

EAST LYME BOARD OF SELECTMEN
REGULAR MEETING OF AUGUST 5, 2020
MINUTES

This meeting was held via Zoom online meeting services and was available for the public to view, listen and participate via videoconference and dial-in options.

This meeting, in its entirety, is available to view by visiting the East Lyme Town Hall webpage.

PRESENT: Mark Nickerson, Kevin Seery, Rose Ann Hardy, Marc Salerno, Dan Cunningham and Paul Dagle
ALSO PRESENT: Finance Director Anna Johnson, Planning Director Gary Goeschel, and Planning Commission Member and POCD Chairwoman Michelle Williams

First Selectman Nickerson called the meeting to order at 7:37 p.m.

FILED

2. Additional Agenda & Consent Calendar Items

MOTION (1)

Mr. Seery MOVED to add agenda item 6e. Mosle Lane.
Seconded by Mr. Salerno. Motion passed 6-0.

Aug 13 2020 AT 9:30 AM/PM
Ann Williams
EAST LYME TOWN CLERK

3. Delegations

Mr. Ed Riozzi, 22 North Pine Street, is not in favor of the public safety building project as presented and suggested that we consider the Town property on Roxbury Road. He also stated that he would like to see more dinghy docks in town, especially at the end of Grand Street. He would like the Town to re-do the website as he finds it difficult to navigate.

Mr. Steve Larcen, 47 Oswegatchie Hills Road, supports the project and thinks it could be successful with some compromise. He stated that Mr. Dagle and the entire Vision Committee did a great job. He had four major points to communicate; why compromise, transparency of the total project, scope of work and sources of funding. He stated that we should be willing to compromise during these uncertain economic times. Mr. Larcen stated that the full scope of the project should be included with complete transparency, including items that are anticipated expenses down the road. All items that will be funded by other sources should be included in the total scope of the project. For the scope of the project, he stated that he feels that the Town should defer the two alternates, the sally port and the elevator cab, to a future time when it is more feasible economically. He believes that continuing to partner with Waterford is the better economic choice at this time and suggests that we continue to do that and add the holding cells at a later date when again, it is more economically feasible. Mr. Larcen suggested that an alternate source of funding should be considered in that the sale of the Main Street property will bring in funding that can then be used to include the deferred items and bring the project to completion. He asked that the Town remain transparent through the remainder of this project.

Mr. Dan Price, 205 Upper Pattagansett Road, Chairman of the Police Commission and Vice Chairman of the Public Safety Building Vision Committee, stated that he appreciates Mr. Larcen's comments and noted that the total project cost did not come in much higher than the \$6M that was originally requested, and that the added items such as the elevator was not included in that initial figure. He stated that the biggest thing to consider right now is that the new Police Accountability law passed recently changes everything and will require that we are completely independent in order for our police department to become accredited, which will need to be done by 2025. In this new scenario, our public safety facility will need to include those

alternate items, the sally port, elevator and holding cells, in order to be accredited. This new law is going to have a huge impact on the policing in this Town, and this needs to be thoroughly considered in our decisions when moving forward with this project.

4. Approval of Minutes

MOTION (2)

Mr. Seery MOVED to approve the Regular Meeting Minutes of July 1, 2020, as submitted.

Seconded by Mr. Salerno. Motion passed 6-0.

MOTION (3)

Mr. Seery MOVED to approve the Special Meeting Minutes of July 29, 2020, as submitted.

Seconded by Mr. Salerno. Motion passed 6-0.

5. Consent Calendar

MOTION (4)

Mr. Seery MOVED to approve the Consent Calendar for the meeting of August 5, 2020, in the amount of \$6,777.50.

Seconded by Mr. Dagle. Motion passed 6-0.

