

Below is a copy of the transcript from the Local Finance Board meeting of September 10, 2008 regarding the City of Hoboken.

NEW JERSEY LOCAL FINANCE BOARD

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Wednesday, September 10, 2008

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Trenton, New Jersey

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BOARD MEMBERS PRESENT:

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SUSAN JACOBUCCI, Chairwoman

PATRICIA PARKIN McNAMARA, Executive

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Secretary

FRANCIS BLEE

8

LIZETTE DELGADO

TED LIGHT

9

RICHARD F. TURNER

SUSAN BASS-LEVIN

10

PRESENT:

11

DANIEL P. REYNOLDS, Deputy Attorney

General

12

TINA ZAPIZCHI

13

HELD AT: 101 South Broad Street

Trenton , New Jersey

14

REPORTED BY:

15

Renee Helmar, Shorthand Reporter

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\* \* \* \*

MADAME CHAIRWOMAN: The first item on our

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agenda, today, is the City of Hoboken that,

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under NJSA 52:27BB-54 et seq., Proposed

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Supervision Act.

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This started in -- actually, it started in

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May 2008, and July 2008, the Local Finance

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Board initiated the action and filed a

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complaint against the City of Hoboken seeking a

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judicial termination pursuant to NJSA

15 52:27BB-55(6) regarding the proposal of the  
16 city to comply with the contingent of the local  
17 budget NJS A 48:4-106, substantially  
18 jeopardizing the fiscal integrity of the city.

19 The obligation included, but not limited  
20 to this area, to adopt a budget within this  
21 time frame established by law in contravention  
22 of a direct order of this director.

23 It went to court and a consent order was  
24 entered by Judge Gallipoli on August 14th,  
25 2008.

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1 Under the consent order, it is agreed as  
2 follows: to determine the conditions set forth  
3 in NJS A 52:27BB-55(6) currently exists in the  
4 City of Hoboken , specifically, the gross  
5 enterprise and the City comply with the  
6 decision of the local budget law, and  
7 substantially jeopardizes the fiscal integrity  
8 of the city.

9 The director shall inform the Board of the  
10 City's cooperation in agreeing to this consent  
11 order and the need of a hearing on this.

12 The director acknowledges that the City's  
13 action as a positive in establishing the City's  
14 fiscal financial stability, and will give it  
15 whatever weight I deem is appropriate in  
16 determining future actions regarding this  
17 matter.

18 Each party shall bear its own cost.

19 So, we have the consent order. You come  
20 before the Board under this statute, and before  
21 I make my recommendations regarding the  
22 parameters of the supervision -- I see that I  
23 have six people here today, five or six people  
24 here today. I will give you a brief time.

25 MR. REYNOLDS: If I may take 50 seconds to

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1 review the procedure.

2 The condition of termination having been  
3 read, and the status of consent order to be  
4 determined, and whether the city should be put  
5 under the Board's supervision, and if so, the  
6 specific measures supervising this Board may  
7 deem appropriate to put in place in the city.

8 Assuming that the Board decides to place

9 the superimposed statute, the Board's action  
10 goes into effect after it has been approved by  
11 two or three Cabinet Officers, the Cabinet  
12 Officers through the Department of Community  
13 Affairs, the State Treasurer and the Attorney  
14 General.

15 Traditionally, under the statute, the  
16 Board's supervision will be in existence for  
17 one year. It can be extended past one year,  
18 but only with another hearing, another Board's  
19 motion extending for a period of a year.

20 If the Board decides to extend the hearing  
21 for another year, the approval of two or three  
22 Cabinet Officers be required.

23 MADAME CHAIRWOMAN: Okay. So I will start  
24 with you, Mayor Roberts.

25 MAYOR ROBERTS: Good morning, Commissioner

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1 and members of the Board.

2 We are here today to extend our  
3 appreciation that the Local Finance Board who  
4 is going to extend itself some capacity in the  
5 City of Hoboken .

6 As many of you know, Hoboken is a very  
7 interesting city. It is a city with much to be  
8 grateful for and much success.

9 Later today, one of the more interesting  
10 aspects of Hoboken is, today, at 10:00 a.m.,  
11 we're before the Local Finance Board having the  
12 Board involve itself, and the State of New  
13 Jersey involving itself, in the finance of our  
14 city, because of the inability of mayor/council  
15 adopting a budget.

16 Later in the same day, at 11:40 this  
17 morning, I have been invited over at New Jersey  
18 PAC to talk about the great successes of  
19 Hoboken . The great economy that Hoboken has,  
20 the great milestone that we have succumb as a  
21 municipality.

