



CITY HALL  
HOBOKEN, NEW JERSEY

August 18, 2011

Dear Council Members,

Last night the Hoboken Municipal Hospital Authority approved the settlement agreement between the City, the Authority, and Hudson Healthcare.

This highly confidential settlement agreement on which you will be briefed tonight in closed session by Mr. Hollander, the City's bankruptcy counsel, is an essential component of saving our hospital and protecting the taxpayers of Hoboken. Mr. Hollander will provide a brief overview of the settlement agreement and the bankruptcy process to the public before the vote is taken in open session. If you approve the settlement, it will be part of a motion that is filed with the bankruptcy court on Friday. Once the settlement is fully executed and filed with the court, then the document will be made available to the public.

Confidential copies of the settlement agreement will be messengered to each of you today. If possible, I would like to speak with each of you before the Council meeting tonight. Please email me and let me know your availability.

The resolution and agreement with Paul Hollander, the City's bankruptcy counsel is attached. Mr. Hollander was hired on an emergency basis and has already played an integral role in protecting the City's interests. He worked closely with the Authority's counsel to develop the comprehensive settlement agreement and will be at tonight's meeting to brief you in closed session.

Bankruptcy counsel is expensive compared to municipal rates, but given the stakes involved for the City, I felt it was crucial that we have the best representation possible. I ask you to keep these factors in mind as you review Mr. Hollander's rates and consider whether or not to approve his contract. At my request his firm has reduced their prices and agreed to a 10 percent reduction. Mr. Hollander's hourly rate is \$540.00 per hour. As discussed previously, based on the bankruptcy process, Mr. Hollander will develop an estimated scope of work that will be presented to the Council at the September meeting.

Thank you for working with me to ensure that Hoboken is able to maintain our hospital and protect the interests of our City and our taxpayers.

I hope to speak with each of you today. You can also reach me on my cell at 201-424-1598.

Best regards.

A handwritten signature in cursive script, appearing to read 'Dawn Zimmer'.

Mayor Zimmer