

Minutes of a Council Meeting of the Borough Council held at 7:30 P.M. on Tuesday, April 9, 2013, in the Council Chamber, Borough of Hillsdale, Hillsdale, New Jersey.

The meeting was called to order by Mayor Arnowitz who also led the Salute to the Flag.

**OPEN PUBLIC MEETING STATEMENT**

Mayor Arnowitz stated, "This is a Meeting of the Hillsdale Borough Council on this 9<sup>th</sup> day of April 2013. Notice of the time and place of this meeting has been provided to The Ridgewood News, Pascack Press, The Record and Community Life; a copy was posted on the bulletin board outside of this meeting room and provided to any interested parties.

Please notify the Municipal Clerk for any disability requirements necessary for attendance at Mayor and Council meetings. The fire exits are located through the double doors to your left. Please silence all cell phones and pagers.

**ROLL CALL**

Municipal Clerk Witkowski called the roll those present being as follows: Councilmembers DeGise, Frank, Kelley, Looes, Meyerson and Pizzella. Also in attendance Administrator DeJoseph, Borough Attorney Bernstein and Clerk Witkowski.

**CALL THE MEETING TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**OPEN PUBLIC MEETING STATEMENT:**

This is a meeting of the Hillsdale Borough Council on this 9<sup>TH</sup> day of April 2013. Notice of the time and place of this meeting has been provided to The Ridgewood News, Pascack Press, The Record and Community Life; a copy was posted on the bulletin board outside of this meeting room and provided to any interested parties.

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Mayor Arnowitz stated that 8PM we are going to defer to the Budget and go back to the regular order of business.

**ROLL CALL:**

Present: Council Members DeGise, Frank, Kelley, Looes, Meyerson, Pizzella

**MAYOR'S APPOINTMENTS:**

Special Committee: Historic Preservation Committee Councilmember Frank Pizzella

Mayor Arnowitz appointed Councilmember Frank Pizzella as the Representative from the Council for the Historic Preservation Committee.

Motion to record was made by Councilmember Kelley, seconded by Councilmember Looes, and unanimously carried.

**OATH OF OFFICE:**

**APPROVAL OF MINUTES:**

**PRESENTATION:**

2013 Budget Presentation

Paul J. Lerch, CPA, RMA  
Lerch, Vinci & Higgins, LLP

Mayor Arnowitz invited Auditor Paul Lerch to make a presentation on the budget and explain the process of adoption. However, we will not be adopting the budget this evening and when we get state approval, we will adopt the budget. The Council was handed a copy of the Auditor's presentation.

**BOROUGH OF HILLSDALE**



**2013 Fiscal Year Budget  
Presentation**

April 9, 2013  
Lerch, Vinci & Higgins, LLP

Auditor Lerch said we are here tonight to have a hearing on the 2013 budget, we will not be adopting although we do have approval from Trenton to adopt tonight. We have an amendment to the budget and one of the criteria which is required is advertising three days before the budget hearing when there is an increase or decrease in existing in the line by more than 10%. That amendment was not able to get published three days prior to, therefore this evening we will go through the budget itself, a quick presentation which he will provide. We will introduce an amendment tonight along with introducing another resolution dealing with the school tax. This allows the borough to go through the entire reading of the entire budget and is a time saver due to the fact that it will be published and available to the public. We don't have to read every single line in the budget. Last meeting we were here until midnight going through the 2013 line items and tonight we will present in a simple format for the public on how the 2013 budget compares with 2012.

**Borough of Hillsdale  
Breakdown of Revenues**



	2013 Proposed	Adopted 2012 Budget	Variance	%
Surplus Anticipated	\$ 950,000	\$ 1,320,000	\$ (370,000)	(28.0)
Municipal Revenue	1,201,666	1,218,770	(17,104)	(1.4)
State Aid	1,182,373	1,182,373	-	-
Public & Private Revenue	41,993	73,239	(31,246)	(42.7)
Delinquent Tax Rcpts.	350,000	400,000	(50,000)	(12.5)
General Taxation - Library	614,723	632,917	(18,194)	(2.9)
General Taxation - Municipal	8,228,914	8,046,188	182,726	2.3
<b>Total</b>	<b>\$ 12,569,669</b>	<b>\$ 12,873,487</b>	<b>\$ (303,818)</b>	<b>-2.4%</b>

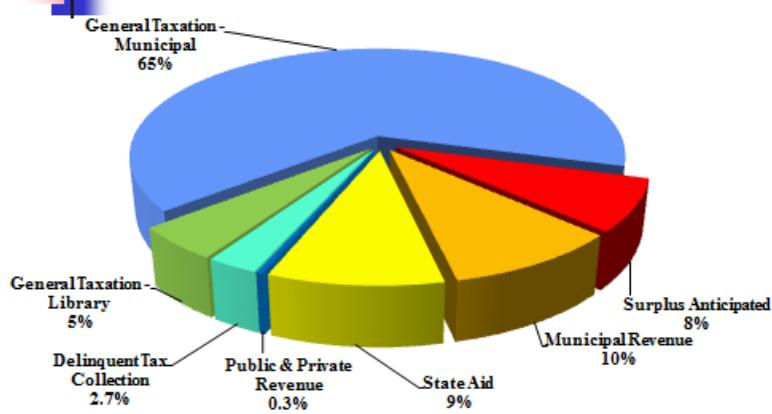
On the first page of the presentation is breakdown of the revenues and we are trying to categorize the revenues. Generally the first place we go to is on the appropriations side, we will go through the anticipated revenue side and lastly the taxation side. When you look at this particular document itself you can see the major category surplus so we are utilizing \$950,000 in 2013 compared to what was utilized in 2012 so the reduction in the line surplus in town is 28%; municipal revenue are basically a catch all category here so permits, deeds, interest, cell tower, construction code, anything that is another category is relatively flat from year to year \$270,000. State aid is flat again at \$1,182,000, public and private revenues slight increase. You will see corresponding slight decrease on the spending side, public and private revenues and grants received anticipated in the budget; receipts for delinquent taxes anticipated in 2013 is \$50,000 less than 2012 which has a direct correlation on the collection rate in taxes that remain outstanding. The collection rate has gone up a little bit. We are anticipating to collect from residents, homeowners and taxpayers in general who did not pay the 2012 tax.

General taxation on the Library has decreased from \$632,000 to \$614,000; the state formula basically 1/3 of million of the state required value so property taxes over five years have increased and so has the amount that we are required to put in the budget. General taxation on municipal is increasing from \$8,046, up to \$8,228,000 2.3, combination of taxation is going up 1.9%. The tax levy is going up and the average homeowner is up. The 2013 budget of \$12,569,669 compared to 2012 budget of \$12,873,478 is actually being reduced by about \$303,000.

## Borough of Hillsdale

### 2013 Revenues

Where the Budget \$\$ Comes From



Where does the revenue come from and you can see that which is very common in municipalities similar to Hillsdale the majority of tax dollars are coming from taxation. The State of New Jersey providing State Aid 9%, we are utilizing 8% of borough surplus, our municipal revenue is at 10% on the revenue side. Taxation for the Library 5% of the total revenues, delinquent taxes 2.7%. It is not much different from last year. In 2013 what we proposed on the tax levy CAP on the municipal side is \$8,228,914. The State of New Jersey limits the tax levy CAP at 2%. There are exceptions to the 2% CAP based upon valid increase in debt service, increase in pension numbers and some capital spending items.

## Borough of Hillsdale

### Tax Levy CAP

2013 Amount to be Raised by		
Taxation - Municipal	\$	8,228,914
 *Maximum permitted to be Raised by Taxation	 \$	 8,787,649
 Amount below CAP	 \$	 558,715

\* Includes CAP Banks

The budget that we presented is \$558,000 less than what the borough is permitted to raise taxes. The maximum permitted amount to be raised by taxation is \$8,787,649 and the amount to be raised for 2013 is \$8,228,000 so we are still below the 2% CAP by \$558,715.