6a. POCD Presentation

Ms. Michelle Williams, 2 Barrett Drive, Secretary of the Planning Commission and Chairwoman of the POCD, addressed the Board. She stated that the POCD is required to be updated every ten years, and this year is it due in December 2020. She noted that it is very important that this plan be filed with the state complete and on time as this determines the Town's eligibility for certain grants, and federal and state funding. She thanked all of the volunteer members of this group, as well as Gary Goeschel and Jennifer Lindo, Town employees, for their hard work and support. She gave a brief summary of the changes made, noting that this new version is over 100 pages shorter than the last version, noting that they worked very hard to streamline the information without removing any of the content that makes it effective. She stated that per State requirements, the sections involving sewer services have been significantly updated. It was important to note that they solicited the public's input throughout this process, and that a lot of that input was incorporated into this draft document. There is still a long process ahead, but the first step is that the Board of Selectmen receive the draft and review it for discussion and questions at an upcoming Board of Selectmen meeting. This draft document has been fully approved by the POCD Subcommittee.

Mr. Nickerson thanked Michelle and the entire subcommittee for their hard work on this document and stated that the Board of Selectmen are looking forward to reviewing this and having a presentation at an upcoming meeting.

Mr. Salerno, who is the Board of Selectmen ex-officio for this subcommittee, stated that he has watched this subcommittee from inception work hard, many nights and weekends, and he stated that they are a great team and very organized. He is looking forward to reviewing this plan.

6b. Carryover – Emergency Management

MOTION (5)

DISCUSSION: Ms. Johnson explained that the East Lyme Ambulance Association in the past had purchased the AED machines for all Town buildings, but that they are now beginning to expire. Each piece of equipment costs approximately \$1,445. Last year we created an account within the EOC budget to fund the replacement of this equipment throughout town.

Mr. Seery MOVED to approve the carry-over of the remaining balance of \$1,000 in account 01-25-224-300-244 (AED Supplies) from the 2019/20 budget to account 01-25-214-300-244 (AED Supplies) in the 2020/21 budget and forward to the Board of Finance for approval.
Seconded by Mr. Salerno. Motion passed 6-0.

6c. Ratify Departmental Transfers

MOTION (6)

Mr. Seery MOVED to ratify departmental transfers in the amount of \$83,869.47 processed for fiscal year end June 30, 2020 and forward to the Board of Finance for approval.
Seconded by Ms. Hardy. Motion passed 6-0.

6d. Bonding – Public Safety Building

MOTION (7)

DISCUSSION: Mr. Dagle, Chair of the Public Safety Building Vision Committee, stated that the low bidder and the second lowest bidder have agreed to extend their bids to October 22nd. Next, Mr. Dagle stated that he would like to address the issue of financials and project costs that were presented at the Board of Finance meeting. He would like to categorize project costs, financing costs, and any other related costs; and he would like to have that discussion with the Board of Finance, if the Board of Selectmen decide to move forward. The financing costs are what they are, and he thanked Ms. Johnson for putting those numbers together and categorizing the bonding and short-term financing costs. Some questions were submitted into record by the Chairperson of the Board of Finance. Although he did not have the opportunity to respond to all of the items at the last Board of Finance meeting, all of these items were addressed at a vision committee meeting back in May and he would like to again address these items so that everyone has a clear understanding of why certain items were or were not included.

Mr. Dagle stated that there are three options to discuss: one is to re-submit the original plan for \$7.2M to the Board of Finance, which includes the sally port and the elevator cab; the second is to remove the bid alternate add for the elevator cab at \$210,051, which would reduce the project total to ~\$7M; the third is in addition to the elevator cab, to remove the bid alternate deduct for the sally port and cells at \$810,591, which would reduce the project total to \$6.19M. He then asked for discussion and questions from and Board of Selectmen on the matter, and he noted that representatives from Silver Petrucelli + Associates was on the call if anyone had any questions about this.

Mr. Salerno stated that he will not support removing any items from the proposed project. He stated that continuing to rent space from Waterford will ultimately cost the Town of East Lyme more money in the long run. He stated that the cost to include the sally port and cells is \$810, 591, which includes a 10% contingency. The interest rate is currently 1.84% for bonding, which is almost record low. Based on a 20-year loan at 1.84%, that comes out to an annual cost of \$48,480. We are currently paying Waterford \$46,557 per year, with a contracted 5% increase per annum. If that holds and we continue to lease space from them over a 20-year period, that would cost the Town an additional \$570,000. He referenced a slide, attached hereto as Exhibit 1, and noted that the orange line is the current line, which is a fixed cost over 20 years to finance the holding cells. The grey line is the anticipated cost of the increase in fees that we will continue to pay to Waterford should we continue leasing space from them. He noted that this graph does not include the time that our officers will lose by continuing to have to travel back and forth from Waterford to process perpetrators, or any unanticipated increases beyond the 5%. Even if the percentage rate to lease dropped to 3%, that would still be approximately \$240,000 more. Based on this financial outline, along with other reasons, he cannot support this; he believes the \$7.2M is a financially responsible plan. Mr. Salerno stated that the idea of renovating buildings is not a new idea; specifically the public works building on the outskirts of town which was purchased and renovated, and now serves the town very well. In the case of

