

Director Timothy Cunningham
Division of Local Government Services
NJ Department of Community Affairs
P. O. Box 803
Trenton, NJ 08625-0803

September 7, 2017

Director Cunningham:

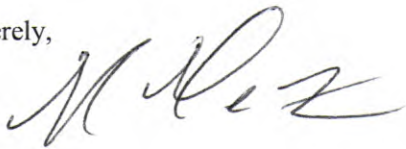
I am writing in my capacity as an elected member of the Hoboken City Council to officially request an investigation by the Department of Community Affairs into recently uncovered revelations that the City of Hoboken is currently carrying an \$8.3 million liability owed to Suez Water. This liability has reportedly been building for the past three years and was not included on any of the three most recently adopted city budgets or annual audits.

As you are well aware, municipalities must include all outstanding liabilities in their annual budget documents, including long-term debt. Current liabilities such as this debt to Suez must by law be budgeted each year in order to pass a constitutionally-mandated balanced budget. It appears that this has not happened in Hoboken over the last three years.

At a City Council meeting held on September 6, the city's auditor said that he only became aware of the Suez liability on the previous day, while the city's Business Administrator said that he found out about the liability in the last year. This displays potentially gross negligence or willful disinformation on the part of the administration of Mayor Dawn Zimmer, which must be fully investigated and documented in order for city taxpayers to understand the depth of the deficit they now find themselves in.

I respectfully request the assistance of the DCA in investigating these troubling developments so that our municipal government, as well as our taxpayers, can ascertain the true state of our municipal finances and pursue an honest city budget.

Sincerely,

A handwritten signature in black ink, appearing to read "M. DeFusco". The signature is fluid and cursive, with the first name "Michael" and last name "DeFusco" clearly distinguishable.

Michael A. DeFusco
Councilman, First Ward
City of Hoboken