22 It is hard to imagine that Hoboken , with a  
23 city of under 50,000 people, having encountered  
24 as much success as we've encountered, it is  
25 regrettable, and I underscore regrettable, that

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1 we are here today.

2 When -- I just want to go on the record

3 and extend a couple of facts so that later in  
4 the day, there be no ambiguity.

5 You may hear about spending, that Hoboken  
6 is out of control. But we did a very detailed  
7 report, forwarded to your office.

8 Discretionary spending in 2001, in  
9 Hoboken , was just at \$9 million; discretionary  
10 spending. The spending that the mayor's office  
11 and council have some demonstrative impact  
12 over.

13 Today's discretionary spending is at eight  
14 million. It is one million less than it was  
15 seven years ago.

16 The spending that we're talking about as  
17 it relates to increases in the budget after the  
18 audit was given, the budget has gone from -- in  
19 the 50s, 57 million after audited, to low 90s.

20 How did that increase occur? Well, if you  
21 look at every major city in the country, you  
22 will find public safety increases, pension cost  
23 increases, health care cost increases, other  
24 obligation increases. And may I underscore,  
25 they were all voted on by members of the

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1 governing body.

2 So, discretionary spending has actually  
3 gone down.

4 Municipal taxes in Hoboken , because of  
5 close adherence to our economic develop plans  
6 that we set forth seven years ago, we have  
7 increased the amount of reoccurring revenue  
8 within the city in a very sizeable way.

9 The value of Hoboken without the benefit  
10 of a revalue has gone from \$2.8 billion, to  
11 just over \$9 billion in the course of a  
12 seven-and-a-half year period. That's  
13 extraordinary.

14 We are a city that is blessed with  
15 opportunity; we are a city that is blessed with  
16 the ability to attract business, and we have a  
17 young community that loves Hoboken .

18 This -- this problem of -- I was here four  
19 years ago. We have, in our city, as in many  
20 cities across the country and in the state,  
21 politics plays a roll in our system of  
22 government. I am aware of that.

23 But everything in life is okay in  
24 moderation.

25 I have to say, being unable to come to

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1 terms with our adversaries, being unable to  
2 meet in a setting like this to say, let's solve  
3 our budget difficulties.

4 The budget presented to the Municipal  
5 Council was incorrect. It was wrong. It was  
6 lost. It was a sizeable mistake that was  
7 uncovered. But the actions of what we all did  
8 as a result of that mistake is very telling.

9 There was 16 ideas presented to the  
10 Municipal Council two months ago. 15 have,  
11 either, been tabled or rejected.

12 There are no fewer than four members of  
13 the governing body running for mayor.

14 It is a city that has succumbed. It is  
15 not a political setting like in any other  
16 American city; politics plays a role in it.  
17 For heaven's sake, I also did.

18 But we are at a point now, where the  
19 politics of the moment, and I honestly say  
20 that, has overcome better judgment. I have  
21 overcome the spirit of compromise. Has overcome  
22 where we would always meet and say, look, let's  
23 just pass the budget. I will do this;  
24 Municipal Council will do that. We were at a  
25 complete impasse.

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1 And in conclusion, the Municipal Council,  
2 after being ordered by the director, still  
3 refused to pass a municipal budget. Fined  
4 individually. Still refused to pass a  
5 municipal budget.

6 I would only hope that after today, and I  
7 stand here embarrassed, I stand here with a  
8 sense of disgust and responsibility -- and  
9 responsibility, because my days as a  
10 firefighter and promotional commands, you could  
11 delegate authority, but you could not delegate  
12 responsibility.

13 So, for those folks that wanted to bring  
14 about shame, wanted to bring about this moment  
15 of Apocalypse, they've succeeded. That is part  
16 of life. I have to accept that, but I am

17 willing to work with the state; I am willing to  
18 work with every council person; I am -- I am  
19 happy that the State of New Jersey intervened  
20 at a time when we could have had a catastrophic  
21 increase in taxes.

22 So, I want to thank the Director; I want  
23 to thank the members of the Local Finance  
24 Board. And I want you to know that I will work  
25 with you. And I will do whatever it takes to

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1 get the city's finances back in a position that  
2 we could all be proud of, that mentor, the  
3 great City of Hoboken .

4 Thank you very much, Director.

5 MADAME CHAIRWOMAN: Thank you, Mayor.  
6 Council Cunningham.

7 MR. CUNNINGHAM: Thank you.

8 These are my comments and not necessarily  
9 the comments of -- or the, you know, the same  
10 ideals of my colleagues or the administration.