## Borough of Hillsdale

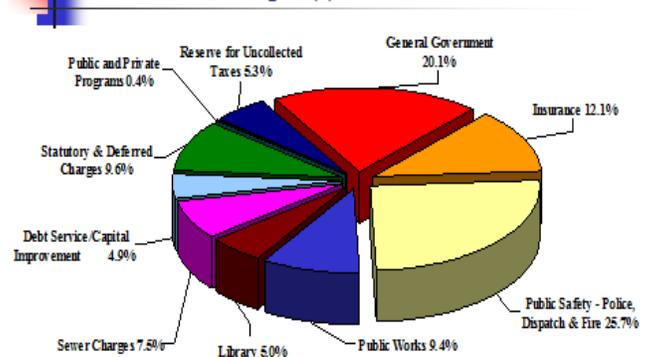
### Budget Spending Analysis

	2013 Proposed	Adopted 2012 Budget	Variance	%
General Government	\$ 2,524,631	\$ 2,596,476	\$ (71,845)	(2.8)
Insurance	1,516,849	1,452,610	64,239	4.4
Public Safety - Police, Dispatch & Fire	3,235,494	3,217,090	18,404	0.6
Public Works	1,187,550	1,565,710	(378,160)	(24.2)
Library	633,422	632,917	505	0.1
Sewer Charges	947,240	880,600	66,640	7.6
Public & Private Programs	44,868	76,113	(31,245)	(41.1)
Statutory & Deferred Charges	1,208,765	1,140,208	68,557	6.0
Debt Service/Capital Improvements	610,850	751,763	(140,913)	(18.7)
Res. for Uncollected Taxes	660,000	560,000	100,000	17.9
	<u>\$ 12,569,669</u>	<u>\$ 12,873,487</u>	<u>\$ (303,818)</u>	<u>-2.4%</u>

## Borough of Hillsdale

### 2013 Appropriations

Where Your Budget \$\$ Goes



For the budget spending analysis, Mr. Lerch consolidated the appropriations and spending sides. He tried to make a snapshot view for an overall perspective. The total budget is going down -2.4% and we have various breakdowns of some of those fluctuations. General government is a catchall, includes administration, professional fees, anything that is not identified as categories. If you look at the first section called general government and has various subcategories below. Insurance obviously covers insurance such as, workers compensation, health, liability, relatively small compared to other municipalities. Looking at 4% increase in

insurance with employee contributions decreasing some of that expense. Public safety which is the largest component of government in New Jersey, such as, police, dispatch, fire, emergency management, court, anything for the public safety is relatively unchanged from the year before. Public Works is streets and roads. The reason for the biggest decrease here is the new garbage contract which had a \$230,000 reduction and salary and wage reduction of approximately \$80,000. For the Library, this is the amount of contribution that the governing body has decided to fund the Library; the minimum amount required of appropriation is \$618,000 so there is approximately \$8,000 of additional Library aid and above the 1/3 aid required by the state. Sewer charges for the borough by the Bergen County Utilities Authority is roughly 7% increase; public and private programs a slight decrease, statutory deferred charges are the pension charges, emergencies had to be funded because of Sandy, social security, pension increased by 6% somewhat a norm compared to other towns. Debt service combined with capital improvements is payments made on principal and interest on existing debt as well as capital improvements. Reserve for uncollected taxes is increased by \$100,000; the borough is required to be the collecting agency for schools, county as well as the borough and the borough is required to pay 100% of the amount they collect on behalf of the county and the schools. The problem is not everyone is paying their tax bill on time and we have had successful tax appeals, and every year the system is set up so that the municipality to provide the payment.

## Borough of Hillsdale Appropriation CAP

Current Budget CAP Spending	\$ 9,153,832
*Maximum permitted CAP Spending	<u>\$ 10,328,495</u>
Amount below CAP	<u>\$ 1,174,663</u>

\* Includes CAP Banks

The county is 2%, both schools 2% and the regional high school is coming in at 2.8% so when these tax levies increase it means that the non-spending side has to go up. State statute limits the spending side and the current appropriation today on the appropriation that is subject to the limitation is \$9,153,832. The borough would be permitted to spend \$10,328,495 or \$1,174,663 beyond what is in the current budget.

## Borough of Hillsdale History of Tax Rate Apportionment

	Proposed 2013	2012 Restated*	Increase
MUNICIPAL**	\$ 0.529	\$ 0.519	\$ 0.010
COUNTY***	0.252	0.247	0.005
SCHOOL***	<u>1.798</u>	<u>1.762</u>	<u>0.036</u>
TOTAL	\$ 2.579	\$ 2.528	\$ 0.051

\*Reflects tax rate giving effect to revaluation effective in 2013.

\*\* Includes Library Tax

\*\*\*County and School estimated at a 2% increase in levy.

Mr. Lerch continued with the history of the tax rate. We look at the county at the rate of 2%; school, regional 3.8%. At the end of the day, schools may be higher than what he has presented; for every dollar that we pay in taxes where did that dollar go?

**Borough of Hillsdale**  
**Where your Tax Dollar Goes**  
**2013**



For every dollar that we spend .20 is for municipal government, .10 for county government, .70 for local and regional school.

**Borough of Hillsdale**  
**Change in Assessed Value**

Effect on Municipal Portion of Tax Bill – Average Residential Home*		
Proposed	Actual	2013
<u>2013</u>	<u>2012</u>	<u>Increase</u>
\$ 2,483	\$ 2,426	\$ 57

\* 2013 Average Residential Home Value - \$469,400

Final page indicates the average residential home assessed at \$469,400 has an increase of \$57.00.

**ORDINANCES #13-07 (Adoption):**

**CALENDAR YEAR 2013 ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A: 4-45.14)**

**PUBLIC HEARING:**

I will now open the meeting to the public. If anyone desires to be heard regarding Ordinance No. 13-07 please raise your hand to be recognized, come forward to the microphone and state your name and address for the record.

Motion for public hearing on Ordinance No. 13-07 was made by Councilmember Frank, seconded by Councilmember Meyerson, and unanimously carried.

**Alfred J. Murphy, Jr., 5 Cherry Place –**

Mr. Murphy asked the dollar value of this ordinance.

Auditor Lerch responded \$140,866.

Mr. Murphy (cont'd).

The Borough is allowed to pay \$140,866 more than the CAP.

**Don McLachlan, Westwood/Hillsdale Flood Group –**

He noticed in the presentation that we are not being taxed in the amount that we could.

Mayor Arnowitz said the government allows you to bank capital and over the years we haven't met the actual CAP. Many people believe the CAP is 2%, the CAP is 2% but there are items outside the CAP that allows you

to spend more than 2%. We opted over the past years and this year not to and we are doing is banking that for potential emergencies down the road.

Mayor Arnowitz entertained a motion that the public hearing on Ordinance No. 13-07 be closed.

Motion to close the public hearing was made by Councilmember Frank, seconded by Councilmember Kelley, and unanimously carried.

Be it be resolved that this ordinance was posted on the bulletin board on which public notices are customarily posted and published in the Ridgewood News. Copies of said ordinance were made available to the general public. Now, therefore, be it resolved that this ordinance be adopted and the Clerk is authorized to advertise the same according to law.

Motion to adopt Ordinance No. 13-07 was made by Councilmember Kelley, seconded by Councilmember Meyerson.

Roll Call Vote:

Ayes: Councilmembers Kelley, Looes, Meyerson, Pizzella, DeGise and Frank

Nays: None

**BUDGET RESOLUTION:**

R 13096 Waiver of reading in full of the 2013 Budget

Motion to approve was made by Councilmember Meyerson, seconded by Councilmember Kelley.

