

Minutes of a Council Meeting of the Borough of Hillsdale held at 8:00 AM on Tuesday, December 31, 2019, in the Council Chamber, Borough of Hillsdale, New Jersey.

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

OPEN PUBLIC MEETING STATEMENT:

This is a meeting of the Hillsdale Borough Council on this 31ST day of December, 2019. Notice of the time and place of this meeting has been provided to The Ridgewood News and The Record; 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.

ROLL CALL:

Council Members DeRosa, Escobar, Horvath, Lundy, Segalas, Council President Pizzella, Mayor Ruocco, (Borough Attorney Mark Madio, Interim BA Robert Gallione, Borough Clerk Denise Kohan)

PUBLIC COMMENT (Time limited, new topics only, one topic per speaker):

Mayor Ruocco opened the Public Comment Period at this time, seeing no one, the Public Comment Period was closed.

DISCUSSION:

Mayor Ruocco said we will have a presentation by Police Chief Francaviglia on a proposal for Officer on Loan Program.

Police Chief Francaviglia said we are here tonight for Officer on Loan Program to a Federal Agency, an additional hiring an additional officer program. This presentation is generic and doesn't have officer and agency names; after the presentation we can discuss the risk of hiring an additional officer vs. the reward of generating revenue and the excess of the new officer's salary that is being proposed. First, I would like to thank our elected officials who are fiscally financially responsible, consider several revenue sources and have the best interests of our residents. As Police Chief for the past five years our staff has always been fiscally responsible; for example, when I took over in 2014, we went to the 12 hour schedules and saving a lot of money in overtime, about \$150,000 the first year, and we continue to save money going forward like that. The Police Department is always looking out for the health, safety and welfare of our residents. A little bit of background on this program loaning an officer to a federal agency, the on- loan program has been in existence since the 1970's. The officer will assist the federal agency by supplementing its task force and in return the on loan officer and the agency will receive a well- rounded officer in investigations, experience, the use of governmental training facilities, relationship building, the revenue from these cases the officer will be involved with will bring Hillsdale much needed money and these officers known as Task Force Officers are used nation-wide. Increasing our staff proposal to the Borough is to hire an officer to replace a more experienced police officer who will go on loan. Members of our community may have questions why we would send an officer on loan and what will Hillsdale get out of it. As stated before, the officer on loan the officer will have the opportunity to learn better investigative skills, testify in federal court and develop relationships with other agencies. Not only will the officer benefit but the agency on whole with the government facilities that they offer, educational programs that the agency also offers as well as what we receive in revenue from this program. The revenue that we receive will allow us to purchase certain items needed without using Borough tax dollars. Another question, is it worth it. My answer is that the program is very financially beneficial, there are no guarantees; the vast majority of the agency's involvement in this program have seen positive financial return. This federal agency is sought after and they are only accepting six municipal agencies for this specific task force, Hillsdale being one of them due to our reputation in the law enforcement community. Our current staff level is 19 officers and this cannot work without hiring an additional officer; Hillsdale is one of the busiest towns in the Pascack Valley area and we are staffed at the bare minimum where surrounding agencies average around 21 officers for their schedule. This is a perfect time to see what this program can bring to Hillsdale since we have retirements coming as soon as a year and a half away. If we see the program is not delivered as expected, we can simply pull the officer from the program and replace the officer with a retiring officer. According to the task force leader they have never had an agency not receive a beneficial sum of revenue from their program. From a financial standpoint the Borough will be hiring a new officer at \$31,500 annually including benefits to replace

the officer on loan. As stated previously there are anticipated retirements in the next year and a half, a sergeant at \$150,000. The program should be generating revenue after two years depending on how fast the cases are adjudicated. During this time frame we can evaluate the officer on loan program and if it is not generating the anticipated revenue the officer can be brought back to Hillsdale. This should be evaluated at each upcoming retirement as stated earlier. It will need to remain at 20 officers. Not only will we have a better trained officer in the department there will be a financial benefit to the department to Hillsdale taxpayers. There are many municipalities both large and small in Bergen County and around the country that take advantage of these programs. After reaching out to many police chiefs in the area I have not heard one negative thing about this program. These chiefs explained that the financial benefit ranges from large seizures to small seizures of revenue from thousands to millions of dollars depending on the particular case the officer would be working on. The benefit to Hillsdale is that these funds allowed the department to purchase police vehicles, weapons, cover time costs, capital expenditures, pay the salary of officers assigned to special programs such as the school resource officer saving money for the Borough and allowing our elected officials to relocate those funds to other municipal projects. I encourage everyone to look at the equitable sharing guide, it will tell you what we will be using this money for. Hillsdale has the rare opportunity to take advantage of this program. He is open to questions. He asked the Council for approval to send the officer on loan and hire an additional officer.

Mayor Ruocco said this is open for discussion, if anyone would have questions for the Chief or have comments on the proposal. You can defer and make comments when we have the resolution for discussion after a motion and presumably a second. We can discuss it at that point.

Council Member DeRosa said if we hire another officer it will allow us to loan a senior officer to a special task force and that once a bust is made and the case is adjudicated the potential for the Borough to have revenue come in from that seizure or case is what we sought after. There is no guarantee what that will be, however, historically it seems the returns that he has heard is worth it to the municipality to do it. It is a bit of a risk but the part of mitigating that risk is if it did not work out, we have the option of not replacing the officer who is going to retire soon. That is our safety net.

Chief Francaviglia said correct and that should be re-evaluated. Every time someone is getting ready to retire, he will review that with the Borough Administrator to see if the program is actually working. If it is working, status quo. If it is not, we can pull the officer from the program. For example, if this group is working on a project and our particular officer is on a case and another officer is working on it, he still gets a portion of what that case brings in, so the unit works cooperatively together.