11 State supervision is, you know, obviously  
12 an unfortunate event that has affected this  
13 municipality and many others in New Jersey , and  
14 kind of goes to those municipalities and their  
15 inability to get their financial matters under  
16 control.

17 The question is, how did we get here?

18 I just finished up my first year as an  
19 elected official, and as I think you even  
20 mentioned in your complaint, this has been  
21 going on in Hoboken for well over five or six  
22 years.

23 The way that I look at it, I see this as,  
24 you know, years of fiscal mismanagement due to,  
25 in part, lack of proper policies and procedures

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1 at the director level.

2 I am not going to sit here and talk about  
3 the spending and the analysis that the mayor's  
4 office has done, that would indicate that it  
5 hasn't been out of control when there has been  
6 other financial analysis done, that would show  
7 to the contrary.

8 I am here to tell you today, that under  
9 certain conditions as future expected results,  
10 I do welcome the State supervision and the

11 appointment of a monitor that will come in and  
12 actually take a look at how we actually run the  
13 city government.

14 I have had discussions with some of the  
15 people, here, at the Local Finance Board, that  
16 have indicated that those kinds of services are  
17 available. And I have to tell you, the  
18 taxpayers of Hoboken , as well as the State of  
19 New Jersey , will be watching and expecting a  
20 lot from the Local Finance Board and the  
21 Division of Community Affairs, and how they are  
22 going to help us get out of this and correct  
23 this financial situation that we're in.

24 When I look at 80 percent of our budget as  
25 salary, and 50 percent of that is attributed to

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1 public safety, I think that would probably be a  
2 good place for a fiscal monitor and the tools  
3 that are available at the Local Finance Board,  
4 to start.

5 Given the State's track record, and you  
6 can understand there is a lot of skepticism,  
7 not only at the taxpayer level and overall  
8 throughout the state, we are concerned that,  
9 perhaps you won't be able to get the job done.  
10 But I am hopeful.

11 I am hopeful in that, I have seen it  
12 effectual in Hamilton recently, and what you  
13 have been able to do in Camden the last couple  
14 of years, and I want to work in a collaborative  
15 effort with the administration and my council  
16 colleagues to see this city move forward.

17 It is time for us to thoroughly review the  
18 departments from Public Safety, to the parking  
19 utility, to create efficiencies and employ new  
20 methods of technology and, also, assist us in  
21 effectively managing our collective bargaining  
22 agreement.

23 I think that, that is where we have fallen  
24 in the last seven years.

25 So, the city and the state taxpayers, we

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1 will be watching.

2 Hoboken has been the first for many  
3 things, and let's make Hoboken a perfect  
4 example of the way our state can work with the

5 city in bringing forth these policy changes.  
6 Help us get the job done, and let's not  
7 disappoint.

8 Thank you for your time, and looking  
9 forward to working with you.

10 MADAME CHAIRWOMAN: Thank you, Councilman.  
11 Councilwoman Zimmer.

12 MS. ZIMMER: Thank you very much.

13 My name is Dawn Zimmer and I am  
14 councilwoman representing the fourth Ward. I  
15 asked to have the opportunity to speak to you  
16 today.

17 As we all know, last month New Jersey  
18 Superior Court made a determination that there  
19 was a gross failure on the part of the City of  
20 Hoboken to comply with the conditions of the  
21 local budget law which, substantially,  
22 jeopardizes the integrity of the City of  
23 Hoboken .

24 The courts have stated the obvious.  
25 Nobody who has been paying attention for the

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1 past several months can tell us how we feel.

2 A mayor overspends and introduced budget  
3 by more than 10 million, and tried to hide this  
4 by not paying our bills. A practice that has  
5 apparently been going on for years. It is hard  
6 to imagine a better chance for the state to  
7 come in.

8 As a member of the Hoboken City Council, I  
9 accept my share of the blame. We have all  
10 taken important powers and responsibilities of  
11 the council.

12 Every year, our city council has failed to  
13 exercise their own powers and responsibilities,  
14 acting, instead, as a rubber stamp for the  
15 mayor and his administration.

16 In the past year, my colleagues and I have  
17 tried to step up to the plate and do the jobs  
18 that we were elected to do.

19 We tried to exercise the kinds of checks  
20 and balances on the mayor that we are supposed  
21 to do.

22 The past council simply acted as the  
23 mayor's rubber stamp, and had no intention to  
24 follow, and we were left trying to invent the

25 wheel.

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1 We had no intention to follow, we often  
2 found ourselves paralyzed doing more talking  
3 than acting.