Roll Call Vote:

Ayes: Council Members Looes, Meyerson, Pizzella DeGise Frank, Kelley

Nays: None

**2013 MUNICIPAL BUDGET HEARING** @8:00 p.m. as advertised

**~2013 MUNICIPAL BUDGET~**

I will now open the meeting to the public. If anyone desires to be heard regarding the 2013 Municipal Budget, please raise your hand to be recognized, come forward to the microphone and state your name and address for the record.

Alfred J. Murphy, Jr., 5 Cherry Place –

Mr. Murphy asked how much is anticipated to raise borrowing in the budget?

Auditor Lerch said \$81,000 plus \$190,000 for a total of \$270,000; \$200,000 for the road program and two cars.

Mr. Murphy (cont'd).

You are pushing the debt ahead of you.

Auditor Lerch said the only thing that is obligated in 2014 will be the interest assuming it is borrowed.

Mr. Murphy (cont'd).

At some point of time, pay up assuming it is borrowed. How many additional people will be funded?

Councilmember Meyerson said none.

Administrator DeJoseph said there are no reductions in employees and no additional employees anticipated.

Mr. Murphy (cont'd).

He said the tax levy CAP is \$8,228,000 raised in taxes, this can go up \$378,000 because you passed an ordinance.

Auditor Lerch said the ordinance that was passed is on the spending side, it allows the governing body to bank an additional amount to spend in future years, the tax levy CAP cannot be increased. There is a yearly

calculation which is a CAP levy calculation which indicates the accumulated balanced so the current is \$558,000 estimated.

Councilmember Meyerson said although there is a 2% CAP it is limited to certain items that we fund or appropriate that are not part of the CAP.

Auditor Lerch said there is an exception to every rule; we are dealing with insurance over a certain value, debt service, capital. It is assumed that we are dealing with a 2% CAP, it can be between 3-5%.

Councilmember Meyerson said if we chose to stay under CAP, 2% would not have been our limit this year, we could have gone up to 5%.

Auditor Lerch said we could have raised it up \$558,000 and at the end of three years, the first year is eliminated.

Councilmember Frank said at the end of the three years you lose the first year that is in the CAP bank.

Mr. Murphy (Cont'd).

How much have employee contributions gone up?

Councilmember Frank said health care alone up to \$40,000 or \$50,000.

Councilmember Kelley said with their contributions and minimal raises, they most are actually losing money this year.

Mr. Murphy (Cont'd).

He asked if any action is being taken with the county to object with the sewer charges an increase of 8%.

Mayor Arnowitz spoke to the County Superintendent to no avail, she agreed and also spoke to the Governor's aide about the overall insanity of going over the 2% CAP and inventory spending and expecting us to pay it within a CAP.

Administrator DeJoseph said he and the DPW Superintendent we were looking at the sewer authority meters and we have three in town, to verify the flow is accurate and if accurate, hire someone to check if there are any broken or damaged pipes that could be replaced. It is a large of our budget, almost 10%.

Mr. Murphy (Cont'd).

Have we reached out to the water company to see how much increase.

Administrator DeJoseph said water going out is more than incoming water.

Mayor Arnowitz said one of the problems is there are illegal sump pumps hooked up to the sewer system and he believes that exists.

Mr. Murphy (Cont'd).

Someone who is on a fixed income and there are a sizeable number of people do not like the increase.

Rob Stigliano, 6 Conklin Avenue-

The \$270,000 that we are borrowing what are the terms? What is the money being used for?

Mayor Arnowitz said if the Council chooses to buy the items, then we have to guarantee the money is there then we go to the banks. The interest rates would most likely the BANS be below 1%, not credit card debt because of the outlandish interest, but it is a short term loan. \$200,000 is the road program, a Fire Chief's car and a police car; the police car is a four wheel drive it is bondable, otherwise it would have to be in the operating budget.

Mr. Stigliano (Cont'd).

Is the fire Chief's car needed?

Mayor Arnowitz said we are replacing a 1999 Ford Explorer, it has reached its end. He has had a concern with a police car over the past two years; in the past inside the operating budget was two one year, one the next year. The last car we got was to replace the car that was burned up and one more after that, so after a three year period when we would have normally would have purchased five cars, we bought three. We had a discussion two weeks ago when we had a budget hearing, it had nothing to do with the spending, it was how we achieve the spending. As far as the road program and the cars, that is an absolute necessity. We can't look at the mileage of the car, we have to look at the hours and there is no way of knowing that.

John Ruocco, 25 Riverdale Street –

If the item is in the Capital Budget and if those items were moved to the operating budget what would be the impact on the increase to taxpayers?

Councilmember Meyerson if we put \$270,000 in the operating expenses that raises taxes a little over 5%.

Auditor Lerch said an additional \$70 that you want to avoid.

Mayor Arnowitz said the prudent thing is to pay it off as soon as possible and each year we could pay the entire amount. The way a BAN works, it doesn't lock in future years, it is only for one year. What happened in the past each year we took out a BAN, we rolled over and increased it, paid the interest. Two years ago we chose to bond everything, we rolled all the debt together, so in 2013 we are reducing debt even when we borrow the \$270,000 because we are paying off \$530,000 on the principal on the bond. In essence, we are still reducing debt but we have to pay off the 1% interest. If we borrow this, it will be less in 2014 than in 2013, the overall debt. The bond payment this year is more than the BAN that we are looking to take out. We are going to take down debt by \$385,000, potentially borrow \$270,000. By bonding two years ago, we started paying off the borough debt and we are in better shape than we were then.

Mr. Ruocco (Cont'd).

It is better to forego the borrowing process and have an additional tax increase.

Mayor Arnowitz said to BAN or bond the project has to last a certain amount of years so you can spread the payment over the life of the project. The Fire Chief's car will last seven to 12 years, the police car will last 4 to 6 years.

Mr. Ruocco (Cont'd).

Do we still have any outstanding BANS?

Mayor Arnowitz believed we still had a small one that we were unable to bond. The Administrator informed him that we have no BAN.

Mr. Ruocco (Cont'd).

If we issue a new BAN \$270,000 when you do have repay it? A year later in what form?

Mayor Arnowitz said there are fixed expenses to bond. We would need a million dollars to make it worthwhile.

Mr. Ruocco (Cont'd).

When it is time to refinance and restructure it into a bond, he predicts rates will be higher, why take the chance.

Councilmember Meyerson said the flip side is a significant increase in taxes. You are talking about raising taxes 5.5% for an additional \$57 per household, factor in the school and county, 1/3 homes will be increased due to the revaluation. You just heard Mr. Murphy objecting to the \$57 per household. There are plenty of people out there that are in fixed incomes and that becomes a lot of money but you are only getting part of the story. The other part is the increase of taxes from the schools which is not insignificant, it is more than this per household; we are also getting an increase in taxes from the county which is also significant and you add those up and you now have a significant increase in taxes. On top of that, this year in particular, we have a re-evaluation year and a third of these homes, even if we had a zero increase, across the board are going to have an increase because that is the way re-evaluation works. 1/3 of the town gets an increase, 1/3 remains the same and 1/3 is lower. A third of our population is going to get a triple hit as a result so I think we have a responsibility to keep taxes as low as possible particularly in a year when interest rates are so incredibly low.

Mr. Ruocco (Cont'd).

He heard from Mr. Murphy. that he opposed borrowing, opposed paying more in taxes, and you rather not borrow and find a way to cut in the budget.

Mayor Arnowitz discussed interest rates if up when we bond, the borough receives more money in interest on money that we have holding.

Don MacLaughlin, MacLaughlin Law Offices –

Are there flood related costs budgeted for the coming year?

Mayor Arnowitz said nothing for specific floods, there is money in the operating budget for fire, police, OEM and etc. The normal money we have spent in the past is there for the future.

Mr. MacLaughlin (cont'd).

