

# New Yorkers look askance at P.A. deal

Hoboken development vote is before state's top court

By Jo-Ann Moriarty  
Journal staff writer

While the New Jersey Supreme Court reviews the Hoboken's waterfront development agreement with the Port Authority of New York and New Jersey tomorrow, some New Yorkers have already arrived at a verdict concerning the bi-state agency.

New York Councilman Stephen DiBrienza, who chairs the City Council's subcommittee on waterfront development, said in a recent interview that the P.A. should get out of development and stick to its original mandate of managing ports and transportation.

DiBrienza is one of several City Council members who, with Rep. Stephen Solarz, D-N.Y., and state senators, support a Brooklyn Heights community coalition trying to limit commercial development on four P.A.-owned piers in Brooklyn.

"I would be very leery if I were a resident of Hoboken to enter into a contract with the Port Authority on a development," DiBrienza said.

"The agency is difficult to deal with, hard to handle. Instead of going for a small development with open space, they do things on a grand scheme with high-rise towers," he said. "Their project will come back and haunt the small towns on the New Jersey side of the Hudson. The city has a right to be very skeptical," he added.

The Supreme Court will hear arguments tomorrow on

whether the city's plan to build a 3.2 million-square-foot development, which includes 1,600 housing units and 1.6 million square feet of commercial space, in partnership with the P.A. is exempt from the referendum process.

A group of Hoboken residents, now called a Coalition for a Better Waterfront, is challenging the city's 50-year contract through a referendum question. A special election is scheduled July 10 asking voters if they want to develop the southern waterfront of city-owned land with the authority.

If the Supreme Court rules in favor of Mayor Patrick Pasculli's administration, the election could be aborted.

And while waterfront proponents are sporting big green buttons stating "Yes" and opponents to the project are wearing bright-colored "No" buttons, across the Hudson River there are some New Yorkers who are asking simply, "Why?"

Anthony Manheim, co-chairman of the Brooklyn Bridge Park Coalition, could not fathom "why" the P.A. is involved in the Hoboken waterfront if the Mile Square City owns the land.

Manheim's group, whose members represent an affluent section of Brooklyn, has been wrestling with the bi-state agency over four piers owned by the authority.

The group has been successful in getting the develop-

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# Stevens lays off 36 in budget crunch

By Jo-Ann Moriarty  
Journal staff writer

Stevens Institute of Technology in Hoboken has laid off 36 employees and will not fill another 30 jobs because of a budget deficit caused by declining enrollment, a college administrator said yesterday.

The college, operating about \$2.5 million in the red, eliminated 66 positions as part of a "reduction in force" program to reduce the payroll, said C. Thomas Lunghard, vice president of administration.

"It represents about \$1.5 million off the payroll. We have been running somewhat in the red for the last three years," Lunghard said.

The layoffs went out last

week.

"Enrollment dropped each year for the last five years. Last fall, we saw a turnaround because we had a large freshmen class," he added.

The college's freshman enrollment in 1983 was 500 students, compared with 280 students who joined the freshman class two years ago.

The enrollment last fall was 450 students, Lunghard said.

He credited the increase in class size to the college's new president, Dr. Harold Raveche.

"Dr. Raveche is very marketing savvy," Lunghard said, adding the college revamped the admissions office to recruit more students to the waterfront campus.

"Engineering enrollment has

fallen off nationally. Since 1983, the number of high school students declined by significant percentages — 10 percent a year," Lunghard said.

"Our enrollment started dropping by the same percentages even though we are trying hard to recruit. The number of high school graduates going into engineering is also declining," he said.

The layoffs included union workers, secretaries and clerks, technicians, engineers and six faculty members, he said.

"We tried to do the least damage," Lunghard said. "We are struggling to come up with a balanced budget."

However, he noted that the 1990-91 budget, which begins tomorrow,

still contains about a \$1 million deficit. The 89-90 budget was \$40 million and the college is trying to reduce it to \$38.5 million.

"Our income was about \$2.5 million less than \$40 million," he said.