4 Hoboken needs to institutionalize this  
5 control, to make sure that we not only fix this  
6 debacle, but also ensure that it never happens  
7 again.

8 Our problems are the result of all the  
9 spending, not undertaxing.

10 The solution must start with spending  
11 less, not taxing more.

12 At the end of the day, it is very possible  
13 that a responsible solution will include a tax  
14 increase, as well as increase to use some  
15 government services. But those steps must come  
16 at the end of the day, not at the beginning.

17 Our existing crisis is only a symptom, not  
18 the disease itself.

19 I look forward to working with all of you  
20 on behalf of the citizens of my ward and  
21 Hoboken , to ensure that we cure the disease and  
22 immerge with a healthy, financially strong city  
23 that our city deserves.

24 Thank you.

25 MADAME CHAIRWOMAN: Thank you,

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1 councilwoman.

2 Councilwoman Mason.

3 MS. MASON: Commissioners, I believe you  
4 know my name is Elizabeth Mason. I am a  
5 business owner in the City of Hoboken .

6 As my of you are aware, I have been here  
7 numerous times before as a private, and most  
8 recently as an elected official. And I am,  
9 unfortunately, disheartened that I have to be  
10 here again.

11 My position on the matter before you, as  
12 well as others, has lead us to have to preface  
13 what has been expressed here in the public form  
14 in the past.

15 I believe in the democratic process that  
16 in the city council that the people were  
17 elected to represent.

18 And I have a brief, four-paragraph letter

19 that I will submit for the record.  
20 "Dear Director Jacobucci and  
21 Commissioners: I would like to thank you for  
22 allowing me to place my objections to the  
23 possible State takeover of the City of Hoboken  
24 on the record.

25 First and foremost, our city is an

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1 intelligent, vibrant and pro-active community  
2 that has the ability to work to fix the  
3 financial, operational and legal matters that  
4 Hoboken currently faces.

5 These efforts are evidenced by the fact  
6 that over at least the past five years,  
7 concerned residents of the City of Hoboken have  
8 attempted to raise awareness among the  
9 community, the courts, regulators, and even to  
10 advise this Board of financial, operational and  
11 legal failures regarding our city and offer  
12 solutions.

13 The 2008 municipal budget continued to  
14 contain the long-standing structural deficit,  
15 and unbeknownst to the City Council and this  
16 body, was overspent by more than \$10 million.

17 Hoboken 's financial advisers, the firm of  
18 Donahue, Gironda and Doria were brought in more  
19 than three years ago to address the city's  
20 financial staffing needs.

21 Given the situation, one must raise the  
22 question of why the numerous financial and  
23 procedural failures were not brought to light  
24 sooner.

25 In addition to these alarming and

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1 financial discoveries, significant issues have  
2 come to light in various departments such as  
3 the Public Safety as it relates to the SWAT  
4 investigation, the Hoboken Building Department,  
5 the Hoboken Parking Utility, some of our  
6 municipal boards and authorities and other  
7 critical operational and legal failures that  
8 have been governmentally suppressed over the  
9 past several years. Clearly, our city needs to  
10 explore another possibility to resolve these  
11 extensive problems.

12 The obvious solution, as was initiated by

13 me several months ago, is to engage in an open  
14 selection process that will allow the Hoboken  
15 City Council, now with your assistance, to  
16 issue a request for qualifications similar to  
17 what was drafted in June, and retain an  
18 independent financial restructuring firm with  
19 expertise and a proven track record in  
20 resolving complex operational and financial  
21 matters such as these.

22 This approach is the only way to help the  
23 City of Hoboken identify and resolve its  
24 financial, operational and legal matters and  
25 begin to reestablish the citizens' and

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1 businesses' trust in, not only our city, but in  
2 our state government. We have been trying  
3 half-baked solutions for far too long.

4 I voted against an underfunded budget, and  
5 I never voted to bring in the state to take  
6 over to address this very significant and real  
7 challenge the City of Hoboken faces.

8 Should you elect to assign a  
9 representative to work on your behalf with the  
10 City of Hoboken , I look forward to helping the  
11 members of the Board and the assigned  
12 individual keep the process open and inclusive  
13 to the people of Hoboken .

14 Without it, government becomes all  
15 powerful, and in the words of U.S. Appellate  
16 Court Judge Damon Keith, 'Democracy dies behind  
17 closed doors, and the people's ability to  
18 govern themselves dies with it.'

19 This statement never resonated more than  
20 it does today."

21 Thank you for your time.

22 MADAME CHAIRWOMAN: Thank you  
23 councilwoman.

24 Mr. DeGornaro.

25 MR. DeGORNARO: Lawrence DeGornaro,

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1 Hoboken resident, taxpayer and a consultant to  
2 the city.