the schools, he pointed out that initially the renovation project started out at around \$70M and included building a new school, with further review that number went up to around \$90M. At that point the Town took a step back and re-thought the process and decided to renovate as needed versus renovating as new, and we were able to get that number down to around \$37M including the short-term borrowing. In the case of Waterford, they have continued to build new and in 2002 our mill rate was 43% higher than theirs; today in 2020 they are within .1% of our mill rate. Our strategy over the years of renovating, not building new and not renovating as new, is working. Mr. Salerno stated that the suggestion that we abandon this project, sell the building and build new is not a responsible course of action in his point of view. He believes it is financially responsible to move forward with the \$7.2M and supports sending this back to the Board of Finance.

Mr. Nickerson pointed out that three years ago when we approached Waterford to negotiate leasing space from them, it was understood that this would be a short-term situation. He stated that the price will go up if we ask to remain leasing space from them, and it should be pointed out that they do not have the room to continue to allow us to remain there. He anticipates that Waterford would require a 5 to 10 year lease agreement should we explore continuing to utilize their facility as they would have to do some renovations in order to get us the space we need for our evidence and such. We will also be required to start paying additional fees, such as cleaning services and capital expenses. Waterford has been a good neighbor and supported us when we needed assistance in moving over to an independent police department, but this arrangement was only meant to be temporary and not a long-term solution. Mr. Nickerson stated that with the recently passed Police Accountability law, we will have to be completely independent in order to be certified with the State. He stated that Mr. Salerno's numbers are flawed only because they are too low, and it will cost us more than the 5% increase if we were to continue working with Waterford.

Ms. Hardy stated that she supports the project at \$7.2M including the sally port and cells; and she noted that these are not jail cells but holding cells. There are so many factors that are not being taken into consideration, such as the time it takes for our officers to go back and forth to Waterford, the fact that they are out of town every time they do have to go to Waterford, the chain of custody issues of transporting paperwork and evidence back and forth, and the current building which endangers the safety of our officers. Ms. Hardy believes it is time that we do the right thing and put our police officers in a safe and adequate facility as they deserve, and she will not support reducing the \$7.2M project.

Mr. Seery stated that building new will cost the Town a lot more money than the \$7.2M this renovation will cost and waiting the additional ~5 years for that to happen will be putting both the public and our officers in danger for various reasons. He stated that we may have estimated the project a little low in the beginning, but that we entrusted the Vision Committee to do a thorough job of outlining the cost of this project and that is exactly what they did, albeit higher than was anticipated it includes items that were not originally accounted for. The current building is not only unsafe for the officers and staff working there, but it is also unsafe for the public who outside of normal business hours have to pick up a phone on the outside of our building to alert dispatch across town that they need assistance. Mr. Seery is in favor of moving forward with the \$7.2M plan but would also like to give the Board of Finance the option to reduce the price, specifically by not installing the elevator cab at this time.

Mr. Cunningham appreciates the suggestions given to bring the cost down, such as not including the sally port and holding cells, but he stated that the newly passed police accountability law changes everything and now makes it mandatory for these items to be included not only to become certified, but also the legal liability of this law that has not yet been completely explored. He feels that we will not be able to retain or hire qualified police officers if we don't move forward with this plan. Mr. Cunningham supports the full \$7.2M project.