"We don't think we will have the enrollment again until the 1997. Stevens feels that we have to have our financial house in order. We will not be able to grow out of this problem."

Stevens, founded in 1870, is one of the country's oldest engineering schools. It is a private, co-educational school with 1,200 undergraduates and 1,800 graduates. Annual tuition is \$14,000.

# Elysian takeover by Pamrapo final

By Bill Campbell  
Journal staff writer

On Monday, Elysian Federal Savings Bank of Hoboken will become another memory of thrift deregulation and victim of Hudson County's building boom and bust.

The small Hoboken thrift institution, which grew quickly during the city's real estate renaissance of the 1970s and early 1980s, only to fall into the hands of federal regulators last year, has been sold to Pamrapo Savings Bank of Bayonne.

"Technically, Elysian no longer exists," said Leonard Boyer of the Resolution Trust Company, the federal agency that has run Elysian since early 1989. "The bank will open Monday at normal hours as a branch of Pamrapo Savings."

The RTC will conduct a final audit of Elysian's books over the weekend and regulators will remain at the bank on Monday on an "as needed" basis, Boyer said. About 40 RTC employees will scour the bank's three branches today, inspecting everything from documents to office furniture.

A separate investiga-

tions team will examine the books for irregularities, he said. The regulators previously separated law suits against Elysian to make the bank attractive to suitors.

Elysian's former board of directors and its former chief executive, Ernest Badaracco, are subjects of an ongoing criminal investigation. Boyer would not comment on the status of the probe, but said any investigation would likely continue.

"We should be through by Sunday afternoon at the latest and we'll have one person here on Monday for public conferences," Boyer said.

Pamrapo purchased the liabilities and certain assets of Elysian from the federal government at an auction last month in Atlanta. The liabilities include customer deposits.

Boyer said Pamrapo's deal is valued at \$1.2 million, or 14 percent of core deposits. He estimated the final cost at \$33 million if real estate and other holdings are included.

He said Pamrapo has a three-month option to acquire Elysian's real estate holdings.

# P.A. has harsh critics in N.Y.

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ment limited to 80 percent open land and 20 percent commercial development. It was successful in aborting a P.A. plan to sell its property outright to a private developer and it has been successful in becoming part of a committee to help shape what the development will eventually look like.

But Manheim is critical of the P.A.

"The Port Authority has made some major blunders in dealing with us," Manheim said. He was asked to elaborate.

"When you found someone seemed who straight-forward, open-minded and dealt with you directly, they would turn around and do things in secret behind your back," Manheim said.

In response to the criticism, P.A. spokesman Allen

Morrison noted that the "Hoboken plan is the product of the city's planning process and does not represent the Port Authority imposing a design but rather the city's consensus of a design."

Members of the Coalition for a Better Waterfront say the city's designer, Stan Eckstut also designed the P.A. "Hudson Center" project for Hoboken in the mid 80s. That was dropped because of public opposition but coalition members say the present plan is only a scaled-down version.

"That was the work he did for the Port Authority," Morrison responded. "When he is working for the city, he is working for the city," he added.

Coalition members are also circulating copies of an 1987 "guest editorial" Pasculli wrote in The Jersey Journal.

The mayor, then a City Councilman, wrote that the

P.A. wasn't a suitable partner because "... the Port Authority cannot be trusted to live up to its agreements and to pay its bills. Thus realistically, the P.A. should not be further considered as Hoboken's waterfront developer."

The mayor, in an interview before the weekend, said circumstances have changed. At the time of that editorial, he said, the P.A. would not relinquish its 1952 lease of the city's piers and refused to hand over the city. Since Pasculli took office two years ago, he said, those issues have been settled.

"We have established a good relationship with the Port Authority based on good faith in the two years I have been here. Each and everything we have asked, they have done. We have to put events in the past behind us and not keep looking over our shoulders," he said.

# Budgets due now that cities have aid

By John A. Oswald  
Journal staff writer

Hudson communities that have not introduced budgets must do so by Friday, following the release of state Municipal Revitalization Program funds, a spokesman for the state Department of Community Affairs said.