3 I am here just to -- not to embarrass  
4 anyone, or the City of Hoboken , I am here to  
5 just make sure that the -- that this doesn't  
6 happen again, that the State does intervene.

7 And I appreciate the City coming in.  
8 I didn't look forward to seeing this. I  
9 believe that the council and the mayor should  
10 have worked closely together and avoided  
11 something like this.  
12 I want to make sure that the city does not  
13 exceed the \$11 million the way that they did in  
14 the past.  
15 This is crazy. It is a mile square city.  
16 I am not really concerned with how much we  
17 are rated on -- in billions of dollars and so  
18 on. But I am concerned about is, I was brought  
19 up in a time when you have to earn your credit  
20 and live within your means and so on.  
21 This city has gotten out of hand. It is  
22 due to politics, and it is also due to just  
23 loading up the payroll contingencies.  
24 We can't afford this. There is a time  
25 when people have to say, we have to layoff.

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1 I'm sorry, but we cannot carry this. This is  
2 done in private business.  
3 I think the city has to start acting like  
4 the private business does. I don't think they  
5 have to be as severe, but I think that we have  
6 to start opening our eyes.  
7 Public Safety says, oh, well, we got to  
8 make sure that the public safety is always  
9 first and foremost.  
10 However, the Public Safety has gotten out  
11 of hand tremendously. The governor and the  
12 rest of the state has recognized this. The  
13 pension brackets and everything else.  
14 We have to start acting a little bit like  
15 a business.  
16 I am glad the State is coming in at this  
17 particular point, because it's gotten out of  
18 hand.  
19 I offer my services in any way. And I am  
20 not politically inclined with anyone here, the  
21 mayor or any other councilperson. I spoke for  
22 the citizens of Hoboken , and that's what I am  
23 hoping I'm speaking today.  
24 Thank you for allowing me to talk and  
25 listening to us as individuals.

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1 MADAME CHAIRWOMAN: Thank you, Mr.  
2 DeGornaro.

3 And Miss Hirsch.

4 MS. HIRSCH: Hi. I am not a public  
5 representative, I'm an old woman who's learned  
6 the hard way what a nickel is worth.

7 I have been going to council meetings for  
8 10 years and tried to figure out what was going  
9 on.

10 What I have written here, I feel very  
11 strongly about. You and New Jersey are on  
12 trial today. People are watching to see  
13 whether you honor and -- I can't even read my  
14 own writing -- and support the rule of law.

15 Whether you honor your pledge -- oath to  
16 serve your constituents, me or continue to go  
17 along with whatever mischief other members of  
18 your club create, Hoboken and New Jersey are  
19 already under scrutiny.

20 Public officials from New Jersey , north  
21 and south, are in the headlines almost daily.  
22 Something is wrong. High taxes, corruption,  
23 are they connected?

24 If I had my way, I would find a skilled,  
25 totally independent person from outside of the

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1 state and keep that person in place until every  
2 scrape of paper with a number on it has  
3 undergone critical scrutiny.

4 I would instruct that person to clear the  
5 \$12 million overdraft in the present fiscal  
6 year. Any avoidance that the taxpayer would be  
7 first on avoidances. Why weren't the taxpayers  
8 considered when the indiscretions were  
9 committed?

10 Too, Hoboken needs all the revenue that it  
11 can find. The municipal garage sale was sold  
12 -- when the municipal garage was sold, and the  
13 owners of it, the dollars aren't available.  
14 The sale was a wash. But I am not speaking --  
15 it must be replaced, and the list goes on.

16 David Roberts has already declared this  
17 for the democratic process; he must be honest.  
18 And I think that says the whole thing.

19 Somebody must take over and set the entire  
20 system back on track. It is way off track.

21 Monies are collected for senior services,  
22 but I am the wrong senior. I happen to pay my  
23 taxes and live independently. I get no  
24 services. Why? Because I am not susceptible  
25 to brainwashing and vote instruction. I get

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1 nothing for my tax dollar.

2 I don't get police service. So far, I  
3 haven't needed fire service, but I see what's  
4 going on around me.

5 The other day I saw something in a park in  
6 town and I desperately, desperately needed to  
7 speak with a police person. I saw a car  
8 revving; I looked around; I found no one. I  
9 was on my scooter at the time, and I traveled  
10 15 minutes from that spot, slowly up and down,  
11 looking for a policeman. I found none. And  
12 this was a reintegration of the local patrol.