Council Member DeRosa said his understanding is the unit or the opportunity our officer may have tends to be more lucrative of the assignments that could be handed out.

Chief Francaviglia said one agency was going to send someone on the New Jersey side and they pulled them to the New York side because of this program.

Council Member Horvath asked if the new officer that was assigned to this would he or she be on that permanently be on a rotating basis?

Chief Francaviglia said we would be evaluated after a few years. We would see how the officer is doing. We would keep them there two or three years.

Council Member Horvath said it sounds like a great opportunity but it has its drawbacks because there is nothing guaranteed so our safety net is, we can reassess after a year. Usually we as a Council don't like to take risky positions with our constituents' money and this is a risk although according to some of the reports, we heard it does pay off, it may be some time down the line, it is just something we have to decide on.

Chief Francaviglia spoke to chiefs and they haven't said one negative thing about it and the bottom line is the Chief does control the money because it has to be law enforcement.

Council Member Horvath said our Mayor has done some research on it and contacted other towns and spoke to a number of entities and I am sure he has something to say about it.

Council President Pizzella asked what a town like Hillsdale, how much money do they make.

Chief Francaviglia said for example Northvale is involved, they brought in \$500,000 or \$600,000 in the past four years.

Council Member Segalas asked what happens if the officer is injured, let's say it is disabling. Does that kick in the disability pension or supplements that you are aware of?

Chief Francaviglia said it would be under PFRS. He is still on our books; we can remove him at any time.

Council Member Segalas said he would be working for that agency, we would never see that person, he would be on our books but working full time for that agency. Otherwise it jeopardizes the potential return that agency might provide us.

Chief Francaviglia said for example if we had a parade or a big event and we needed that officer to come back to work for us, not every week. The program will start us off with \$20,000 to cover that officer's overtime. He will be doing a lot more hours, travel, surveillance, whatever he is involved in.

Council Member Segalas said in the event this doesn't work out we have the new officer and the old officer comes back to his position what happens to the new officer.

Chief Francaviglia said in a year and a half we have an officer that will potentially retire and if he doesn't retire, we will have to do what we have to do. There are some retirements coming up and I would rather be ahead of the game than behind.

Council Member Horvath asked if he had someone proposed for this.

Chief Francaviglia said yes.

Council Member Segalas said if you have to make a reduction in force that is something you do, correct.

Chief Francaviglia said correct.

Council Member Lundy said funds you receive can also be used to pay for bringing in a new officer on board to cover the officer on loan.

Chief Francaviglia said that is correct and the school resource officer, a specialized unit we don't have now at the track, additional vehicles, cars, anything police related, radios, capital expenditures we won't have to burden the town with.

Council Member Lundy said once the revenue is determined they will issue a promissory note to the Borough.

Chief Francaviglia said correct, once they are working on a case six months and it is going to go to court, they will say the case is worth this and anticipate x amount of dollars.

Mayor Ruocco said once the case goes to court, it involves DOJ guidelines; the portion we would get has to be a net portion. Highest are hierarchy payments, the municipality is paid what is left over. The DOJ documents talks about it, there are court mandated, how does the promissory note work? What is left over is available to the municipalities.

Chief Francaviglia said they tell you what the case is worth, what your percentage would be, this is what I gather from other police chiefs who are waiting for millions of dollars. It is a promissory note they receive from the federal agency.

Mayor Ruocco said he learned about this program about three weeks ago and did a lot of research on it. He talked to other Mayors and I don't disagree with what the Chief said. Federal Law Enforcement Agencies borrow resources from municipalities to conduct their activities. Although they have their own officers the volume of demand placed on their agency make it advisable to borrow resources rather than hire officers for long term and the additional cost that entails plus the uncertainty of federal funding. Their own budgets are used for short term borrowing. I understand why the program exists. In return the federal agency shares with the municipality some of the monetary value realized for its forfeiture program. This has been going on for more than a decade. It was suspended for a while and then brought back. The former Borough Administrator here has been aware of the program that was an option for Hillsdale but didn't encourage following it up for financial reasons. In mid-December the Police Committee discussed the program and the Chief discussed it with Council in December in closed session. Both the Police Committee and Chief favor Hillsdale become involved as they have been informed that a position in one of the agencies is assured. How would it work in Hillsdale? We would assign an experienced officer to work with one of the federal agencies full-time for a minimum of two years that is renewable annually. A lot of towns that have participated have renewed this. Assuming that the officer performs satisfactorily, that officer would stay on the employment rolls of the Borough and we would continue to pay the officer's salary and cost of benefits if he or she were still here. To make up for the lost officer we would have to hire a new officer, increase the size of the force to 20. The Council would have to