Is there an estimate made of the expenses Hillsdale had to undergo due to the last flood.

Mayor Arnowitz said he can say what the emergency appropriations were but does not know the overall costs. Everything was inside the budget; if an emergency should come about when flooding and expenses are incurred not in the budget, we fund it and if we have money to transfer at the end of the year we have an emergency appropriation that would be paid off in 2014.

Mr. MacLaughlin (cont'd).

No one has stated how much flooding cost us and had to be added to the budget.

Mayor Arnowitz said flooding is not a huge expense for the borough, it is for the residents. We have insurance to cover our losses for our personal property but other than that, there are not a lot of expenses.

Mr. MacLaughlin (cont'd).

Is there an amount budgeted for the Council to address the \$25 million United Water Project.

Mayor Arnowitz said there are legal funds in the budget, not specific for that, but he has been assured there are ample funds by the Finance Chairman in the budget to cover all legal matters that could come about in the course of the year.

Mr. MacLaughlin (cont'd).

With respect to the Planning Board, is there separate funding so they can identify funding, up or down from last year.

Mayor Arnowitz said Planning Board funding is similar to last year, there is no additional funding. The only special project they requested is to defend the appeal of Orchard Street.

Councilmember Pizzella asked if the Planning Board amount was down, as the engineering amount was up. In the past they had been separated and now we are taking all the legal fees that the town would anticipate and put an estimated number to it and that is in one budget and we took all the engineering fees and that would incorporate the Planning Board and United Water issues that would go before the Planning Board.

Mayor Arnowitz said there is nothing before the Planning Board on United Water.

Councilmember Pizzella said he is addressing his question about legal fees and engineering fees specific to issues and projects that may come up in the future.

Mr. MacLaughlin (cont'd).

In terms of funding for the Planning Board it is set in this budget and once it is set is up to the Planning Board to spend as they sit fit.

Mayor Arnowitz said any expenses the Planning Board incurs has to be approved by this Council and the CFO has to sign off.

Mr. MacLaughlin (cont'd).

Isn't it appropriate that there be a funding of the Planning Board by the Council that is funded and once it is funded, those funds are no longer under the control of the Council but are spent at the discretion of the Planning Board.

Borough Attorney Bernstein said no, actually the budget is only to spent to the extent that involves the Planning Board in terms of an application or appeal from an application. The money is not allocated necessary to allow the Planning Board to conduct its own series of investigations or lawsuits.

Councilmember Pizzella said we would have to bond more in the future in order to float bonds necessary for items we are now issuing BANS. We have to hit a certain amount before we can float bonds.

Auditor Lerch said that is what the Mayor alluded to before. There are fixed costs involved when you go to bonding. Generally you want 1 to 1.5 million to bond. We are jumping ahead of ourselves because the proposal is the plan is enacted through an ordinance which has to be approved by the governing body. The only thing that it is doing is allowing the governing body to purchase those items and authorize the debt. It is not saying they will BAN or bond it, it is just giving them the ability to pay for the items and then fund it in some fashion. One of the options is budget it down the road and we can pay off the authorization through the budget with an appropriation. There are a lot of ways, it just doesn't mean that this is an authorization for debt and go out and bond the debt.

Councilmember Pizzella said if that option were taken or necessary we would have a certain amount that we would have to get to before we could bond.

Auditor Lerch said he thought we can because of the fixed cost factor. As of January 1, 2012, the borough still has \$283,000 of authorized but not issued debt. We are starting the year with \$283,000.

Councilmember Pizzella said when you talk about we can pay for things through the operating budget later, we can't bond anyone in the future to do it that way. If the option you are going to take is the bond option, we would have to wait until we had enough debt to bond.

Auditor Lerch said that would make prudent sense. You are looking at the historical low rate, you look at a five to seven year capital wish list and if you have some large capital items looming in the next four to five years, it may be beneficial and prudent to accelerate some of those expenses because you will capture the historical vote.

Councilmember Pizzella said if we are not bonding enough now and we have this five year wish list and at the point where interest rates potentially could go up because we are at the bottom, why not borrow more now to get the benefit of the lower than 1% interest rate. Do some things in town that need to be done.

Auditor Lerch said that is not what I was alluding to but using different words but in government is not always borrowing money because the interest rates are low and not borrowing when interest rates are high. Government borrows money because they go through cycles. As you make capital improvements, the debt amount accumulates and you look at the debt service and when that existing debt service is going to fall off, typically you will do because it fits well in your budget document, not because interest rates are low. If you go back 15 years ago you were borrowing money in excess of 10%-12%, because they had to and when you look at your financial payment plan, you have a natural drop off of an old series that drops off ½ million or a million dollars. You naturally want to replace that with an existing serial bond issue. You are doing it because it is a factor of the budget and it is a necessity, you are not trying to capture the low and high markets. You have a valid point and may want to look over the next year and see what are the major capital components that need to be done in the next three to four years and if you have a large capital item, it makes sense to accelerate at the historical low rate which you then pay off within a 15 year period.

Alfred J. Murphy, Jr., 5 Cherry Place –

As far as taxes to the schools it is 2% and people don't vote on it anymore and the high school budget is up 2% but Hillsdale's portion is up because of an archaic formula that costs four towns differently every year and we are paying more this year. The operating budget at the high school is up 2.5%, taxes went up 2%. On the revenue side, how much have the fees for the parking lot and for use of the fields increased this year.

Councilmember Meyerson said they remained the same, they were supposed to go up.

Councilmember Looes confirmed that the parking fees remained the same.

Mr. Murphy (cont'd).

He believed the resolution or ordinance called for them to be increased.

Mayor Arnowitz said they were going to be increased but did not and we cannot charge people retroactively. Next year it will go up 5%.

Mr. Murphy (Copntd).

Why don't you act now and raise for the rest of the year?

Mayor Arnowitz said everyone received their stickers. We can do that for anyone who buys a sticker now. He did not believe there would be that much additional revenue because the bulk of the stickers have been issued.

Councilmember Meyerson said he was unaware. The ordinance was passed before he was on Council and unaware of the automatic increase.

Mr. Murphy (cont'd).

It behooves you to be looking at every penny of revenue because a million here and a million there adds up to a lot of money. He talked about reducing hours at borough hall to four days a week part of the year to save salary, reduce heating and the cost of electricity. That shows the public you are really trying to do things.

John Ruocco, 25 Riverdale Street –

He referred to parks and playgrounds salary increase. He asked for clarification.

Administrator DeJoseph said we reclassified between roads, and parks and playgrounds. There is a decrease in one area and an increase in another area.

Mr. Ruocco (cont'd).

You got that from another line, what line was it taken from?

Administrator DeJoseph said Sheet 15A, parks and playgrounds decrease at the top of the sheet.

Mr. Ruocco (cont'd).

The other expenses item is sanitation decrease 618 to 392.

Mayor Arnowitz said we have a new garbage contract, we changed the vendor.

Motion to close the Public Hearing on the 2013 Municipal Budget

Motion to close the public hearing was made by Councilmember Pizzella, Second by Councilmember Looes.

Ayes: Council Members Looes, Meyerson, Pizzella DeGise Frank, Kelley

Nays: None

Councilmember Pizzella met with Auditor Lerch this week to discuss the concept of the budget and had detailed questions about the budget.

Councilmember Pizzella said his concern was items in the capital have a five year life, a traditional capital budget items of a million or more to bond which included things in the Capital Budget. It is usually not such a small amount such as cars and in the Capital Budget. He tried to see how it could be included in the operating budget. The Auditor came up with an idea to try to help him understand.

Auditor Lerch said when we talked about the capital plan, the options are once you authorize the debt it is brought permanently into bonds which locks you into a rate which you pay over a series of years. You can issue Bond Anticipation Notes which are annual and renewed up to 10 years. The third option is to pay through the budget. That is an item we discussed; the vehicles you were concerned about you do not necessarily have to issue serial bonds for them, you can take BAN and pay for them over a five year period, \$16,000 to \$17,000 a year.