13 Where are they? Yes, I see them, because  
14 I live across the street from a favorite diner,  
15 and I see three or four squad cars parked at  
16 that corner blocking intersections and  
17 crossings. I have to drive around them on my  
18 scooter when they're getting their lunch.

19 We have a tremendous public safety budget.  
20 What happened to it? Are there too many chiefs  
21 and not enough soldiers; not enough crew?  
22 Something is wrong. Something is very much  
23 wrong.

24 I pay about three times as much in taxes  
25 for a two-bedroom apartment as the mayor does

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1 for a wide brownstone. I don't know how many  
2 apartments are in it. Three times as much.

3 A revalue would hurt the old people. But  
4 they're getting services, which I am not  
5 getting. Something is very much structurally  
6 wrong, that is why they should find an  
7 independent out-of-state person that will  
8 really examine every book in town, every piece  
9 of paper with a dollar sign on it, every  
10 office.

11 We have too many people who have jobs for  
12 which they are not qualified, but they hire  
13 consultants. Our consultant bills are  
14 outrageous. And in addition to consultants, we

15 have a PR person. The directors can't speak  
16 for themselves, they need someone to spoke for  
17 them.

18 The Board of Education needs PR people.  
19 The context of building a better mousetrap to  
20 attract people to your door does not exist in  
21 Hoboken . We have to sell ourselves. The  
22 hospital has to sell itself directly or  
23 otherwise.

24 The Board of Education has to sell itself.  
25 Why? A good product doesn't have to be sold.

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1 A good product sells itself. And all the PR in  
2 the world will not sell any bad place.

3 MADAME CHAIRWOMAN: I would ask you to  
4 windup now.

5 MS. HIRSCH: Okay. I am finished. Thank  
6 you.

7 MADAME CHAIRWOMAN: Thank you very much.

8 What I am going to do now is, I am going  
9 to make a statement, and then I will ask the  
10 Board if they will place Hoboken under State  
11 supervision, and I will outline the plan.

12 First of all, I have listened to  
13 everything that you said, and I wanted to  
14 assure you that this Board has a commitment,  
15 both, to the state and to the residents of  
16 Hoboken .

17 I hear a lot of going back and forth  
18 between the mayor and council. We've dealt  
19 with them for a long time, and extended from  
20 before May of 2008.

21 But in reality, in my opinion, there is no  
22 reason that Hoboken should even be here today.

23 You are not like one of our special cities  
24 that you can use state money in order to just  
25 provide essential services.

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1 As the mayor stated and city council  
2 stated, Hoboken is, and should be, a vibrant  
3 city.

4 But because of inactions of elected  
5 officials, and I'm not pointing a finger at  
6 anyone, we have come to this state today.

7 It is a sad state of affairs when a city  
8 like Hoboken can't even pass a budget. A

9 budget that was presented in October or  
10 November of 2007.

11 I want to assure everybody here today,  
12 mayor, council, residents and the press that is  
13 here, that this is not a takeover. It is not a  
14 takeover. It is a state supervision provided  
15 by statute.

16 The mayor and council will still be  
17 expected to complete all their statutory duties  
18 and run the city. That is what we have been  
19 saying for the past 10 months. But it hasn't  
20 come to pass.

21 And I wanted to assure Mr. DeGornaro that  
22 all these processes will be transparent,  
23 because the only people that the mayor and  
24 council has failed, and I heard the statements,  
25 are the residents of Hoboken .

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1 Because that is what we are here for  
2 today, is to make sure that the residents of  
3 Hoboken know what the processes are, know that  
4 it is going to be transparent and know that the  
5 mayor and council will fulfill their duties,  
6 and the state supervision will help them in  
7 doing that.

8 Under the statute, state supervision is  
9 for one year. One year from today's -- of this  
10 meeting if it is approved by this Board.

11 That, in essence, there is two budgets for  
12 the city, the present budget and the next  
13 fiscal budget.

14 If, for some reason, there needs to be an  
15 extension of that, you will come back before  
16 this Board, and the Board will make the  
17 decision.

18 So, my first recommendation to the Board  
19 is that we do take Hoboken under state  
20 supervision, under the provisions of the Local  
21 Government Supervision Act.

22 And what I recommend the parameters that  
23 must be placed under this supervision is; one,  
24 that the preparation of adoption of said, that  
25 the Board has control over the preparation and

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1 adoption of the municipal annual budget.

2 It doesn't mean that the mayor, council --

3 the mayor is to prepare the budget, which I've  
4 heard that he's already done. It doesn't mean  
5 that the council is not empowered to pass the  
6 budget.