pass an ordinance increasing the size of the Hillsdale Police Department for this to be legal. In return for lending an officer to a federal agency, that agency would share with us the monetary value of whatever goods are forfeited of the agency's normal cost of operation the balance after all other claims are satisfied, such as third-party interests. The amounts to be distributed and the timing of the distributions are all uncertain although actual experience of some towns that have participated in the program indicate the amounts can be substantial, sometimes \$100,000 in a given year, those are the numbers we heard from one town. However, the annual disbursements are not guaranteed, and some towns have received zero disbursements in some of the years. The amounts distributed do not go directly to the municipality but rather they are disbursed by the federal agency from the equivalent of a special trust that only the Police Department can draw upon. The funds can only be used for permitted purposes spelled out in the document I have already sent to you (Council members) from the DOJ. These include overtime expenses of Hillsdale police, salary and benefits to the officer hired to replace the lent out officer, any recruitment expenses regardless of whether they are related to this program or not, agency or credit agent, training, premise improvements, purchase of police vehicles and improvements, improving the dispatch call center and all types of travel expenses. The Borough will have to assume additional reporting burdens submitting annual expenses, administrative reporting to the federal agency that would fall on the BA. Someone has to do that with the Chief. Either the federal agency or the municipality can terminate the "officer on loan" program, and we would regain use of the loaned officer and in so doing, we would have one more officer than needed to patrol Hillsdale. These are the essential elements I understand we will be voting on today. When I first learned about the Police Committee support for the program three weeks ago, I worried about the financial implications for the Borough which I will explain. I told the Council I would like some time to meet with other elected officials who are familiar with the program. What I heard from them did not make me any more comfortable with the program. In the meantime, the Police Committee had the Borough Attorney draw up a resolution approving the program. That particular resolution made me more uncomfortable as it places no controls over financial monitoring checks on the program from the municipality's perspective. I then worked with the attorney to incorporate into the resolution protections that somewhat mitigate the unfavorable financial implications for the Borough should it proceed with the resolution. Having said that I still don't believe that the officer on loan program is in the best interest of Hillsdale residents and taxpayers. Why do I say that? They teach students in business school that it is unwise to take on a long time liability at a high price or when you have to borrow money at a higher rate of interest and to use those funds to invest in a business venture that will produce unknown returns over an uncertain period of time. Essentially that is what the proposal presents us with. We would be hiring an additional police officer at a long-term cost of about 6 to 7 million dollars. Some of you have scoffed at that number and I will show you how I get to that number if you want but you have all seen the spread sheet and it really depends on the cost of medical insurance. To make this proposal work financially we would have to receive on average \$210,000 annually from the federal agency. The possibility of that happening is unknown and my discussions with other towns Mayors and other Borough Administrators strengthened that belief. It would be difficult to meet especially when we are being told revenues won't start coming in until the second year. There is one town that had revenues come in in the first year. We will be behind in two years if we haven't received about \$420,000. Larger towns than us might have received such disbursements but it is never assured. You are gambling with the use of taxpayer money. It is a hope and a former US Treasury Secretary used to tell us hope is not a plan. I have been told the risk is worth taking since we can decide to cancel the officer on loan program and bring the officer back to Hillsdale, we will be able to reduce our staff size back to 19 and the retirement of a senior officer. But here is the problem; we have a young force and only six officers will be at 20 years or over in 2021. There is no certainty about their retirement plans. So that mechanism of bringing our expenses back in line is unreliable. Remember, for every month we are overstaffed, with more officers than we need, it is costing the Borough almost \$18,000 in salary and benefits. The alternative is to lay off an officer something I personally would not want to do, better not to put ourselves in that position at all. State law is protective of the way the municipality can use taxpayer funds-- that is why Hillsdale isn't allowed to invest its money in risky investments. They are not permitted to put taxpayer funds in risk ventures when returns are volatile or uncertain even when there is a good chance you could hit a jackpot of cash. That is what the proposal does. Another factor I want to bring to your attention is whatever revenues we might get from the federal agency they are restricted, they can only be used for law enforcement purposes and for only certain types of expenses; since the taxpayers are on the hook for any shortfall revenue arising from a shortfall of revenue it doesn't seem right. That is why I had the attorney insert language in the resolution that makes it clear that the police department should zero out or reduce any request for capital expenditures. As I learn more and more about the program, I would ask the Council today to add additional language to that resolution that would expand the language to include operating expenses as well. Any disbursements the police department receives can be used (under DOJ guidelines) to pay overtime for any Hillsdale police officer as well as pay the salary and benefits for the additional 20th officer hired to fill the vacancy created when we don't have the officer going to the feds. If Council decides today to adopt the resolution, then it should specify that future budgets reflect a decrease in the requested amounts from the municipality to pay for these expenses when the feds distribute to Hillsdale its share of the revenues. I have a couple of questions for the Council and particularly the Borough Attorney. The resolution authorizes the Police Chief to hire an additional 20th officer for the purpose of designating another officer to be loaned out to a federal agency. The resolution would need to be expanded to authorize the Mayor to enter into the agreement

with the Department of Justice. The Federal Department of Justice guidelines specified at the head of the governing body must sign the document. Thus far I have only been presented or seen a document which calls for the Chief of Police to sign. Secondly, what legal jeopardy am I, the Mayor, being exposed to if I sign the agreement with the Department of Justice without an ordinance approved by you, the governing body, that allows the Police Department to exceed the 19 officers. Even if there is no legal jeopardy, might I, as Mayor and you as elected officials, be concerned about what the residents think about authorizing me to sign such an agreement when our local laws have not been changed to accommodate lending an officer. My third question---, the fact that I have been told many times and instructed that resolutions passed by one Council cannot bind future Councils especially when the resolution presumes that a future Council takes certain actions; that is what we have here. Not only that, but it instructs me and other Borough professionals to take steps in 2020 that as of now are illegal but conditioned on future actions of the Council. Those are my comments, it is something to think about; I don't disagree with most of what the Chief said but I think there are risks here that we as elected officials have a fiduciary responsibility to the taxpayers to consider and that is what I am concerned about.

Councilmember Horvath said this program was cancelled in the past and what happened to the funds in the nest egg?

