



April 15, 2010

To: City Council Members  
Fr: Mayor Zimmer  
Re: Hiring of New Business Administrator & 4.2 Million Severance Payment

Dear Council Members,

Yesterday the State approved Hoboken's FY 2010 budget. At the meeting in Trenton I advocated strongly for Hoboken to be released from State Fiscal Monitoring. The new DLGS Director, Marc Pfeiffer, assured me that he would seriously consider my request for the May or June meeting.

Before Hoboken can finally stand on its own, we must first hire a new Business Administrator. I am extremely pleased to inform you that a search process including Council members and directors has resulted in a strong consensus around one candidate.

At my request, Council President Cunningham formed a Council search committee that included Quality of Life Chair Giacchi, Public Safety Chair Bhalla, and Finance Chair Lenz. (Councilwoman Marsh, as a representative of the Finance committee, also attended some interviews on behalf of the Finance Chair). I completed interviews with the Council committee. Three directors from my Administration conducted separate interviews and provided their assessment of the candidates.

The position was advertised in the New York Times, the Newark Star-Ledger and numerous State industry publications including the League of Municipalities.

The interview process with the Council members and directors resulted in a consensus around Arch Liston, the Business Administrator in Bridgeton, which is a distressed city under State Fiscal Monitoring. Mr. Liston's experience includes bringing change in a challenging environment, managing many redevelopment projects, negotiating labor union contracts, and working as a former Police Chief. He is known for requiring employees to work hard by demanding accountability. He is also known to be fair, supportive and able to develop the potential of employees.

After hearing out the views of Council members that participated in the interview process, directors, checking references, and receiving positive reviews from others government and private sectors leaders about Mr. Liston, I have decided to appoint him as our City's new Business Administrator.

## OFFICE OF THE MAYOR

Mr. Liston has asked that prior to giving notice at his current position, that approval of his appointment be voted on by the Council to ensure that there are no issues. I believe this is a reasonable request. Council President has agreed to include approval of Mr. Liston's appointment on the agenda for next week's meeting.

If you are interested in completing a face-to-face interview with Mr. Liston prior to next week's meeting, please call Dan Bryan in my office so we can coordinate with you to arrange this. Mr. Liston is also available to speak with each Council member on the phone prior to the meeting. (Please contact my office for his cell number).

If approved by the Council, Mr. Liston is available to begin working on May 3rd. He has agreed to a salary of \$150,000, and will not be taking health benefits. This salary is within the budget level approved by the Council.

I have conducted three separate interviews with Mr. Liston, and as one Council member said, "the more I talk with him, the more impressed I am." Mr. Liston will be an asset to moving our City forward. I hope that you can support his appointment at next week's City Council meeting so that we may not only accomplish our City's business, and expeditiously move out of State supervision.

### **\$4.2 Million Early Retirement Payment**

In late March we received a bill for the \$4.2 million severance that was due on April 1st. Upon receiving the bill I immediately reached out to the Division of Pensions to ask for an extension. In addition, Finance Director Transante confirmed that we have a 30-day grace period. If the \$4.2 million is not paid by April 30th, the City will be charged interest at an annual rate of 10 percent or approximately \$35,000 per month.

Unfortunately my repeated requests for an extension to conduct additional due diligence has not been granted, nor has the Division of Pensions been forthcoming with providing the additional information needed to evaluate the assessment completed by Bucks Consulting.

I will continue trying to arrange for a second review of the analysis completed by Bucks Consulting until the final deadline on April 30th.

As you know, the City has received Legal guidance from Corporation Counsel that the deadline for appealing this matter exceeded the time limit last year under the prior Administration. I have been trying to get an informal review completed of the calculations, however, our position is weak since the deadline for the appeal was missed long before I took office.

I will continue seeking an extension in order to complete a review of the Bucks Consulting calculations. However, if that extension is not granted, and given the legal guidance that we have received indicating that we are extremely unlikely to prevail in any challenge, it will be necessary for the City to make the payment. It is my obligation to pay the invoices billed to the City in order to avoid increasing the cost of this unfortunate mistake.

Thank you and best regards.

Mayor Zimmer