7 We are not taking away your statutory  
8 power.

9 However, the Board and the Division of  
10 Local Government Services, as authorized by the  
11 Board, will make sure that the process is  
12 completed in a timely manner.

13 And that the input from the council and  
14 from the mayor and from the residents is heard.

15 I also recommend approval by the director  
16 of all contracts in excess of \$4500, approval  
17 by the Board of all bondages and other  
18 obligations of the municipality. Approval by  
19 the director of all appropriations and  
20 expenditures of the municipality.

21 These are all statutorily authorized.  
22 Supervision by the director of all the  
23 municipal officers and employees to the extent  
24 that their duties relate to fiscal affairs of  
25 the municipality.

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1 I think the direction is what Mr.  
2 Cunningham suggested.

3 Supervision by the director of the revenue  
4 administration.

5 For example, tax collection of the  
6 municipality. We want to assure that all the  
7 revenue that is collected, and the potential be  
8 collected in a timely manner and that it is in  
9 statutorily correct manner.

10 Appointment of a fiscal control officer,  
11 authorization for the directives of assuming  
12 the function of controller in the municipality,  
13 singled by the director of all collective  
14 bargaining agreements entered into by the  
15 municipality. That doesn't mean that the state  
16 will negotiate. It means you will negotiate  
17 with final approval, and must come through the  
18 Local Government Services Office.

19 This assures that there is transparency,  
20 and also assures that all contracts are cost  
21 effective, because I think it was first pointed  
22 out there is a deficit, and it has to be

23 filled.

24 This also includes all professional  
25 services and consulting contracts as well.

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1 Approval by the Board of appointment or  
2 dismissal of unclassified service in managerial  
3 provisions necessary for the financial  
4 rehabilitation of the municipality.

5 We will have state employees come in and  
6 do the performance audits to make sure, and I  
7 think Mr. Cunningham pointed out, that, on a  
8 departmental level, there should be some kind  
9 of review that impasses that review.

10 Authorization of the directive to fix the  
11 hours and terms and conditions and employment  
12 of all municipal employees, and authorization  
13 to appoint business of municipal employees  
14 subject to applicable civil service  
15 requirements and selective bargaining  
16 agreement. Other powers related to  
17 liabilities, the study and evaluation of  
18 cooperative agreements with other public  
19 entities, the preparation of fiscal and special  
20 reports and other provisions that deem  
21 necessary to the fiscal control officer and the  
22 director and the city under NJSA 52:27BD67  
23 through 90.

24 Those are my recommendations. So, I would  
25 like you, the Board, that the motion that we

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1 will vote on it, and we will look at any  
2 comments from the Board.

3 COMMISSIONER TURNER: I just, like the  
4 manager, there is one way comment.

5 I still get the sense that a lot of --  
6 there is no way that you can totally  
7 restructure a municipality in one year. This  
8 is one year.

9 You know, to run a municipality for many  
10 new people takes a lot of time.

11 We are all here because a budget was not  
12 adopted. There is a tremendous spillover from  
13 the June 30th budget year, to the July 1 budget  
14 year.

15 The first part we got from, both, the last  
16 budget cycle, and then the second part of the

17 adopting of the budget was you. You manage the  
18 changes in a short period of time, in time to  
19 adopt a budget.

20 So, this budget will be painful. Any  
21 budget that this Board is faced with will be  
22 painful. It is not the responsibility of the  
23 state to restructure Hoboken , it is the  
24 responsibilities of the elected officials to  
25 restructure Hoboken .

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1 And pushing the responsibility that  
2 Trenton will solve any problem is totally  
3 unreal. This will be last year's budget fix;  
4 this will be this year's budget fix and spill  
5 over to the next budget in 12 months.

6 We will evaluate in 12 months. But if you  
7 want to restructure Hoboken , go to work and  
8 restructure Hoboken .

9 Nobody should be here. It is a waste of  
10 time and energy.

11 Two months ago, nobody had a plan.  
12 Everybody said two months ago, nobody had a  
13 plan. Nobody had a plan, Trenton will adopt a  
14 budget. Trenton adopted a timely budget. I  
15 have been there; we have done it. It will give  
16 you time to do long term structuring if you  
17 choose to have it.

18 MADAME CHAIRWOMAN: Mr. Light.

19 COMMISSIONER LIGHT: I'm going to make a  
20 motion, but before I do that, I don't think the  
21 situation could change. And it is a sad  
22 situation.

23 And all members that find themselves in  
24 this frequent situation have money of the  
25 governing body at both levels, served locally,

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1 served in the state level, and have had to  
2 accept responsibilities and have all been able  
3 to work with others, and the structures that  
4 resulted along the peer level have involved  
5 many management situations.