Councilmember Pizzella said we determined we couldn't do that because you can't bind future councils.

Borough Attorney Bernstein said you have to take the action to BAN them. BAN by definition is a one year bind so that is all you are binding. That is why governing bodies go for BANS rather than for fixed assets through bonding.

Councilmember Pizzella asked if there is any way we can bind a future council to make the payments necessary to pay for these vehicles in the operating budget while still including in next year and years to come and included in the Capital Budget.

Borough Attorney Bernstein said we are ahead of ourselves. All the capital budget is a plan, it is a document created in accordance with law that allows the municipality a capital wish list. The governing body goes to the next step which goes beyond the creation of a capital budget. Talking about financing, he will have a conversation with Auditor Lerch and do our research relative to that. If the Council two months from decides that the Chief will make do with the car they have, Police will put new tires on the existing car and the roads will be a little bumpier this year. When the governing body decides to get to that point, he will talk to the Auditor to see if there is an opportunity to bind future councils.

Councilmember Pizzella said his concern is pay back. Where is the plan to pay back this sort of debt. He thought that was a great way to pay back things that are not necessarily such large capital items.

### **2013 BUDGET RESOLUTIONS:**

R 13089 Authorize Increase in Deferred School Taxes for Regional District School Taxes

Motion to approve was made by Councilmember Frank, Seconded by Councilmember Looes.

Councilmember Meyerson did not know what this is.

Councilmember Kelley asked where this came from and what does it mean for us?

Auditor Lerch said this was created by his office. He researched the amount of deferred school taxes that was authorized and utilized. He asked the Administrator and Clerk to provide the resolutions on the deferral. He

could not determine how much had been legally authorized through the years by resolution; the only resolution we were able to obtain was 2009 for \$560,000. He is complying with state requirements and this simply means that school taxes for the regional high school are levied and raised six months in advance. The local is being raised out of the paid, not out of the deferred. The regional high school is being raised six months in advance, so at the end of December 2012, the governing body levied and raised through taxation the taxes for the school for 2012 and 2013 school year so there was six months of those, roughly 10 million dollars that was collected prior to 2012. The state allows you to utilize the money but in order to do so, you have to do this deferred school tax resolution, but it is really utilization. When he did the review process he realized there was some deficiency in that particular document. He was in contact with Division of Local Government Services and those documents get you up to speed and compliant. This document stated that in 2012, the governing body says you are not increasing or utilizing school taxes on your own behalf. We are saying that through the previous years the school tax money collected in advance roughly 5 million, \$4,076,000 has been utilized through the operating budget.

Councilmember Kelley said this is hard to follow. The past Councils have used \$550,000 in deferred debt but they actually used 4.7 million.

Auditor Lerch said the resolution was worded so strangely that he couldn't understand what it meant, whether it was for 500 or set the new limit for 500,000 and going through the audit report and financial statement that cumulatively up to 2011 the amount that had been utilized for 4.7million.

Councilmember Meyerson asked is that a debt owed to the school?

Auditor Lerch said it is a liability except that we do collect it in advance, six months in advance, so if the Borough of Hillsdale never utilized this money you have roughly 5 million dollars in cash. At the end of December 2012, you have a liability for payment to the school 5 million dollars. When you go to your financial statement you look at how much is actually sitting there and the liability due to the schools, that number is only \$470,392. It should be about 5 million so when you take the combination of the 4.70 and 5.7 million, you will get the amount of the six (6) months that you actually raised in calendar 2012 that we are paying to the regional high school second half of 2013.

Councilmember Kelley said what you are saying is past Councils over the past 5 or 6 years have used this money as a revenue?

Auditor Lerch said it could be much more before that but certainly over 4 or 5 years, 2 to 3 million.

Councilmember Kelley asked if there is a break down how they used that money?

Auditor Lerch said yes.

Councilmember Pizzella asked if that is something you are not supposed to do.

Auditor Lerch said it is permissible use of surplus. This is a non-reoccurring revenue that is utilized for non-reoccurring expense. When you come next year when that revenue disappears; you have to keep a structural balance of the budget. You don't want to use a non-operating revenue to balance your operating budget. He didn't analyze to see if those revenues were utilized were for non-recurring expenses but fours ago, somewhere about 3 million dollars.

Mayor Arnowitz wanted to alleviate any fear anyone has. The schools were paid the money we collected, it goes into the bank account and grows interest. If an expense came up that we needed money right then and there, that money is able to be drawn upon. The bottom line is when the schools send us their bill it is due and you have to pay it. We have had situations with school taxes when the state did not approve their budgets because they hadn't voted on the rate of aid to the communities. We have to take out a short term note because schools have obligations and they have to pay. We have an obligation to pay the schools on a specific date whether we have the money or not. The schools were paid the money, there was nothing done illegally.

Councilmember Meyerson said as he understands, this resolution is a recognition that this has been going on in the past but he does not know of any proposal in this budget to use that money that has been collected so far.

Auditor Lerch said if you look at the resolution, the years 2011 and 2012 stay the same. There is no utilization in 2012. You are not increasing.

Councilmember Meyerson asked if this accounting approach in the past have an effect on our surplus?

Auditor Lerch said the mechanics are when you cancel this school tax liability and deferring it what you are doing is taking those monies and putting them into operating surplus. You artificially increase your operating surplus by the amount you cancel the liability.

Mayor Arnowitz asked if anything was done illegally in the past or anything in the future if we take advantage of this.

Auditor Lerch said he knows it is permissible, the only thing that we are attempting to do is get the resolution to mirror the financial statement. We know there is only one resolution in 2009 and did not know if there were any prior resolutions. In 2011 there was \$389,000 utilized, in 2010 1,056,000 was utilized, in 2009 1,244,000 was utilized, in 2008 473,000 was utilized.

Councilmember Frank said we taxed too much and ended up with a balance, we collected too much of the regional school tax. It was determined we didn't know all this, we were over collecting taxes. At that time back to 2009 they decided they were going to use this gradually over time to soften the blow of increased taxes in the future. Any kind of surplus is a tax that is paid in advance.

Auditor Lerch said the deferred school tax, the regional school tax is on a deferred date so you are levying it 6 months in advance. We are always paying the bill but the reality is the 6 month period from January to June of 2013, that 5 million dollars you already levied the taxpayers in 2012 so instead of having the cash on hand and paying it in 2013 because you collected it already, you are using their 2014-2015 levy to pay the last half of 2013-2014. You are utilizing that six months in advance.

Mayor Arnowitz said there was also a situation with the local schools that they gave us the wrong rate when we published the tax bills and we collected too much money. They found the mistake.

Auditor Lerch said when you look at the A4F the local school had the fiscal money split half the year and half the year and that is what we are collecting. The brand new A4F sent to him that is levy six months in advance.

Mayor Arnowitz said there is an illusion being presented that prior Councils did something wrong; we knew that there was an over collection on behalf of the schools by us and we banked that money and filtered it back in savings to the community.

Auditor Lerch said there is no over collection, it is called a deferred school tax method. A4F which is certified by Clerk and the Administrator and the regional high school is on a deferred method.

Mayor Arnowitz said this is totally different, he knows what he is talking about. Over and above the school tax, there was an error made by the schools when they gave us the number to publish on the tax bill. In essence, we collected 2 million dollars, something like that.

Councilmember Frank said we need to do some research on this.

Councilmember Meyerson said he is hearing that the way taxes are collected is six months in advance for the schools and the Council has been banking that money and using school tax budget collected for their budget and artificially inflating their surplus. Is that a fair statement?