Mayor Ruocco said I don't know, I tried to communicate this to in an email summarizing the 10 Mayors I was able to contact and who had participated in the program or declined and some of whom responded to my inquiry. Some towns have been in the program for several years and others just started in the past year and in most cases contracted with one particular agency, the same agency the Chief is interested in joining. Those who loaned out an officer did not expand the size of their force in order to loan the officer out because they were uncertain of the revenue. One town decided to pull their SRO in order to enter the program because they did not want to add an officer. Only one town did a careful analysis before entering the program and I think that is what we need to do. Mayors and Borough Administrators of small towns are more optimistic of forecasting windfalls. Police Chiefs are more apt to be inclined to view this program very favorably for the reasons the Chief said, training, bring back money for capital improvements and other expenses and give the Chiefs the flexibility how to spend that money. One town evaluating the program said it needed to expect \$225,000 annually for their officer because that is what they have calculated as necessary to cover the officer loaned out, anything less they are losing out. The larger the town the easier the decision to enter the program. That makes sense because any returning officers are absorbed into a larger police force where retirements are usually scheduled at one point, but with Hillsdale that's not so easy. Mayors warned me that revenues from the loan program are restricted in terms of use and this was viewed negatively by the BAs and Mayors, stressing that this type of control was needed in the capital and budgeting process. That is why I directed our attorney to make additional changes to the resolution. The returns from the forfeiture program have varied, the towns have lent out one officer and sometimes get nothing the first year, sometimes it starts in the second and sometimes in the third year. It ranges from a few tens of thousands of dollars to \$150,000 annually. The other chiefs may have told you much larger numbers but this is what I am hearing from the people in the financial areas and mayors. The program benefits the officer, he gets experience so that when he retires he becomes more marketable in a second career, training the officer gets more useful to a town that more regularly organizes and conducts drug busts in the town. I don't know if that is true in Hillsdale Do we organize drug busts regularly? Most commentators said the program is a gamble for taxpayer funds increasing the size of the force to lend out the officer. That is why I am skeptical of the program but it is the governing body's decision if they want to move ahead with it.

Council Member Lundy asked if he could expound on the language to add to the resolution to cut the operating budget because according to the equitable guide to sharing, that is prohibited, you can't cut the budget.

Mayor Ruocco said you cannot use the revenues to supplant and that was a question I posed to the Borough Attorney several days ago in an email. I haven't heard on that yet but the Council Member is right, there is a restriction and perhaps you could answer her question.

Council Member Lundy said what was distributed gives an example that the Police Department is going to receive \$100,000 in federal money so the Council cuts their budget by \$100,000, that is prohibited because the Police Department is not benefiting from the revenue, the town is; you can't cut the budget.

Attorney Madaio did not think you could put anything in the resolution that would say something like for every dollar you take in you cut your budget by a dollar.

Mayor Ruocco said is it fair to ask if there is a large windfall if luck holds out and we get a large amount and it can be used only for certain purposes that we would expect the police to use the money as economically as they can and say in addition to the money we have now that we have gotten that we intend to use for capital purposes over time which is allowed by the DOJ so you got money and we don't expect you to ask us for \$100,000 to cover overtime because you have a wealth of cash.

Attorney Madaio did not know every detail of the program using the funds; the Police Department wouldn't come to me and if they did they might be denied the ability to say they have funds but I still want funds from you.

Council Member Lundy said the capital budget submitted for next six years is over \$800,000. I perceive any funds received going towards that, it is not operating just capital budget, those items would be purchased with revenue received.

Attorney Madaio said assuming those items were permitted, they would be used for that, the Borough would not be funded.

Mayor Ruocco said that is in a world where we get a huge windfall if we are lucky enough to achieve that and it more than covers the capital expenditure and now we can apply it toward operating expenses.

Attorney Madaio stated that he doesn't know if you can even apply it towards operating funds.

Council Member Lundy said it could be applied to the salary of the SRO, the salary of the additional officer, if there are some operating expenses that can be applied.

Attorney Madaio said the program lays out what you can spend that money on. The expenditure fund has to be what it is allowed for.

Council Member Lundy said her question was only what is the language that the Mayor is asking to be added to the resolution because I think that what he was alluding to is prohibited.

Attorney Madaio said if it is operating funds you can put any language you want in there, the program only provides funding for what it provides funding for. The intake of funds under the program doesn't equal the reduction of any line item other than line items of any items permitted so I don't know what language we are talking about. I am open to ideas about that.

Council President Pizzella said if the money is used for certain purposes and is listed as for what the money can be used for can we add language that limits the police's opportunity to ask the town to also fund for those same type things. You might not be able to do it to operating but you may to capital.

Attorney Madaio said I don't know how you limit the ability to ask, either fund those requests or not and point out that no, we have this amount of money from the program but I don't know if I can stop the gentleman in front of us from asking.

Chief Francaviglia said the only time I would ask is if the money wasn't in the fund but if the money is in the fund is the whole reason for bringing this program to light so we can save the taxpayers money from capital expenses, SRO expenses and all these other things. Just because the Police Chief has control over the money doesn't mean I am not going to share the money. I have the best interest financially for Hillsdale as well but I also look out for the health, safety and welfare of these people and that is my job. I am going to share this money with everybody. The purpose of it is so you could use the money how you see fit, I don't have to ask you for cars, radios, those are huge capital expenditures that you no longer have to purchase these items, I purchase them through this fund.

Mayor Ruocco said the supplantation discussion is on Page 13 of the DOJ guide where it says shared funds are not to be used to replace appropriated resources of the recipient. The more important question is the uncertainty of the returns coming in. There are some other questions I pose to you that I would like answered before we proceed, such as the binding of this resolution being bound on the next Council.