Ms. Hardy stated that previously if you rehabilitated a building, you were not required to re-fit that building to fit the ADA requirements. She has learned that this "grandfather" provision no longer exists and that we would need to have that elevator in place before we can think about utilizing the second floor as the ADA compliant entrance will be in a place that is secure for the police. She also feels that we should be thinking about utilizing the second floor sooner than later because that space could bring in some income, for instance regional police training. Ms. Hardy reviewed the numbers presented at a previous meeting regarding possible mill rate increases. For a home assessed at \$250,000 the average tax increase is \$49.20 per year, or \$4.10 per month. For a home assessed at \$350,000 the average tax increase is \$68.89 per year or \$5.74 per month. For a home assessed at \$450,000 the average tax increase is \$88.57 per year or \$7.38 per month. She reported that the average residential home value in East Lyme is \$335,000, which is an increase of \$5.74 per month. She hopes that the Board of Finance takes these figures into consideration as they review the Board of Selectmen's request to approve the project at \$7.2M.

Mr. Dagle stated that he has not received any calls from any Vision Committee members about reducing the plan from the \$7.2M. He states that the committee as a whole is in favor of moving forward with the \$7.2M plan as presented, and that he is in favor of moving forward with this plan and sending it back to the Board of Finance for their consideration. He stated that his plan is a good plan for many reasons; the committee was tasked not to come up with options, but to come up with a functional building at the most reasonable cost to bring value to the citizens of the Town and to give our public safety personnel a safe and professional space to conduct their business and protect the citizens of East Lyme. Mr. Dagle recommends that we move forward with the \$7.2M plan as presented. In response to some of Mr. Larcen's comments regarding answering all of the questions; he noted that every one of those questions was addressed at a Vision Committee meeting, but that he will address them again at a future meeting for those that have not gone back to review the minutes of the Vision Committee meeting. Ms. Hardy thanked Mr. Larcen and Mr. Riozzi for their ideas and comments. It was briefly discussed that the property on Roxbury Road was considered for this project, but that it is in a flood zone and is not eligible to be used for a public safety facility.

Mr. Nickerson stated that over a year ago the public voted and by a two-to-one margin in favor, at a referendum, the public voted to buy this building. This matter has been discussed at length at numerous public meetings at a \$6M cost; it was only reduced by the Board of Finance to \$5M with the understanding that they would release that \$1M if the Vision Committee came back and presented the specific detail that they were looking for, which the Vision Committee has done. When the discussions first happened with Honeywell, we agreed to keep negotiations private as they had not yet announced to their employees that they were going to move, nor had they decided whether or not they were actually going to move. We had an architect come in and that person gave us an estimate of \$6M which did not include the elevator because the building is equipped with an ADA accessible entrance to the second floor. Once plans progressed and the Vision Committee decided that the rear of the building would be used for a secure area, that is when we discussed the need to consider an elevator to provide such access to the second floor. Regarding building a new facility from ground up, that will cost approximately \$12M and then we will still need to come up with money soon to put an addition onto the library, this plan solves both of those problems.

Mr. Seery RESOLVED that the resolution entitled "Resolution Amending A Resolution Making An Appropriation In The Amount Of \$5,000,000 For The Planning, Design, Acquisition, Construction, Equipping And Furnishing Of A Public Safety Building And Authorizing The Issuance Of \$5,000,000 Bonds Of The Town To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose". As per Section 1 of the resolution, The resolution entitled "Resolution Making An Appropriation In The Amount Of \$5,000,000 For The Planning, Design, Acquisition, Construction, Equipping And Furnishing Of A Public Safety Building And Authorizing The Issuance Of \$5,000,000 Bonds Of The Town

To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose”, adopted at a referendum held February 20, 2019 (the “Resolution”) is hereby amended to increase the amount of each of the appropriation and the bond authorization set forth therein by \$2,200,000 from \$5,000,000 to \$7,200,000. Said resolution, a copy of which is attached hereto, is hereby adopted and recommended for approval by the Board of Finance and the legal voters of the Town at a Special Town Meeting. We waive reading the resolution in its entirety; a copy has been and will continue to be available for inspection in the Town Clerk’s office.

Seconded by Mr. Dagle. Motion passed 6-0.

Mr. Nickerson stated that the record show that this is the second time that the resolution carries unanimously.

6e. Mosle Lane

MOTION (8)

DISCUSSION: Mr. Nickerson stated that the Old Black Point Association on behalf of their residents would like to purchase Mosle Lane from the town. This road serves no purpose to the town and runs between their tennis courts and their clubhouse. This would allow them to close off the road and allow for a safer passage in this area for their neighborhood. They would pay the town a nominal fee and the Town would turn it over to them.