Auditor Lerch said it is permissible, he is not interjecting that anything is illegal or done improperly. It is done all the time. This resolution is only mirroring the fact that the amount raised in advance 4.7 million dollars is no longer available to pay the school tax levy.

Mayor Arnowitz said the 2009 resolution reflected the overpayment and we utilized over the next four years. He asked that the Auditor research this and reach out to Garbarini, our previous auditor, and find out the exact numbers and report back to the council.

Auditor Lerch said technically this resolution had to be done prior to the introduction of the budget and he actually sent it to the state and had to change the previous financial statement. It needed to be done before the final adoption.

Roll Call Vote:

Ayes: Council Members Meyerson, Pizzella DeGise Frank, Kelley, Looes

Nays: None

Does the Clerk confirm that the Budget as introduced on March 12, 2013 and was published in The Ridgewood News on March 22, 2013. Borough Clerk Witkowski responded, yes.

R 13090 Resolution of Introduction to Amend 2013 Municipal Budget  
(advertised per N.J.S.A. 40A:4-9)

WHEREAS, the local municipal budget for the year 2013 was approved on the 12<sup>th</sup> day of March, 2013, and

WHEREAS, the public hearing on said budget has been held as advertised, and

WHEREAS, it is desired to amend said approved budget,

NOW, THEREFORE BE IT RESOLVED, by the Governing Body of the Borough of Hillsdale, County of Bergen, that the following amendments to the approved budget of 2013 be made:

CURRENT FUND

	From	To
<b>General Revenues</b>		
3. Miscellaneous Revenues- Section F: Special items of General Revenue		
Anticipated with prior written consent of Director of Local Government		
Services- Public and Private Revenues Offset with Appropriations:		
Municipal Alliance		\$9,876
Click It or Ticket	\$4,000	
Total Section F: Special Items of General Revenue Anticipated with		
Prior Written consent of Director of Local Government Services-		
Public and Private Revenues	36,117	41,993
Total Miscellaneous Revenues	2,420,156	2,426,032
5. Subtotal General Revenues	3,720,156	3,726,032
7. Total Revenues	12,563,793	12,569,669
<b>8. General Appropriations</b>		
(A) Operations Within "CAPS"		
PUBLIC SAFETY FUNCTIONS		
Police		
Other Expenses	70,500	72,064
Fire		
Salaries and Wages	27,404	25,000
Other Expenses	64,550	64,850
Total Operations (Item 8(A)) Within "CAPS"	8,166,364	8,166,364
Total Operations including Contingent- Within "CAPS"	8,191,364	8,191,364
Detail:		
Salaries and Wages	4,377,292	4,374,888
Other Expenses	3,814,072	3,816,476
(H-1) Total General Appropriations for Municipal	9,153,832	9,153,832

(A) Operations- Excluded from "CAPS"

OTHER COMMON OPERATING FUNCTIONS

Reserve for Tax Appeals	186000	108150
Total Other Operations Excluded from "CAPS"	1929487	1851637
Public and Private Programs Offset by Revenues		
Municipal Alliance		9,876
Click it or Ticket	4,000	
Total Public and Private Programs Offset by Revenues	38,992	44,868
Total Operations Exclude from "CAPS"	1,970,664	1,898,690
Detail:		
Salaries and Wages	75,000	75,000
Other Expenses	1,895,664	1,823,690
(C) Capital Improvements- Excluded from "CAPS"		
General Administration- Computer Equip. & Building Improvements		25,000
Police- Server, Radios, Tasers & Train Camera		35,350
Fire- Turnout Gear, SCBA Cylinder & Computer Equipment		17,500
Total Capital Improvements Excluded from "CAPS"	50,000	127,850
(H-2) Total General Appropriations for Municipal Purposes		
Excluded from "CAPS"	2,749,96	2,755,837
(O) Total General Appropriations Excluded from "CAPS"	2,749,961	2,755,837
(L) Subtotal General Appropriations	11903793	11909669
9. Total General Appropriations	<u>\$12,563,793</u>	<u>\$12,569,669</u>

BE IT FURTHER RESOLVED, that two certified copies of this resolution be filed forthwith in the Office of the Director of the Division of Local Government Services for certification of the 2013 local municipal budget so amended.

BE IT FURTHER RESOLVED, that this complete amendment, in accordance with NJSA 40A:4-9 be published in The Record in the issue of April 16, 2013, and that said publication contain a notice of a public hearing on said amendment to be held at Borough Hall on May 7, 2013 at 8:00 P.M.

It is hereby certified that this is a true copy of a resolution amending the budget, approved by the Borough Council on the 9th day of April, 2013.

Motion by Councilmember Meyerson, Seconded by Councilmember Kelley.

Roll Call Vote:

Ayes: Council Members DeGise, Kelley, Looes, Meyerson

Nays: Council Members Pizzella, Frank

**CORRESPONDENCE:**

**DISCUSSION:**

**PROFESSIONALS:**

**PUBLIC COMMENT:**

**ORDINANCES:** *Adoption and Introduction*

**RESOLUTIONS: R13091 through R13093 (Consent Agenda):**

R 13091 Award of payment of 2012 LOSAP Benefits Volunteer Ambulance Service

WHEREAS, the Mayor and Council of the Borough of Hillsdale has heretofore established and created a Length of Service Awards program (LOSAP) for the benefit of eligible volunteer Ambulance Service members; and

WHEREAS, in accordance with the LOSAP program, a list of eligible members and corresponding award has been presented to the Borough Administrator, a copy of the same being annexed hereto; and

WHEREAS, the list of eligible members and proposed award has been reviewed and approved by the Borough Administrator, the list has been posted in accordance with law, and funds have been certified by the Chief Financial Officer; and

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Hillsdale, does hereby approve the list of twelve (12) eligible members, One Thousand Three Hundred Sixty Eight dollars and no cents (\$1,368.00) per eligible (7) member, and Six Hundred Eighty Four and no cents (\$684.00) per eligible (5) member, proposed total award of Twelve Thousand Nine Hundred Ninety Sixty Dollars and no cents (\$12,996.00) for 2012 LOSAP benefits, for eligible Ambulance Service members as annexed hereto and made a part hereof and authorizes payment in accordance therewith.

\*\*\*\*\*

R 13092 Payment of Bills

BE IT RESOLVED, by the Borough Council of the Borough of Hillsdale that the following bills in the sum of \$1,920,440.60 as authorized by the Department Head and approved by a Council member liaison, be paid; and that the Mayor, Clerk and Chief Financial Officer be and they are hereby authorized and directed to issue warrants in payment of same.

\*\*\*\*\*

R 13093 Authorize Redemption and Premium, Block 1119, Lot 10, 78 Taylor Street

WHEREAS, The Tax Collector held a Tax Sale on July 18, 2012 and at the sale a lien was sold on Block 1119 Lot 10, also known as 78 Taylor St., Hillsdale, NJ 07642 for 2011 Delinquent taxes and,

WHEREAS, this lien, known as Tax Sale Certificate #12-00005 was sold to Rosehill Fund 1 LLC, PO Box 503, Rye, New York 10580 for 0% redemption fee and a \$20,000.00 premium and,

WHEREAS, Lereta Corporation, 1123 Park View Drive, Covina, CA. 91724 has effected redemption of Certificate #12-00005 in the amount of \$39,584.87.

NOW, THEREFORE, BE IT RESOLVED, that the Tax Collector is authorized to issue a check in the amount of \$39,584.87 payable to Rosehill Fund 1 LLC for the redemption of this certificate.

Be it further resolved, that the Tax Collector is authorized to issue a check in the amount of \$20,000.00 (Premium) to the aforementioned lienholder.

Motion made by Councilmember Kelley, Second by Councilmember DeGise

Roll Call Vote:

Ayes: Council Members DeGise, Frank, Kelley, Looes, Meyerson, Pizzella

Nays: None

**PUBLIC COMMENT:**

Mayor Arnowitz opened the meeting to the public at this time.