Attorney Madaio said the resolutions are not binding on subsequent Councils, they would be a strong indication of your intent and once people here are off the dais you don't reach from the dead and control what the living do. Other Councils have other options, they do what they want at any time. If you adopt a resolution with a certain intent you like to think that everybody in long terms whether they will or will not be in the program probably in a few years the whole program will shake itself out. There will still be people who were here so the resolution whatever controls you put in there are indications of intent.

Mayor Ruocco said what if they don't change the table of organization after we pass this resolution and the Chief signs the MOU with the agency--- is that a problem?

Attorney Madaio asked if this was about the hiring of another officer?

Mayor Ruocco said that aspect is right, the passage of this resolution the Mayor has to sign the agreement and my concern would be the signing of the document that says we will do certain things depending on future actions by the Council, you don't have authorization yet to go to 20 but you are telling the federal agency you are going to lend but do not have authorization to go to 20.

Attorney Madaio said if in January or February the table of command is not changed ?

Police Chief said the agreement is not binding, the caveat at the bottom says it is not final. If we are going to go through this whole exercise of hiring and sending an officer on loan and two months from now we are going to pull it that is going to be very discouraging for my department. If you are not going to continue doing this into 2020 that is problematic. In real dollars a new officer coming on \$31,500 not \$240,000 so that is misleading, Maybe for the first two years you have \$100,000 officer not \$500,000 officer which you keep eluding to.

Mayor Ruocco said the reality is you are taking on a long-term liability.

Police Chief said I understand that and I have been here for 27 years and I know how it works. The salary chart goes from 1.8 million to 2.3 million and that's from retirees and new hires. It never goes above and it never goes below.

Mayor Ruocco said the cost of a new officer itself is about \$50,000 when you add the benefits.

Police Chief said not \$240,000.

Mayor Ruocco said I understand that but when you are taking on that long-term liability and you are funding it with an uncertain cash flow you have to think what is the returning point on a yearly basis? I haven't heard what it is. You can determine a break even, divide the 6 million by 30 and you get \$210,000 and that is typically what we are going to pay. It costs 6 million dollars between all the benefits and the increase in medical insurance which has been going up anywhere from 2 to 7%, I factored that into it and show you on the screen how that comes up. It is 6 million dollars over 30 years. As a finance guy, I need to come up with a breakeven point; if you stayed in the program you want to keep the guy in the program as long as you can. I'm hoping it pulls in the numbers you are talking about but I haven't heard from many Mayors that it is pulling in \$100,000 a year and it's not enough to pay for this additional officer. The uncertainty of the retirement is another thing that troubles me.

Councilman DeRosa said I don't think this is a point that was made public there is a window of opportunity here, we have until the day after tomorrow to put this guy in or we are out of that program.

Mayor Ruocco said to join the program this year I have to make some sort of commitment by January 2. That doesn't mean the program is out of reach in subsequent years. Mayors I have talked to especially large town Mayors especially the Mayor of Teaneck said to me go slow, look at the numbers; this is a guy who has a large force.

Councilman Escobar asked if Teaneck has pulled the officer.

Mayor Ruocco said no, they are still waiting for their return. They have not pulled him; I don't know why they haven't pulled him but they have a large force.

Police Chief said the Mayors and officials you have talked to have officers in program.

Mayor Ruocco said no, seven do three don't; three did not want to even enter the program because of the risk and the other 7 have not pulled them. Those seven did not hire any officers to go into the program. Basically, they had excess officers; it makes sense to me since you have excess officers you are not to add an additional liability. It pays to lend the officer and hope you get money. If you are going to take on an additional liability then it becomes a financial question.

Councilman DeRosa said we could wait for another opportunity to come along but this opportunity for us doesn't come around often and it is sought after. We have assurances that this opportunity might be different and much better than if we would wait and that is why we have this time factor.

Police Chief said unfortunately Hillsdale doesn't have schedules to accommodate sending one from our current staff. If you look around surrounding agencies the average is 21 officers and if you look at the federal standard it is 24, but we are not looking for that. Any relationship we have with this agency, the task force leader came

here to apply as a police officer back in 1996 and worked with Brian Collier at the time; we have good ties with this agency.

Councilmember Segalas said I understand carrying a liability but the seven departments that remain in the program at the end of the day are still paying that officer's salary who is on loan. So whether they are adding an officer or paying from existing ranks they are sending out an officer who capped out \$130,000 a year and they are still carrying out that liability; if they are doing it for seven officers for an extended period of time there must be some return that makes it justifiable. We are also talking about a long term debt; my understating is the business cycle is usually five years and when you are talking about the difference between long term and short term debt obligations you are somewhere in the three-five year range so we are not talking about a long term obligation, we are talking about a short term obligation that might be offset by breakage, in the course anticipated upcoming retirement and/or retirements?

Police Chief said that is correct.

Council President Pizzella said with that you could also limit the risks; you could say we could give a year because there are so many things going on in Hillsdale in the next year someone may retire, there is a lot of inter play. You could limit your risk by saying I am giving it a year and at that point and if I don't see any money coming in, any type of opportunity discussion that there are claims already in process so we expect a certain amount of money we can tell that within a year. We can get out of the program at that time.

Police Chief Francaviglia said yes we can evaluate and I would do that with the Borough Administrator.

Council President Pizzella said in business when you do assess risks on the short term it is three to five years.

Mayor Ruocco said the liability I was referring to was the 30-year liability or the 25-year liability.

Council President Pizzella said you have so many things going on it is a short period of time you get to limit your risk.