Ms. Hardy MOVED to refer the Mosle Lane item to the Planning Commission for a Section 8-30G review (proper term is Section 8-24 review, and that is what will be conducted by the Planning Commission).

Seconded by Mr. Salerno. Motion passed 6-0.

7. Communications

There were none.

8a. Ex-Officio Reports

Mr. Salerno reported that the Planning Commission has been working on the POCD and that has been provided to this board at tonight’s meeting. They will also have an upcoming public hearing for a four lot subdivision on Upper Pattagansett Road.

8b. First Selectman’s Report

Mr. Nickerson stated that because of yesterday’s storm, many people around town and throughout the state are without power, and that Eversource is having some issues but that the Town is working with them to get everyone back up and running as soon as possible. Our crews were out all day and all night clearing trees as best as they can, but that they cannot clear trees that Eversource has not confirmed that the power is turned off. Please call dispatch at any time should you require assistance at 860-739-3419. No shelter has been open yet due to COVID concerns, but residents should call if they need assistance and will be helped on a case-by-case basis, and a shelter will be opened should the need arise. He noted that many roads are still blocked in town, and the EOC is aware but that we cannot remove trees with live wires hanging down. Priorities one and two for Eversource are closed roads and getting Bride Brook Rehab Center back online as their generators are having difficulty keeping up during this heat.

The closing night of the Theatre Under The Shell was supposed to be tonight; not sure if it happened but the play was very nicely attended with everyone properly socially distancing. The Boardwalk is now officially back to two-way, please respect each other and follow proper social distancing guidelines.

9. Public Comment

Steve Larcen, 47 Oswegatchie Hills Road, thanked Mr. Dagle for clarifying some of his questions, and stated that he appreciates his approach of communication and allows for an open conversation. He stated that he did not mean to suggest that we defer the holding cells out for 20 years, but maybe 2-3 years to consider alternative funding such as grants, and maybe leveraging the sale of the Dominion building.

Ed Riozzi, 22 North Pine Street, and he feels that the lack of communication and the way that this has been presented by the Town to the people is causing some mistrust. He stated that he supports the Police Department and is in favor of getting them into a new facility.

Dan Price, Chairman of the Police Commission and Vice Chairman of the Vision Committee, 205 Upper Pattagansett Road, stated that we were at \$6M to begin with, so \$7.2M is not that far off considering it includes the elevator which was not in the original plan. He stated that the Vision Committee has worked very hard with the architects to get the project to this number, and that they have all done the best the good for the good of the police and the community. The new law changes everything and he feels that this project is the way to go.

Ms. Johnson stated that the bond resolution includes language that will allow the Town to apply for grants to offset funding of this project. Mr. Nickerson stated that the Town can apply for and get grants at any time throughout the project and noted that this project includes a hefty contingency. He noted that rehabilitation of the main street property is two to three years out, but maybe funds from that sale can be used to start a CNRE fund for future upkeep and repairs of the new building.

MOTION (9)

Mr. Seery MOVED to adjourn the August 5, 2020, regular meeting of the East Lyme Board of Selectmen at 9:11 p.m.

Seconded by Mr. Salerno. Motion passed 6-0.

Respectfully Submitted By:



Sandra Anderson
Recording Secretary

RESOLUTION AMENDING A RESOLUTION MAKING AN APPROPRIATION IN THE AMOUNT OF \$5,000,000 FOR THE PLANNING, DESIGN, ACQUISITION, CONSTRUCTION, EQUIPPING AND FURNISHING OF A PUBLIC SAFETY BUILDING AND AUTHORIZING THE ISSUANCE OF \$5,000,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

RESOLVED:

Section 1. The resolution entitled “Resolution Making An Appropriation In The Amount Of \$5,000,000 For The Planning, Design, Acquisition, Construction, Equipping And Furnishing Of A Public Safety Building And Authorizing The Issuance Of \$5,000,000 Bonds Of The Town To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose”, adopted at a referendum held February 20, 2019 (the “Resolution”) is hereby amended to increase the amount of each of the appropriation and the bond authorization set forth therein by \$2,200,000 from \$5,000,000 to \$7,200,000.