6 This said, the direction of us passing was  
7 referred because of the ability of the  
8 government body to manage their own affairs. A  
9 sad state of affairs, but now it must be passed  
10 on to the Local Government Services to account

11 that responsibilities.

12 But with all of that, and unless you have  
13 anything to say, Frank wants to speak.

14 COMMISSIONER BLEE: Thank you.

15 Even though the situation that we're in  
16 today, I really see it as incomprehensible and  
17 inexcusable.

18 As individuals, I have no question to  
19 question your integrity. I am sure that you  
20 are all upstanding individuals; I have Hoboken  
21 in the highest regard, and you are trying to do  
22 the best thing.

23 I just recently completed 17 years in  
24 elected office, starting at the local level and  
25 the state assembly.

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1 In addition to the last five or six years,  
2 I teach a public policy course at Stockton  
3 College.

4 And I always tell my students that, if you  
5 ever intertwined public policy and politics, in  
6 order to make some public policy at some point,  
7 you have to cut the ties to the politics.

8 And I don't know if we're talking  
9 Democrat, Republican, Liberal, Conservative  
10 here today, but what you got is, you've mired  
11 the public policy process in politics, whether  
12 be personal or whatever reasons, and that is  
13 wrong and that is ashame.

14 Now, I'm not going to get on my soapbox  
15 and preach, because a few years ago, I was in  
16 state legislature, because of politics,  
17 whatever the politics trend was, we shut down  
18 the state of New Jersey for 10 days. That was  
19 incomprehensible, and that was inexcusable as  
20 well.

21 But at the end of the day, for whatever  
22 reasons, whether you're going back a couple of  
23 years ago, you're talking about this situation,  
24 real people. And on a personal, individual  
25 basis, are hurt by the actions or inactions of

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1 these elected officials.

2 So, I actually, positively support what  
3 the Board is going to do today with this  
4 recommendation that Mr. Light is about to make.

5           And I hope that this will setup a  
6 situation in which all these problems can be  
7 rectified. I felt that from each and every one  
8 of you, that you are going to embrace this in a  
9 positive way, and then move forward, because I  
10 think Hoboken is a tremendous city, you have  
11 incredible potential, and hopefully by working  
12 together, working with the state appointed  
13 monitor, we can get this situation back the way  
14 it should be and, hopefully, you know, we will  
15 never see each other again, unless we are  
16 watching on TV, getting accolades of being a  
17 great place.

18           So, with that, Mr. Light, if you make a  
19 motion --

20           COMMISSIONER DELGADO: I wanted to say  
21 that, and I think that in this whole situation,  
22 even though a lot of people are here today and  
23 that they are doing their best to represent the  
24 City of Hoboken , I think that everybody needs  
25 to put their feelings aside and really remember

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1           who elected you into office, were the citizens  
2 of Hoboken . And that is important right now.

3           Sometimes you have to learn how to give  
4 and take. And it is not about you fighting the  
5 government body. And I really think that at  
6 the end of the day, when you go back, you still  
7 have a city to run.

8           And I think that each and every one of the  
9 governing body really needs the governing body  
10 because, like my colleague said, you're only  
11 hurting the citizens of Hoboken at the end of  
12 the day.

13           COMMISSIONER LIGHT: I am at a loss for  
14 words after those words.

15           MADAME CHAIRWOMAN: Do we have a motion?

16           COMMISSIONER LIGHT: Yes. I will make a  
17 motion that we approve the regulation of the  
18 director.

19           COMMISSIONER DELGADO: I will second it.

20           MADAME CHAIRWOMAN: Questions from the  
21 commissioners?

22           (No response.)

23           MADAME CHAIRWOMAN: Okay. Roll call.

24           MS. McNAMARA: Miss Jacobucci?

25 MADAME CHAIRWOMAN: Yes. And I hope that  
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1 I don't see you again.

2 MS. McNAMARA: Mr. Blee?

3 COMMISSIONER BLEE: Yes.

4 MS. McNAMARA: Miss Delgado?

5 COMMISSIONER DELGADO: Yes.

6 MS. McNAMARA: Mr. Light?

7 COMMISSIONER LIGHT: Yes.

8 MS. McNAMARA: Mr. Turner?

9 COMMISSIONER TURNER: Yes.

10 MADAME CHAIRWOMAN: And I also would like  
11 to thank everyone for coming down. Thank you.

12 Okay. The new item on the agenda, that is

13 Middle Township . Okay.