Mayor Ruocco said I agree that with the retirement pending you can, but the retirement has to occur. We have had promises of retirements before from officers and they haven't occurred, whether they occurred a year and a half and a year later so that is the weakness. As for the breakage issue a breakage will occur anytime you have a retirement, it is just a question you don't know the time. The breakage from my perspective it doesn't address the issue of funding a long-term liability with this uncertain short-term cash flow. In medieval times the court jester used to remind the king of his vulnerability. I am not the King, Council is the King, I am the court jester and my role is to alert you to the financial weaknesses that I am hearing. With that I will end my comments and let you decide.

Council Member Horvath said this is not a one-year test period, it is a two to three-year test period. In one year, we are not going to see anything even if something does come down the pike in that one-year time frame we are not going to see anything in the second and possibly the third year because of the litigation and all the minutia that goes along with it. That is a consideration everyone should take into account.

Council President Pizzella said within that one year your officer is going to have a clear indication of the claims that will be and if there is not a claim or anything like that in a year, then its time to re-evaluate, but if there are a couple of claims that are being processed and you know the type of claims, you can come close to determine how much money you are going to make when the claim comes through.

Council Member Horvath does not disagree but depending on the litigation and circumstances surrounding that seizure it may be two or three years before it is realized. If we see in a year that nothing has transpired that we find acceptable it doesn't mean it is not going to happen in the 12th hour of that one year. It is just a question nothing is going to happen the first year; it will take into the second year and maybe the third year and maybe the fourth year. It all depends on how much action that one particular officer is involved with.

Council President Pizzella said a claim takes that amount of years but being in the first year you are going to know what claims you are on and if you are not on any claims you need to get out.

Council Member Horvath said you are not going to pull that officer after a year as there is a kitty there already.

Council President Pizzella said if he is not on any claim the first year it doesn't seem to be very opportunistic. If he is on a couple of claims you can figure out what the claim is and you can also figure out normally how long a claim takes. That is the legal process.

Council Member Horvath disagreed.

Police Chief said that is like the promissory note like feature that we talked about earlier. This unit works cooperatively together and even if the officer is not on a particular case, They still get part of what is going on in that year so they kind of share everything in that unit. It is going to take some time; I implore you; if this an exercise that is going to be blown away in February. Let's not do it if you are all be on board.

Mayor Ruocco said I was hoping you were going to say to Council President Pizzella I am looking at the DOJ guide, I don't know if a year is realistic for the Chief or the officer to know. What I read here is equitable proceeds are based on the net proceeds of the forfeiture. We then go through gross receipts, we have a whole bunch of deductions from the gross receipts, the list goes on and on; then it equals the net proceeds. They have to get paid first and only when that is done do you know what you are going to get; you might have a sense but I don't think the police know until they get deeper into it. As someone who has looked into financial programs and projects, I wouldn't enter into this.

Police Chief said in a southern county there was a 30-million-dollar seizure and it was a particular group that did it and the agency got one percent of 30 million dollars. \$300,000 is not anything to sneeze at in the first year either.

Mayor Ruocco said if you got \$300,000 the first year or even the second year - in one year that is good, over two that is not so good in my view. You have to continue to pump that money out and you have to continue to get that money for this program to make sense. If it doesn't make sense or even it is making sense you have a retirement on your hands and you have to bring back an officer it is not worth it to put him in it is a tough call on your part; this is good money coming in and I want to stay at 20. There is nothing wrong staying at 20 as long as the officer you lent out; keeps coming back with adequate returns; the Police Chief said that this is an argument for another day; The Mayor replied no - it is not an argument for another day it is an argument for today. You are saying purchasing an officer, then lend one out and you have to know that lending him out and that you need to get a return to pay for that officer. You have taken on a long-term commitment for that officer when you hire him and that is a 6-million-dollar commitment.

Police Chief said we had this conversation before when we had the 19th officer and said don't ask for any more officers and I said don't increase the population of Hillsdale. We have redevelopment going on in the industrial area, we have apartments going in on Lake Drive and that's transient population by the way so we have to talk about that eventually.

Mayor Ruocco said eventually we will. That is if the redevelopment that Council President Pizzella is hoping to bring in and the council will endorse and if we have another thousand residents come in, we might have to think about that. Right now, they don't exist.

Police Chief said right let us focus on what we have on hand and he stressed again if we are going to pull this in February and I am hiring officers and putting someone on loan I would rather you say no now than two months down the road and take it away from us. I leave it up to Council.

Council President Pizzella said with the type of work that I do I am constantly assessing our risks so I don't see why we couldn't be a little more cooperative about it. Why can't we say as a group of business people we are going to give this a certain amount of time to show us some fruit so we could actually define what the fruit is. If there is a police officer that is retiring and certain things exist in a year, if we were involved in this we would want to see further opportunity for retirement, there are certain things that you would want to see in this type of situation to play out in order to continue to be lucrative. Can we do that as a group sort of define the risk we are willing to take.

Mayor Ruocco said I don't believe we have enough time; the Chief wants the decision now.

Council Member Segalas said the governing body does and has an obligation to reassess its budgetary process, table of organization, so nothing we do here today binds future Councils from doing what they are required on an annual basis anyway. I think we are getting in deeper in the weeds than we need at the moment and I say that with the utmost respect.

Mayor Ruocco said let's move on, this Resolution will come up later in the Agenda.

COMMITTEE REPORTS

Councilmember Segalas said the Local Assistance Board has wrapped up this year and they appreciate the assistance that they are receiving from our acting BA; in the course of putting the budget together in a

challenging form and this is the first time in a number of years that they feel included in the process. They are expressing their gratitude to Mr. Gallione for his efforts.