Section 2. Section 1 of the Resolution is hereby amended by deleting said Section and substituting the following in lieu thereof, thereby making said Section read as follows:

Section 1. The sum of \$7,200,000 is hereby appropriated by the Town of East Lyme, Connecticut (the “Town”) for planning, design, acquisition, construction, equipping and furnishing of a public safety building at 277 West Main Street, Niantic, Connecticut, of approximately 31,000 square feet on 17 acres, for police, dispatch, emergency operations and fire department uses, including, but not limited to, demolition, renovation, reconstruction and repairs of interior space for interview rooms, prisoner processing and detention, evidence, weapons and records processing and storage; expenses related to architectural services, engineering, permitting, soil, groundwater, geological, environmental and other testing and inspection of the site; relocate and upgrade bathrooms, shower facilities and locker rooms; installation of safety glass, security doors, video security and biometric access; installation of elevator; installation of 911 system and associated data and communications infrastructure; acquisition and installation of video and audio recording systems and other furniture, fixtures, equipment and carpeting; renovation, reconstruction and replacement of roof, skylights, exterior masonry, and windows; reconstruction and installation of air quality, heating, ventilation and air conditioning systems and ductwork; upgrade of electrical, plumbing, lighting, telephone, video, data, technology (Wi-Fi), life safety and security, energy, public address system and other infrastructure; ADA and building code compliance improvements; abatement of all hazardous materials and storage tanks; installation of sanitary sewer and water lines; earthwork, site work, and landscaping; construction, reconstruction and improvement of parking areas, sidewalks, driveways and access road; temporary parking and storage; and related legal, consulting, licensing, advisory, administrative, governmental fees and expenses and costs of issuance related thereto, said appropriation being inclusive of any and all State and Federal grants-in-aid thereof (the “Project”).

Section 3. Section 2 of the Resolution is hereby amended by deleting said Section and substituting the following in lieu thereof, thereby making said Section read as follows:

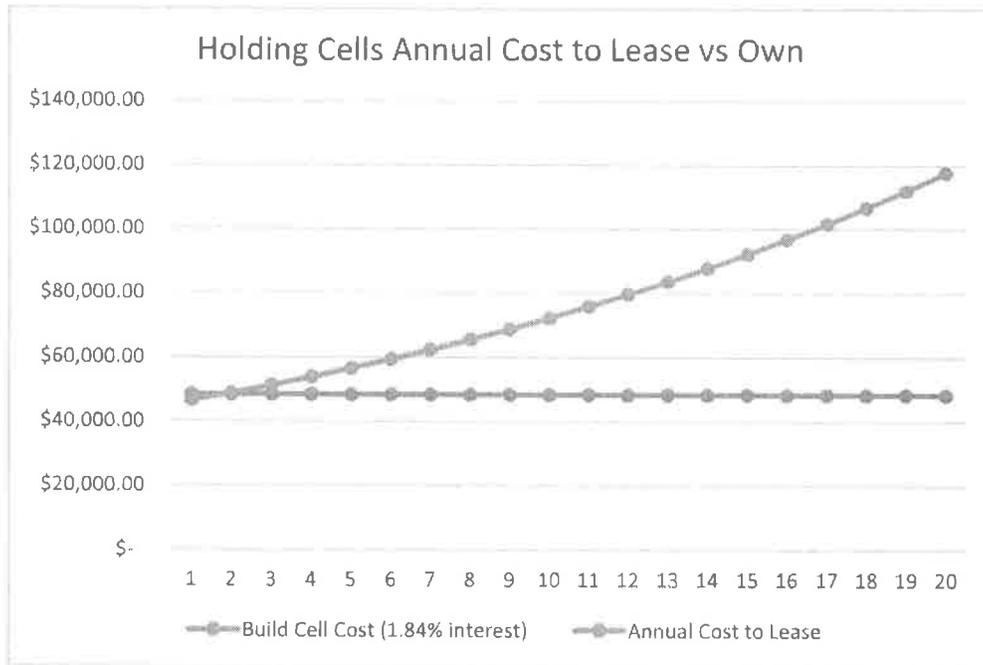
Section 2. To meet said appropriation, \$7,200,000 bonds of the Town, or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the maximum

