



**\$12M**

Amount the HUMC wants to re-finance out of the original \$52 million bond issue.

JOURNAL FILE PHOTO

# Quiz ahead on Hoboken hosp's refinance plan

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**HOBOKEN** — Trying to save money before the full impact of proposed budget cuts by Gov. Jon Corzine strikes, Hoboken University Medical Center wants to refinance \$12 million of the \$52 million bond issue that got the hospital up and running two years ago.

The state Local Finance Board, which has to sign off on all such moves, had been scheduled to consider the refinance proposal yesterday, but that was postponed when the agency didn't have time to review a 2007 financial audit of the hospital, said hospital CEO Harvey Holzberg.

The refinancing will not affect highly anticipated

capital projects like the new emergency room and seven new labor and delivery rooms, Holzberg said.

Money raised from the refinancing would be used for operating expenses, he said.

But some City Council members are displeased with the way the Hoboken Municipal Hospital Authority, the quasi-governmental agency that runs the hospital, is conducting business.

Second Ward Councilwoman Beth Mason, who's been involved in past litigation with the HMHA over properly conducting public meetings, sent a letter to the state board and the state Attorney General's Office yesterday, asking them to prevent the sale of the \$12 million bond.

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**Harvey Holzberg**  
HUMC CEO

"The hospital now apparently needs an infusion of cash," said Mason. "The fact that the hospital needs to borrow money to pay its current expenses is a bad sign. It's like paying your rent with your Visa card."

Mason said she is displeased the HMHA is trying to restructure bonds without the City Council's approval. The HMHA said it doesn't think it needs the council's approval to refinance.

Holzberg said the refinancing is necessary because the hospital may lose money due to possible state healthcare budget cuts.

"The whole reason for the refinancing now is anticipating the cuts that are going to come," said Holzberg. "We're doing very well, but we were going to solve the cash flow problem as a preventative move."

Council President Theresa Castellano sent out a letter yesterday inviting Holzberg to come before the City Council to speak about the hospital's finances. Hoboken Mayor Dave Roberts sent out a similar letter.

Holzberg said he and other HMHA officials plan to appear before the City Council at its next meeting a week from today.