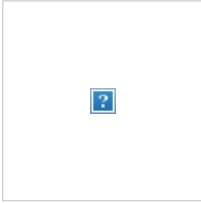


HOBOKEN TO LAYOFF CITY WORKERS



Dawn Zimmer, the mayor of Hoboken, New Jersey has announced that the city will begin the process of some stark, citywide layoffs in the next few weeks. The Layoffs have come because of a rather unusual reason, a parking garage. More accurately, the layoffs will happen because of the rejection of an ordinance by the city council to refinance the bonds on the Midtown garage. This may sound a bit strange, but the failure to approve that ordinance has actually created a \$7.3 million gap in the budget. It is this gap that will lead to the loss of jobs. The garage in question is used for general parking, but also partially as part of the facilities of Hoboken University Medical Center. The medical center uses part of the facility as parking for its employees. Mayor Zimmer warned council members that the garage has to be refinanced in order to avoid the layoffs. This need for change is due, at least in part, to the fact that the hospital is under new management. After a recent sale the once non-for-profit hospital has recently been bought by a for-profit hospital chain. The new buyer is HUMC Holdco, a medical group that currently owns Bayonne Medical Center. The garage is currently zoned as tax exempt, because it was being used by a non-for-profit. With the change in management the facility must be changed to a taxable status. The change the council voted against would have made the facility taxable. Since the city council has failed to make the needed changes they have, in addition to creating a tax shortfall, made a situation in which they could possibly incur penalties from the IRS. The failure to apply seems like a bit of an odd move when you consider the risks, and the fact that the only part of the garage that was slated to become taxable was the part currently being used by the staff of the hospital. "Layoffs should not be necessary at all, but the City Council minority has intentionally created an easily avoidable budget gap that must now be addressed in a fiscally responsible manner," Mayor Zimmer said in a statement. She later went on to add the fact that this refinancing would have saved the city \$50,000 immediately, as well as the \$4.5 million that the city of Hoboken will now have to spend in order to pay down the existing bond. She said that these factors "will have to be offset by staffing cuts in order to stay within budget and avoid a significant tax increase." The following city council members voted against the measure: Beth Mason, Mike Russo, Theresa Castellano and Tim Occhipinti. Their reasoning was that the parking agreement is not fair to tax payers. The hospital would rent the spaces at a fee of \$45 a month for three years, and \$65 for the next 96 years. Doctors would pay nothing to park. The current rate for one of these parking spots is about \$200 a month.

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