carried to 12/19/12

1st reading 9-5-12 (5)

Z-210

Sponsored by _____

Seconded by _____

AN ORDINANCE OF THE CITY OF HOBOKEN, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY, DISSOLVING THE HOBOKEN MUNICIPAL HOSPITAL AUTHORITY PURSUANT TO N.J.S.A. 40A:5A-20

WHEREAS, the governing body of the City of Hoboken, in the County of Hudson, New Jersey (the "City"), created, by ordinance adopted on August 9, 2006, the Hoboken Municipal Hospital Authority (the "Authority") in accordance with the Municipal Hospital Authority Law, constituting Chapter 46 of the Pamphlet Laws of 2006 of the State, as amended and supplemented (the "Act"); and

WHEREAS, the Authority was formed for the purpose of acquiring, improving and managing Hoboken University Medical Center (formerly St. Mary Hospital) (the "Hospital") and did so for the period from acquisition of the Hospital through November 4, 2011, the date upon which the Authority sold the Hospital and all of it related assets (the "Sale Transaction") to HUMC Holdco, LLC (the "Purchaser"); and

WHEREAS, the proceeds of the Sale Transaction provided for (i) the defeasance of all of the Authority's outstanding indebtedness, which indebtedness was secured by, among other things, a guaranty of the City, and (ii) the maintenance of insurance policies that cover certain future claims associated with the governance of a general acute care hospital; and

WHEREAS, as part of the Sale Transaction and pursuant to bankruptcy proceedings related to the Hudson Healthcare Inc. (the "Hospital Manager"), the Authority has satisfied its obligations to the Hospital Manager and has received a general release from potential claims of creditors of the Hospital Manager; and

WHEREAS, the City has determined that as a result of the Sale Transaction, the Authority has made provision for the payment of all creditors and obligees of the Authority, and therefore it is in the best interests of the residents of the City to dissolve the Authority; and

WHEREAS, the City desires to dissolve the Authority in accordance with, and in fulfillment of, the provisions of N.J.S.A. 40A:5A-20,

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Hoboken, in the County of Hudson, State of New Jersey, as follows:

Section 1. Dissolution. In light of the Sale Transaction and the provision for the payment of all creditors and obligees of the Authority, the Authority is hereby dissolved, subject to the terms and conditions hereof.

Section 2. Transfer of Title to All Facilities. Upon the effective date of the dissolution as set forth in Section 3 of this ordinance, all real and personal property, facilities and contracts of the Authority and all monies and funds held by or for the Authority, if any, shall be deemed transferred to and become the property of the City. The existing officers of the Authority are hereby authorized and directed to execute any documents or instruments necessary to transfer legal title to all real property, personal property, facilities, contracts and monies and funds to the City upon the effective date of the dissolution herein, notwithstanding the dissolution of the Authority. All documents and records of the Authority shall be delivered to the City Clerk prior to the effective date of the dissolution.

Section 3. Effective Date of Dissolution. The dissolution of the Authority shall take effect simultaneously with the transfer of the Authority property to the City and the transfer of all funds from the Authority to the City.

Section 4. Limitation on Actions by Authority. Prior to the effective date of the dissolution, the Authority shall not be authorized to issue or authorize any obligations or to approve or enter into agreements without the prior consent of the City as evidenced by a resolution of the City Council; provided, however, that the Authority conduct all other business and may pay its legally due debt and bills incurred in the ordinary course without the prior consent of the City.

Section 5. Authorization of City and Authority to Take all Necessary Action. The Mayor, Business Administrator, Chief Financial Officer, City Clerk and other employees, as directed by the Business Administrator, are hereby authorized and directed to take any and all steps necessary to effectuate the purposes of this ordinance. The members of the Authority, its officers, employees, engineer and counsel are hereby authorized and directed to take all steps necessary to effectuate the purposes of this ordinance.

Section 6. Approval of Local Finance Board; Filing. This ordinance shall be submitted to, and approved by, the Local Finance Board of the State of New Jersey prior to final adoption in accordance with the requirements of N.J.S.A. 40A:5A-20 and the final adoption of this ordinance by the City shall represent conclusive proof of the fact that this ordinance has received the approval of the Local Finance Board. Immediately upon adoption of this ordinance, this ordinance shall be filed with the Local Finance Board and with the Secretary of State of New Jersey, in accordance with N.J.S.A. 40A:5A-20.

Section 7. Severability. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional or invalid by any court of competent jurisdiction, such decision shall not affect the remaining portions of this ordinance.

Section 8. Repeal of All Inconsistent Ordinances. All ordinances of the City which are inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

Section 9. Effective Date. This ordinance shall take effect immediately upon the adoption hereof and shall not be subject to referendum.

Date of Introduction: September 5, 2012

Introduction:

Councilperson	Yea	Nay	Abstain	No Vote
Ravi Bhalla	✓			
Theresa Castellano	✓			
Jen Giattino	✓			
Carol Marsh	✓			
Elizabeth Mason				✓
David Mello	✓			✓
Tim Occhipinti	✓			
Michael Russo	✓			
President Peter Cunningham	✓			

Final Reading:

Councilperson	Yea	Nay	Abstain	No Vote
Ravi Bhalla				
Theresa Castellano				
Jen Giattino				
Carol Marsh				
Elizabeth Mason				
David Mello				
Tim Occhipinti				
Michael Russo				
President Peter Cunningham				

Approved as to Legal Form:

_____

Mellissa Longo, Interim Corporation Counsel

Adopted by the Hoboken City Council
By a Vote of ____ Yeas to ____ Nays
On the ____ day of _____, 2012

_____

James Farina, City Clerk

☐ Vetoed by the Mayor for the following reasons: _____

_____

_____

_____

_____

-or-

☐ Approved by the Mayor
On the ___ day of _____, 2012

_____

Dawn Zimmer, Mayor