Tom Weston, 97 Large Avenue –

He is an eleven (11) year resident and purchased the house that his Dad grew up in. This year there is a family of deer in the rear yard and counted eight deer on Broadway at night. He and his neighbors are concerned and there is also a health issue and wanted to bring this to the Council. He is not offering a solution but as a tax payer and the value of his property perhaps county wise. The deer are decimating his garden.

Mayor Arnowitz said we are not allowed to do anything with geese because they are a protected species and as far as deer are concerned, you cannot hunt in Hillsdale. The Board of Health can do it but they need authorization from the state or county; we cannot poison them, we can't trap them and cannot hunt within the borders of Hillsdale. He will speak to the Board of Health about his situation and didn't know if anything can be done.

Borough Attorney Bernstein said you might have a private conversation with the county to see what their plans are relative to deer. There are companies that do spray.

Councilmember DeGise said there are a lot of preventative things you can. We met with the DCA who controls our hunting permits at Demarest Farm. Deer are migrational and habitorial, you may have four or five mothers and one father, when you see four this year, you see six next year and that runs in a pattern of four to six year cycles if there is nothing to interrupt it. That is why you are seeing the increase this year as we haven't had harsh winters.

Mr. Weston (cont'd).

He is concerned about a health issue.

Mayor Arnowitz said if a health issue is declared, something may possibly be done, but without it there is nothing we can do.

Don MacLaughin, MacLaughlin Law Offices, On Behalf of Hillsdale/Westwood Flood Solution Group –

The group is looking at the number of flood affected parcels that are currently being taxed in Hillsdale and we are doing quite a bit of work in order to identify and define the number of parcels that are most susceptible to flooding. Surprisingly, in terms of private residential parcels, there are about 180 parcels that are most susceptible to flooding. The Borough of Hillsdale also owns 40 parcels that are in this area as well and wondered if the value of that land plays any role in Hillsdale evaluation.

Mayor Arnowitz said reason Hillsdale owns them is because they flood and we have acquired them over the years and stopped people from building on them.

Mr. MacLaughin (cont'd).

Unfortunately no tax revenue derived from these parcels. As that number continues to grow the tax base continues to go down. He brought to the Council's attention that we will refine this information; based on what we have so far, 180 residents pay about 2.1 million in taxes on those most flood susceptible parcels.

Mayor Arnowitz said the money we talked about tonight is just 18% to 20% of the whole amount.

Mr. MacLaughin (cont'd).

Out of the whole amount that is generated it is about 2.1 million. There are close to double the number of residents. We are studying the most flood susceptible area with FEMA data and contrasting with the tax map.

Mayor Arnowitz said when he spoke to the Assessor about how we assess taxes, he did say that homes in the flood area, according to the flood maps, taxes are based on that. Every time the power goes out and we have a storm, he gets flooded but does not get any adjustment because he is not in a flood zone.

Mr. MacLaughin (cont'd).

We will also be looking at that; he spoke to the Tax Assessor who explained how the revaluation approached this situation. The other issue he wanted to bring up is over a year ago the Borough Engineer wrote a letter to United Water saying they needed to file an application with the Planning Board and United Water has refused to file the application. The position taken by his group before the BPU was that they should do that, they need to file the application.

Mayor Arnowitz said the BPU has washed their hands of it. Attorney Bernstein is capable of handling the issue now.

Mr. MacLaughin (cont'd).

Is Hillsdale going to enforce this law? Is Hillsdale going to require that United Water file the application?

Councilmember Meyerson said we are currently in litigation.

Attorney Bernstein said he wants to wait to see Judge Carver says before he gives his client any further advice on that issue.

Mr. MacLaughin (cont'd).

It is also our view because we are party to Judge Carver statement, and that matter as well. In our view, that is a different issue; even the DEP conceded in front of the BPU that not everything is granted and the issue is the municipal land use law does apply and they were seeking exception to that law. Hillsdale has independent authority to enforce their law and ultimately if Judge Carver decides it, however he decides, will not ultimately determine the issue whether Hillsdale should enforce the law it has on the books.

Attorney Bernstein said before we confuse the record and the public who may be watching this, you keep talking about Hillsdale law on the books. Hillsdale law on the books are ordinances that are currently before Judge Carver relative to whether or not they are legal or illegal and the first part of that question is preemption. To interpret preemption does not exist and the issue whether or not the ordinances are unreasonable. Before you advise my client on how to interpret their ordinances or not interpret their ordinances, let Judge Carver give us the guidance on the issue.

Mr. MacLaughin (cont'd).

He didn't have difficulty with Judge Carver giving guidance on the issue, however, the issue before Judge Carver was brought by United Water . Even United Water and DEP conceded their aspects, not preempted. Now that it has been over a year he would strongly urge that the Council consider attempting to enforce the requirements that the application be filed.

Mayor Arnowitz said the Council will follow the recommendations of the Borough Attorney.

Attorney Bernstein said the line item for the legal budget, contrary to the desires of the Borough Attorney, is not endless or boundless. He is required to make do within the parameters of the budget. He wanted the record to clearly reflect that there is not an endless stream of money to deal with United Water.

Mayor Arnowitz closed the public portion of the meeting.

**OFF CONSENT RESOLUTIONS: R 13094**

R 13094      Emergency Temporary Budget

WHEREAS, N.J.S. 40A:4-20 provides for the creation of an emergency temporary appropriation for said Purpose; and

WHEREAS, the total emergency temporary appropriation resolutions adopted in the year 2013 pursuant to the provisions of Chapter 96, P.L. 1951 (N.J.S.A. 40A:4-20) including this resolution total \$1,359,778.00; and

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Borough of Hillsdale, (not less than two-thirds of all the members thereof affirmatively concurring) that in accordance with the provisions of N.J.S.A. 40A:4-20:

Emergency temporary appropriations be and the same are hereby made in the amount of \$ 1,359,778.00 as follows:

<b>2013</b>	<b>SALARIES</b>		<b>OTHER</b>	
<b>APPROPRIATIONS</b>	<b>AND WAGES</b>		<b>EXPENSES</b>	<b>TOTAL</b>
<b><u>CURRENT FUND</u></b>				
Administration of Finance	\$ 20,000.00		\$ -	\$ 20,000.00

Assessment of Taxes	\$ 1,000.00	\$ -	\$ 1,000.00
Legal Services	\$ 20,000.00	\$ -	\$ 20,000.00
Engineering Services	\$ 10,000.00	\$ -	\$ 10,000.00
Zoning Official	\$ 500.00	\$ -	\$ 500.00
Fire Prevention		\$ 200.00	\$ 200.00
Train Station		\$ 1,500.00	\$ 1,500.00
Recycling		\$ 300.00	\$ 300.00
Insurance			
Employee			\$ -
Workers Compensation		\$ 20,000.00	\$ 20,000.00
Unemployment Compensation			\$ -
Liability		\$ 200,000.00	\$ 200,000.00
Board of Health	\$ 500.00	\$ 15,000.00	\$ 15,500.00
Animal Fund			\$ -
Recreation Comm.		\$ 500.00	\$ 500.00
Senior Citizens		\$ 1,500.00	\$ 1,500.00
Bergen County Utilities Authority		\$ 236,810.00	\$ 236,810.00
Social Security		\$ 7,000.00	\$ 7,000.00
Vehicle Maintenance		\$ 10,000.00	\$ 10,000.00
Utilities – Water and fire hydrants		\$ 30,000.00	\$ 30,000.00
Municipal Court		\$ 2,500.00	\$ 2,500.00
PERS		\$ 208,130.00	\$ 208,130.00
PFRS		\$ 574,338.00	\$ 574,338.00
<b>TOTAL TEMPORARY APPROPRIATIONS</b>			<b>\$ 1,359,778.00</b>

Motion to approve was made by Councilmember Frank, seconded by Councilmember Looes.