Council Member Horvath said he will make a couple of comments. We lost our funding for the train station; the grant we had in place was not followed upon, so we have to re-apply for that. It is no longer available to us. Our interim BA put in for us and our new BA will follow through on that. Also, we have a tenant at the train station on the second floor and that tenant has been notified to remove himself starting in April with regard to the renovation or any projects that we are working on at the train station. That is the major thing I wanted to report on. The grant was for the roofing; it was not followed through on a timely manner and the time expired and we now have to reapply.

Council President Pizzella said he was told by the former BA that we had an extension until July. I am the person who applied for it and I had no idea any of this was going on.

Council Member Horvath said that is my understanding and that is what I heard. I heard it from our interim BA.

Council Member Segalas asked who told the tenant to leave? The Interim BA did.

Council President Pizzella said he doesn't understand how we don't have our grant because the former BA applied for an extension and was told that he had an extension until July. We currently have DMR working on this as well.

Mayor Ruocco said this has been a very difficult assignment and it has taken different paths because at one point NJ Transit was not being the most cooperative with some of the ideas we proposed to them and NJ Transit was, and still is in a state of crisis; there were some legalities that had to be ironed out and there have been opinions from the Council as to what the future of the train station should be. It has not been an easy path to follow. But I did think we had until the end of July 2020 and I was hoping we could settle whatever issues there were by then.

Interim BA Gallione said he wanted to clarify some things. There were two extensions on the grant that we did receive from the Historic Preservation in the County. That did expire this summer. I had a call into the person this falls under and I am confident we would get another extension; the original grant was 2014 and we have two extensions. We have gotten some quotes previously on the roof work; I have been working with Council Member Horvath because he is retired and is here all the time, so he has been going with me to the train station. I did speak to the man from Bergenfield, he is President of the train club, so I did explain to him that we do want to use the space on the second floor and they understand that their membership and activities have fallen down, so I think after April 1st the town will take total possession of the second floor. I am confident that we are going to get another extension.

Council President Pizzella said his concern is I worked very hard on getting the grant, I took time out of my schedule, I applied for it, I worked on it, I did everything I had to do. This town has delayed on it for years because certain people don't want it. I appreciate my fellow Council Member's zest to deal with it but please include me moving forward.

Interim BA Gallione said I can tell you this new BA is not going to miss a beat when it comes to this project and you will be able to help move this project on.

Council President Pizzella said if we work together it will be great. I am glad there are people who are interested in getting it done because after a while of facing a wall I also have become disappointed.

Mayor Ruocco said I was in and out of the discussions and not deeply involved in it. Problems arise when the grant for the replacement of the roof and we wanted to go beyond that and were trying to push NJ Transit into accepting certain positions, and we got no answer back. I think we lost some time there plus having the train station turn into something we talked about as desirable became very involved because of its age--- a lot of architectural and historical permissions are needed. There were too many hurdles to go through and I hope that between the Council President Pizzella and the new BA can move this along so that we have something to show for it.

Council President Pizzella said it's great that Councilman Horvath is involved, but please remember all the work that was done before you (Horvath) got involved and that I should be included going forward. There are three people at NJ Transit that we have been dealing with and we have to keep them in the loop because they are the three people, we have been talking to about giving us the train station. We still want them involved and not just forget the people that have been, yes non-responsive. They are still there and NJ Transit has a history of being

non-responsive. It doesn't mean we always have to go back and go over and over again in order to have the whole tribe come along. Let us not forget what was done up to this point. I can't speak to the people who rent the train station upstairs, I think that this is in the purview of the BA. Keep in mind that the grant did say that we would have some type of museum or sort of model train station and we have to make sure we stay consistent with the grant. I look forward to work with everybody and I am glad that someone other than myself brought up the train station at this meeting.

Attorney Madaio said he believed Council President Pizzella was correct on that, there had to be some nexus to the train operation, maybe the history of the train or something, so we can't exclude that as we move forward and decide the appropriate use. NJ Transit provides that every use on that property has to be approved by them. If there is a sub-tenant, municipal use or a thought of anything like that you might as well start asking NJ Transit now because there is going to be a certain passage of time. I think someone has to go in there with a ruler and figure out the usable square feet that will be yielded once you put emergency stairs, fire stairs, elevator, all of those things as it may not generate square footage in a place of assembly for what use it will be. I also think we should figure out the cost of those renovations because you are going to be able to figure out a square foot cost for the renovations necessary to make it a place for assembly. It is not going to be just a regular building anymore. It has entirely different requirements so I think we should jump on that.

Council President Pizzella said we should arrange a meeting with DMR and with the people from Transit and move on from there together.

Council Member Horvath said that is in the process already, we are speaking with them. We have a semi-engineering mark up, we have the number of people who can occupy the second floor, so we have something to work on and the question of expanding that.

Councilman Pizzella said again he would appreciate being included in what he has started. Apparently he has a whole staff working for him without even knowing it.

Council Member Horvath said there was a notice given to the tenants a number of years ago to remove themselves because we wanted to return the building to the community so these things are not new and have been discussed a number of times before but for whatever reason they have never come to pass. This is a great opportunity to do it for the new year.

Mayor Ruocco said Councilmembers should be looking to the Borough Administrator to do the negotiations, please work with the Borough Administrator, but Councilmember should be respectful of why they were put on the dais, not to run the Borough or portions of the Borough, or do investigative work. So, you have to work with the new Borough Administrator. I am sure as the interim Borough Administrator said, things will get done.

