



November 15, 2011

Dear Director Neff,

I regret to inform you that the Hoboken City Council minority refused to approve line item transfers after it was presented to them for a second time at the meeting of Monday, November 14th. This refusal occurred in direct contravention to your letter which made clear the Council's fiduciary responsibility in this matter.

This refusal has the following impact on the City of Hoboken:

1. The City will not be able to cover the costs for paying our Firemen and Firewomen as of November 30th. My Administration was trying to transfer funds into the Fire Department line item that were unspent and available elsewhere in the budget. Unfortunately, as a result of the City Council's refusal to take an action that is routinely done every year both in Hoboken and every municipality in the State of New Jersey, we are not in a position to legally pay the salaries for our Fire Fighters for the rest of the year.
2. The City of Hoboken faces a legal challenge to a Zoning Board decision. By court order we must provide a discovery response. As a result of the Council's action, we will not be able to hire the land use legal expertise needed to protect the City's interests.
3. Finally, bankruptcy counsel was hired to protect the City's interests through the bankruptcy of Hoboken University Medical Center. As a result of the Council's vote, the City is not in a position to pay the unanticipated costs for this bankruptcy counsel, whose services were necessary to save our hospital and remove our City from a \$52 million bond guarantee, and protect our City from an additional \$35 million in potential exposure to creditor claims.

As a result of this vote, my administration will not be able to make these payments. The operation of our City is being held hostage by a political minority seeking to damage the interests of the City of Hoboken and all of its residents due to their misguided belief that hurting our City, its taxpayers and its employees will somehow benefit them politically.

I will call you tomorrow to follow up to discuss the City of Hoboken's appropriate course of action going forward.

Thank you and best regards,

Mayor Dawn Zimmer

Cc: Hoboken City Council Members