Roll Call Vote:

Ayes: Council Members, Frank, Kelley, Looes, Meyerson, Pizzella DeGise

Nays: None

**MONTHLY DEPARTMENT REPORTS**

*(The following correspondence on file in Borough Clerks Office)*

R 1 Hillsdale Board of Health-March 2013~Councilmember Looes

Councilmember Looes said the Health Fair will be held April 20 at St. Johns Parish. There will be persons looking at medications to make certain there are no conflicts. The hours are 9AM to 12PM.

Motion to Record and accept was made by Councilmember Looes, seconded by Councilmember Meyerson, and unanimously carried.

Borough Clerk Witkowski said a meeting is needed for the adoption of the budget.

Councilmember Kelley said we can have a meeting April 23<sup>rd</sup> to adopt the budget.

Borough Attorney Bernstein said we need a motion to authorize the Borough Clerk to advertise the budget amendment which would then allow you to adopt the budget. You need to have a hearing on the amendment only. They can both be done the same night. Tonight you voted to introduce the amendment.

Mayor Arnowitz said anything we do has to be open to the public and the public will have the opportunity to speak on anything they want.

Motion by Councilmember DeGise to carry the budget to May 7, seconded by Councilmember Frank.

Attorney Bernstein said the motion is to authorize the Clerk to advertise the budget amendment for May 7, 2013, and permit the governing body to adopt the budget, seconded by Councilmember Meyerson.

Roll Call Vote:

Ayes: Councilmember Looes, DeGise, Frank, Kelley, Meyerson and Pizzella

Nays: None

### **COUNCIL COMMENTARIES:**

Councilmember Meyerson expressed his thanks to the budget committee.

Councilmember Looes informed the seniors that Pascack Valley High School on Tuesday, April 16, at 8:30 AM is having their 31<sup>st</sup> Annual Senior Citizen Day. For more information they may contact the Pascack Valley High School. Our senior luncheon will be held on April 17 at St. Johns.

Councilmember DeGise said the Pancake Breakfast will be held at the firehouse April 20, and the fishing contest the same day. Breakfast will be served at 6AM.

Councilmember Kelley wished all the kids good luck at the fishing contest, anyone from 1 to 16 may participate. He also asked that people support the Fire Department by coming to the carnival.

Councilmember Pizzella said the Recreation Committee met this past week with representatives from each associations and were very supportive. Each association will begin to provide a scope of services that they do provide to the town in these programs. The Environmental Commission is still waiting for a date from the boy scouts for town clean up. The Green Team needs a list of priority action items from Borough Administrator DeJoseph which has to be established before they can move on with any certification. He thanked everyone for their support with the Economic Development Committee and will be working on that very soon. He also met with Ms. D'Allesandro regarding the D'Allesandro Memorial for Joan. He located an Engineer, PS&S who will complete the site plan for her gratis.

Councilmember Frank said the Friends of the Library have provided funding for establishing a museum pass trial program. They will purchase passes which will allow card holders to go to libraries free, i.e. Gugenheim New York Museum (2), Intrepid Air Sea Museum (6), and the grounds for Sculpture by Trenton (2). The program which other town Libraries have done, allows residents to reserve the ticket one day, pick it up, use it the next day and bring it back the third day; take a group to the libraries for free. This is funded by tax deductible donations to the Friends of the Library. Details will be available in the next few weeks. He also thanked Councilmen Meyers and DeGise for their efforts on the budget and they showed responsibility and diligence in its preparation.

Mayor Arnowitz thanked the Administrator and Finance Committee. On April 27 from 10AM to 2PM old and expired drugs can be dropped off at the police desk for disposal in the proper manner.

Fred Winkler started the fishing contest; presently he is in rehab but he is doing well now. He thanked him and all involved in the fishing contest and there is a great deal of work putting this fishing contest together. Each kid gets a prize and it is a fantastic day and the kids enjoy this the most. He reached out to United Water on behalf of Westwood and Hillsdale and they agreed to raise the level in the stream on Friday afternoon and lower

it on Monday morning so the kids can have a good day. He thanked the volunteers who cleaned the stream from St. Johns to Westwood; there is a free Pancake Breakfast at the Hillsdale Firehouse at 6AM until 10AM. At 11:15AM you can get free hot dogs and hamburgers at the Westwood Elks; it is an all day affair for fishing and eating. On April 22, the D'Allesandro Vigil will be held in Veterans Park at 7 p.m., a tree has been planted. On April 28 the B Hive Salon on Broadway is having a nature day and should be interesting for the kids.

**ADJOURN TO CLOSED SESSION:**

R 13095 To provide for a meeting not open to the public in accordance with the provisions of the New Jersey Open Public Meetings Act N.J.S.A. 10:4-12

WHEREAS, the Borough Council of the Borough of Hillsdale is subject to certain requirements of the Open Public Meetings Act N.J.S.A. 10:4-6 et seq; and

WHEREAS, the Open Public Meetings Act, N.J.S.A. 10:4-12 provides that an Executive Session not open to the public may be held for certain specified purposes when authorized by Resolution; and

WHEREAS, it is necessary for the Borough of Council of the Borough of Hillsdale to discuss in a session not open to the public certain matters relating to the item or items authorized by N.J.S.A. 10:4-12(b) and designated below:

- (1) Matters required by law to be confidential.
- (2) Matters where the release of information would impair the right to receive funds.
- (3) Matters involving individual privacy
- (4) Matters relating to collective bargaining agreements. **PBA Local 207, UPSEU, Teamsters 945**
- (5) Matters relating to the purchase, lease or acquisition of real property or the investment of public funds.
- (6) Matters relating to public safety and property.
- (7) Matters relating to litigation, negotiations and the attorney-client privilege
- (8) Matters relating to the employment relationship. **Sean Kavanaugh**
- (9) Matters relating to the potential imposition of a penalty.

NOW, THEREFORE BE IT RESOLVED, by the Council of the Borough of Hillsdale assembled in public session this date that an Executive Session closed to the public be and the same is hereby authorized for discussion of matters relating to the specified items designated above. It is anticipated that the deliberations conducted in closed session may be disclosed to the public upon the determination of the Borough Council that the public interest will no longer be served by such confidentiality.

Borough Attorney Bernstein stated the purpose of the Closed Session is pursuant to N.J.S.A.10:4-12.B. B4 negotiations of collective bargaining UPSEU and PBA Local 207, Teamsters Local 945; and B8 matters relating to the employment relationship, Sean Kavanaugh.

Motion to go to Closed Session at 9:47 p.m. was made by Councilmember DeGise, seconded by Councilmember Looes, and unanimously carried.

**RECONVENE REGULAR MEETING**

Motion to reconvene regular meeting at 10:07 p.m. by Councilmember Looes, seconded by Councilmember Kelley, and unanimously carried.

Attorney Bernstein stated for the record reflect the members in attendance of the closed session and reconvene the regular meeting were Councilmembers DeGise, Frank, Kelley, Looes, Meyerson, Pizzella, Mayor Arnowitz, Borough Administrator/CFO DeJoseph, Borough Attorney Bernstein and Borough Clerk Witkowski.

Update by Chief Stalter regarding senior staff, relative to issue involving Officer Sean Kavanaugh, John McAusland made brief statement in executive session-no further action needed to be taken at this time.

Borough Attorney made an update negotiations PBA, UPSEU, Teamster Local 945, no further action to be taken at this time.

**ADJOURNMENT:**

Motion to adjourn the regular meeting at 10:08 p.m. was made by Councilmember DeGise, Seconded by Councilmember Looes, and unanimously carried.

THE NEXT MEETING OF THE MAYOR AND COUNCIL WILL BE  
TUESDAY, MAY 7, 2013 BEGINNING AT 7:30 P.M.