ORDINANCES: Adoptions/Introductions:

[19-17 - Adoption](#)

AN ORDINANCE ESTABLISHING SALARIES FOR THE STAFF OF THE HILLSDALE SWIMMING POOL COMMISSION FOR THE CURRENT YEAR 2019 IN THE BOROUGH OF HILLSDALE, COUNTY OF BERGEN, STATE OF NEW JERSEY (Updating Ordinance 19-02 – Secretary – Hourly Salary Range Only)

Motion to open public hearing on Ordinance 19-17 by Council Member Lundy, Second by Council Member Segalas, and unanimously carried.

I will now open the meeting to the public. If anyone desires to be heard regarding Ordinance No. 19-17, please raise your hand to be recognized, come forward to the microphone and state your name and address for the record.

I will now entertain a motion that the public hearing on Ordinance No. 19-17 be closed and that 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.

Motion to close public hearing on Ordinance 19-17 by Council Member Lundy, Second by Council Member Segalas, and unanimously carried.

Motion to adopt Ordinance No. 19-17 by Council Member Lundy, Second by Council Member Segalas.

Roll Call Vote:

Ayes: Council Members Segalas, Horvath, DeRosa, Escobar, Lundy, Council President Pizzella

Nays: None

Now, therefore, be it resolved that this ordinance is adopted and the Borough Clerk is authorized to advertise the same according to law.

19-18 – Adoption

AN ORDINANCE TO PROVIDE FOR AND DETERMINE THE RATE, AMOUNT AND METHOD OF PAYMENT OF COMPENSATION TO PERSONS HOLDING CERTAIN OFFICE AND POSITIONS OF EMPLOYMENT IN THE BOROUGH OF HILLSDALE, COUNTY OF BERGEN, STATE OF NEW JERSEY

Motion to open public hearing on Ordinance 19-18 by Council Member Lundy, Second by Council Member DeRosa, and unanimously carried.

I will now open the meeting to the public. If anyone desires to be heard regarding Ordinance No. 19-18, please raise your hand to be recognized, come forward to the microphone and state your name and address for the record.

I will now entertain a motion that the public hearing on Ordinance No. 19-18 be closed and that 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.

Motion to close public hearing on Ordinance 19-18 by Council Member Lundy, Second by Council Member Horvath, and unanimously carried.

Motion to adopt Ordinance No. 19-18 by Council Member DeRosa, Second by Council Member Lundy.

Roll Call Vote:

Ayes: Council Members Segalas, Horvath, DeRosa, Escobar, Lundy, Council President Pizzella

Nays: None

Now, therefore, be it resolved that this ordinance is adopted and the Borough Clerk is authorized to advertise the same according to law.

RESOLUTIONS:(Consent Agenda):

R19320 Resolution Authorizing the Borough of Hillsdale to Hire an Additional Full Time Officer in Order to Assign and Officer “On Loan” to Federal Agencies

Motion by Council Member Lundy, Second by Council Member DeRosa.

Mayor Ruocco asked whether the document that has to be signed needs to be amended for the municipality (mayor’s signature) ?

Attorney Madaio said it doesn’t call for a signature, if you would like to add a signature line please feel free to add a signature line.

Mayor Ruocco said to the Police Chief, would you agree with the DOJ guidelines.

Police Chief said I received that letter and it doesn’t require a municipal signature line.

Mayor Ruocco said I am reading the DOJ guidelines and it says as the head of the governing body I have to sign it.

Police Chief (inaudible as not at the microphone).

Mayor Ruocco said if I am instructed by the Council to sign it, I will. Secondly, is there any legal jeopardy for me as Mayor being exposed to sign the agreement without an ordinance currently in existence allows us to go with 20.

Attorney Madaio said no, the Resolution specifically is subject to the ordinance; if the table of organization is not amended, you won't have an officer to send, you won't have enough officers.

Council Member Lundy said that is not necessarily true. We have an officer to go, we just can't replace him until the table or organization is amended.

Attorney Madaio said I suggest we put the amendment of the table of organization either at the Re-Org or ASAP and if it is not voted for the Chief is not sending anyone. That is de facto saying that we don't have an officer for the program. Do we all agree to that? Yes. You are not in any legal jeopardy for any document the Council votes for.

Mayor Ruocco said I am being instructed to sign something that presumes 20 officers when we don't have a law that says now that we can have 20 officers.

Attorney Madaio said there is no question as to the continuation of the program is subject to.

Mayor Ruocco said with no further discussion we need a roll call vote.

Roll Call Vote:

Ayes: Council President Pizzella, Council Member Segalas, DeRosa, Escobar, Horvath, Lundy

Nays: None

Council Segalas said with an explanation of his vote, as I recollect when I came on Council there has been tacit agreement to be an expansion of the department and it took a while. At no point in the last three years do I recall the Chief coming to us saying I need this and I need this now. I have always found him to be thoughtful and circumspect in his request of Council so this is a vote of confidence in his management capabilities clearly demonstrated by his control of our overtime budget, management of the department, morale that seems to exist that was not there prior to his tenure not really as much as it is now. This is a short-term risk and I appreciate the risks involved and I am voting yes.

ADJOURN TO CLOSED SESSION;

Motion to go to Closed Session was made by Council Member DeRosa, Second by Council Member Lundy, and unanimously carried.

RECONVENE REGULAR MEETING:

Motion to reconvene made by Council Member DeRosa, Second by Council Member Lundy, and unanimously carried.

ADJOURNMENT:

Motion to adjourn by Council Member Lundy, Second by Council Member Escobar, and unanimously carried.

THE NEXT MEETING OF THE MAYOR AND COUNCIL WILL BE

**SUNDAY, JANUARY 5, 2020
- SINE DIE 10:00 AM
- REORGANIZATION MEETING 10:30 AM**