Only Bayonne, Secaucus and Union City have introduced budgets. DCA Commissioner Randy Primas announced the allocation of \$24 million to eight Hudson communities on

# Pasculli says state funds won't offset deficit

Friday. The communities that received money all shared one complaint — the money allocated was not enough.

Hoboken Mayor Patrick Pasculli welcomed the additional \$3.5 million in state aid — a \$1.5 million increase over last year — but said yesterday it was going to be a difficult year for the city.

"This does not however make up for the large deficit that we incurred in our school funding this year. We have been vindicated recently in the court that urban school districts are inequitably funded," Pasculli said.

When asked about the city's financial forecast, he said, "the picture is not good" and he would not venture to say whether property owners can expect a tax increase. The rate is \$17.52 per \$1,000 of assessed valuation.

"We will not be able to make up for the huge deficit in the school funding. That is where we are right now. Next year, all indication is that the funding level will be able to stabilize taxes. This is a difficult year, not only for Hoboken but for all communities in the state," Pasculli said.

The 1990-91 school budget increased the amount to be raised through local taxation by \$5 million from \$18 to \$23 million. That amount contained money to recover the \$1.3 million the school district lost in state education aid.

A three-year contract with the Hoboken Teachers Association, retroactive to last July, will cost \$5 million over the life of the labor pact.

Hoboken is basing its budget on

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# Budgets due now that cities have aid

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the \$8 million it expects from the Port Authority of New York and New Jersey as "upfront" money from waterfront development.

Only \$3 million is guaranteed and another \$5 million depends on developers' bidding on waterfront parcels. Business Administrator Edwin Chius has noted that the expected \$8 million will be used to replace \$7 million the city received last year from the bi-state agency to finance budget shortfalls.

Jersey City received the largest allocation in the county — \$10.7 million — far below what city officials had anticipated.

Jersey City — the second largest in the state — received the sixth greatest amount. Camden, which received the most last year, received the most with \$18.1 million.

Jersey City Mayor Gerald McCann asked that the allocation be increased by the end of this week, when the state Local Finance Board votes to confirm the allocations.

Jersey City had requested an unprecedented \$23 million to help offset an expected property tax increase. McCann, like most other mayors in Hudson, has withheld the 1990 municipal budget pending the release of the MRP figures.

McCann said he has been in contact with state Sen. Edward O'Connor, Assemblyman Joseph Charles and Assembly Speaker Joseph Doria to press for more money.

The mayor thought it inequitable that \$18.1 million of MRP funds is earmarked for Camden, which has a third of Jersey City's population.

Primas was Camden's mayor before being named by Gov. Jim Florio this year to head the DCA. Florio was the U.S. representative for the district including Camden.

"I told Randy Primas that I have more poor people in Jersey City than he has in Camden," McCann said. "I understand the governor is from Camden and we have to help people in need. It's just a matter of what's fair and equitable."

McCann noted that Camden's municipal budget is \$70 million while Jersey City's 1990 budget will likely be \$240 million. If Jersey City received a proportion of state aid similar to Camden, it should get \$60 million, the mayor contended.

Bayonne Mayor Dennis Collins said he is upset about the \$1 million his city received.

"I am disappointed that it is less rather than more than the \$1.15 million asked for last year," he said. "We'll have to take a look at the budget and try to offset it."

Terrence Malloy, finance director, said the city asked for \$3.3 million, the same as last year, but expected at least \$1.15 million.

East Newark will probably receive only \$90,000 of the \$200,000 it requested but Mayor Joseph Smith said he's pleased.

"To tell you the truth, I'm very happy to get the money," he said. "I want to personally thank Governor Florio for giving East Newark the amount that he did with the state being in such financial need."

East Newark received \$100,000 for this fiscal year under the program.

North Bergen Commissioner of Public Affairs Nicholas Sacco said his township had also not fared as well as officials had planned.