maturity permitted by the General Statutes of Connecticut, Revision of 1958, as amended from time to time (the "Connecticut General Statutes"). Said bonds may be issued in one or more series as determined by the First Selectman and the Town Treasurer, in the amount necessary to meet the Town's share of the cost of the Project determined after considering the estimated amounts of State and Federal grants-in-aid of the Project, or the actual amounts thereof, if this be ascertainable and the anticipated times of the receipt of the proceeds thereof, provided that the total amount of bonds to be issued shall not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, financing, legal and other costs of issuance of such bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, be issued in fully registered form, be executed in the name and on behalf of the Town by the facsimile or manual signatures of the First Selectman and the Town Treasurer, bear the Town seal or a facsimile thereof, be certified by a bank or trust company, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company, and be approved as to their legality by Robinson & Cole LLP, Attorneys-at-Law, of Hartford, Connecticut. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount of the bonds of each series to be issued, the annual installments of principal, redemption provisions, if any, the certifying, registrar and transfer agent and paying agent, the date, time of issue and sale and other terms, details and particulars of such bonds including the rate or rates of interest shall be determined by the First Selectman and the Town Treasurer, in the best interest of the Town, in accordance with the Connecticut General Statutes.

Section 4. Section 5 of the Resolution, regarding Section 1.150-2 of the Federal Income Tax Regulations, shall be applicable to the appropriation added by this resolution, as of the date of adoption of this resolution.

Section 5. The remaining provisions of the Resolution are hereby ratified and confirmed.

EXHIBIT 1



The cost to build the holding cells is \$810,591. With an interest rate of 1.84% (latest bond amount rate 8/4/2020), the annual cost is \$48,480 per year. The current annual (2020) cost to lease from Waterford is \$46,557 with a 5% contracted increase per annum. Assuming this agreement holds, then the cost to lease will exceed the cost to build next year (2021). Over the life of the loan (20 years), the town of East Lyme will spend approximately **\$570,000** more to lease.

EXHIBIT 1

Year	Build Cell Cost (1.84% interest)	Lease from Waterford (5.0% escalation costs)	
		Annual Cost to Lease	Cost Savings over leasing
2020	\$ 48,480.00	\$ 46,557.00	\$ 1,923.00
2021	\$ 48,480.00	\$ 48,884.85	\$ (404.85)
2022	\$ 48,480.00	\$ 51,329.09	\$ (2,849.09)
2023	\$ 48,480.00	\$ 53,895.55	\$ (5,415.55)
2024	\$ 48,480.00	\$ 56,590.32	\$ (8,110.32)
2025	\$ 48,480.00	\$ 59,419.84	\$ (10,939.84)
2026	\$ 48,480.00	\$ 62,390.83	\$ (13,910.83)
2027	\$ 48,480.00	\$ 65,510.37	\$ (17,030.37)
2028	\$ 48,480.00	\$ 68,785.89	\$ (20,305.89)
2029	\$ 48,480.00	\$ 72,225.19	\$ (23,745.19)
2030	\$ 48,480.00	\$ 75,836.45	\$ (27,356.45)
2031	\$ 48,480.00	\$ 79,628.27	\$ (31,148.27)
2032	\$ 48,480.00	\$ 83,609.68	\$ (35,129.68)
2033	\$ 48,480.00	\$ 87,790.17	\$ (39,310.17)
2034	\$ 48,480.00	\$ 92,179.68	\$ (43,699.68)
2035	\$ 48,480.00	\$ 96,788.66	\$ (48,308.66)
2036	\$ 48,480.00	\$ 101,628.09	\$ (53,148.09)
2037	\$ 48,480.00	\$ 106,709.50	\$ (58,229.50)
2038	\$ 48,480.00	\$ 112,044.97	\$ (63,564.97)
2039	\$ 48,480.00	\$ 117,647.22	\$ (69,167.22)
TOTAL	\$ 969,600.00	\$ 1,539,451.63	\$ (569,851.63)
Cost of Building Cells	Interest Rate	Yearly Payments (principal and interest)	Total 20 year loan cost
\$ 810,591.00	1.84%	\$ 48,480.00	\$ 969,600.00
	2020 Cost of Waterford Lease		
	\$ 46,557.00		