.00)
2007	\$3,012,002.00	\$1,689,823.00	\$4,413,493.00	\$288,332.00

Source:Utah State Auditor Website

Note: Debt Service related to the new jail is not included in jail expenditures.

## Duchesne County

According to the Utah Department of Corrections ("A State and Local Partnership that Works, January 2007) Duchesne County operates facilities with a total of 220 beds, 155 of which are available for contract to the DOC.

The following information was provided by Duchesne County. According to the Duchesne County Clerk, the data below includes both the old and new county jails.

### **Duchesne County Revenue and Expenses: 1996-2004**

	<u>Revenue</u>	<u>Expenses</u>	<u>Difference</u>
1996	\$293,197.83	\$288,765.21	\$4,432.62
1997	\$808,276.59	\$774,771.10	\$33,505.49
1998	\$1,832,880.14	\$1,987,216.68	(\$154,336.54)
1999	\$2,381,761.73	\$2,264,142.35	\$117,619.38
2000	\$2,292,682.65	\$2,372,785.35	(\$80,102.70)
2001	\$2,334,656.72	\$2,179,251.49	\$155,405.23
2002	\$2,360,153.12	\$2,420,004.06	(\$59,850.94)
2003	\$2,376,780.33	\$2,519,785.90	(\$143,005.57)
2004	\$2,612,340.13	\$2,801,655.40	(\$189,315.27)
2005	\$2,554,679.60	NA	NA
2006	NA	NA	NA
2007	NA	NA	NA

Source: Duchesne County

NA: not available

The following table shows the information available on the Utah State Auditor's website with respect to the county budget for Duchesne County.

### **Duchesne County: County Budget Data: 1998-2007**

	<u>Jail and Sheriff</u>	<u>Duchesne City/ Law</u>	<u>Total Revenue</u>	<u>Jail</u>	<u>Difference</u>
	<u>Revenues</u>	<u>Enforcement</u>		<u>Expenditures</u>	
1998	NA	\$97,900.00	NA	\$1,987,216.00	NA
1999	NA	\$122,500.00	NA	\$2,284,142.00	NA
2000	\$2,114,871.00	\$73,500.00	\$2,188,371.00	\$2,372,765.00	(\$184,394.00)
2001	\$2,246,657.00	\$98,000.00	\$2,344,657.00	\$2,179,251.00	\$165,406.00
2002	\$2,238,851.00	\$122,500.00	\$2,361,351.00	\$2,420,004.00	(\$58,653.00)
2003	\$2,278,780.00	\$98,000.00	\$2,376,780.00	\$2,520,266.00	(\$143,486.00)
2004	\$2,514,361.00	\$98,000.00	\$2,612,361.00	\$2,801,655.00	(\$189,294.00)
2005	\$2,456,680.00	\$98,000.00	\$2,554,680.00	\$2,858,778.00	(\$304,098.00)
2006	\$2,521,805.00	\$98,000.00	\$2,619,805.00	\$2,824,096.00	(\$204,291.00)
2007	\$2,484,761.00	\$98,000.00	\$2,582,761.00	\$3,064,163.00	(\$481,402.00)

Source: Utah State Auditor Website

NA: not available

## Garfield County

According to the Utah Department of Corrections (“A State and Local Partnership that Works, January 2007), Garfield County operates a 110-bed public safety facility, 95 of which are available for contract with the state to house state inmates. The following table shows the revenue and expenses for the Garfield County Jail from 1998-2007.

### **Garfield County Jail Revenue and Expenses: 1998-2007**

<b>Garfield County Jail</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Difference</b>
<b>1998</b>	\$106,041	\$230,834	(\$124,793)
<b>1999</b>	\$105,930	\$252,666	(\$146,736)
<b>2000</b>	\$1,144,061	\$1,302,688	(\$158,627)
<b>2001</b>	\$1,462,346	\$1,447,221	\$15,125
<b>2002</b>	\$1,410,935	\$1,440,891	(\$29,956)
<b>2003</b>	\$1,408,088	\$1,491,487	(\$83,399)
<b>2004</b>	\$1,449,774	\$1,639,885	(\$190,111)
<b>2005</b>	\$1,424,870	\$1,587,007	(\$162,137)
<b>2006</b>	\$1,498,066	\$1,753,530	(\$255,464)
<b>2007</b>	\$1,512,389	\$1,926,183	(\$413,794)

Source: Garfield County

The following table includes information from the Garfield County Budget as reported on the Utah State Auditor Website.

### **Garfield County: County Budget Data: 1998-2007**

	<b>Correction (Jail)</b>	<b>Jail</b>			
	<b>Revenue</b>	<b>Expenditures</b>	<b>Difference</b>		
1998	\$121,678	\$222,734	(\$101,056)		
1999	\$115,304	\$4,826,000	(\$4,710,696)		
2000	\$1,191,589	\$1,630,905	(\$439,316)		
2001	\$1,503,580	\$1,447,221	\$56,359		
2002	\$1,470,356	\$1,440,891	\$29,465		
2003	\$1,469,980	\$1,491,487	(\$21,507)		
2004	\$1,530,848	\$1,639,885	(\$109,037)		
2005	\$1,487,876	\$1,587,007	(\$99,131C	9.3	0
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