The township received \$950,000; it sought \$3,069,000. However, the allocation was still larger than last year's \$902,000, Sacco noted. "It is really just a cost of living increase," he said.

Union City did not get the \$8.7 million it requested but Mayor Robert Menendez said he is happy with \$5.5 million and is

expecting more. "For us, it represents a 500 percent increase (over last year)," said the mayor. "We expect to get at least \$6 million after the restructuring of numbers," he said.

Even if the city does not get all the money it requested, the mayor said tax relief could come from the reserve for uncollected taxes. In the worst-case scenario, the city would be forced to raise property taxes by \$3 or \$3.5 per \$1,000 in assessed valuation.

Union City introduced on May 22 a \$43.6 million municipal budget.

Weehawken, which requested \$3.3 million, received only \$850,000 this year.

"That's \$150,000 less than last year," said Richard Turner, Weehawken township manager, who said his municipality was losing \$265,000 in overall state aid this year.

West New York Mayor Anthony M. DeFino said the \$1.3 million allocated was less than he had hoped for, but enough to keep municipal taxes from increasing this year.

DeFino, who will introduce his 1990 budget tomorrow, said that a combination of the distressed cities funds and budget surplus will eliminate a planned increase in the municipal taxes.

The \$5 school tax increase will be absorbed with excess funds from the 1989 schools budget, the mayor added.

Nonetheless, DeFino said, he counted on a larger windfall from the state. Last year, the town received \$2 million.

"Really, I'm a little disappointed," he said. "I expected to get \$3 million, but I'm still grateful we got what we got."

Jersey Journal reporters Monica Quintanilla, Wendell Jamieson, Jo-Ann Moriarty, Robert Hardt Jr. and Lisa Torbie contributed to this story.

# Unions approve contracts with hospitals

By The Associated Press

Union workers at St. Mary Hospital in Hoboken reached a contract agreement with administrators yesterday and members at three other hospitals approved their contracts, officials said.

Members of Local 1199J of the National Union of Hospital and Health Care Workers had set a strike deadline of midnight Saturday, which was later extended by some hospitals, said union spokesman Bill Artis.

The local represents nurses' aides and engineering,

kitchen and housekeeping staff.

The basic agreement grants a 5 percent wage increase for each of the contract's three years, and a 1.5 percent increase in the hospitals' contributions to the union health plan, he said.

Uniform allowances also were increased by about \$30 a year, from \$150 to \$180, Artis said.

"The contracts are all basically the same, except for a few individual variations," Artis said.

Members at United Hospitals Medical Center in Newark,

Mountainside Hospital in Montclair and Barnert Medical Center in Paterson approved the three-year contract during voting yesterday, Artis said.

St. Mary Hospital in Hoboken reached an accord with its union workers late yesterday.

A variation in that hospital's contract would grant an immediate 1 percent wage increase to workers with 10 years or more seniority. The benefit would be extended to all workers during their 10th year of employment, Artis said.

Union members at St. Mary also would get their uniform allowances up front, instead of

during the life of the contract, he said. They were to begin voting on the pact at 2 p.m. today, said hospital spokeswoman Joan Quigley.

Similar agreements were approved Saturday by union members at a mini-league of five hospitals in Essex County. They are Beth Israel Medical Center and St. Michael's Medical Center in Newark, Clara Maass Medical Center in Belleville, St. Barnabas Medical Center in Livingston and Hospital Center of Orange.

Local 1199J has about 6,000 members at the nine hospitals, Artis said.

# Ruling on Hoboken referendum expected

By Joseph Albright  
Journal correspondent

TRENTON — The state Supreme Court is expected to issue its opinion today on whether a July 10 referendum is required on the \$125 million development plan by the Port Authority along Hoboken's southern waterfront.

The decision would come just one week after the court heard arguments on the Hoboken appeal.

Ruling on behalf of 1,696 petition signers, the Appellate Division, State Superior Court, declared April 23 that the issue should be remanded to Hoboken Clerk James Farina to process their petitions for a vote to repeal the ordinance.

Hoboken's City Council,

which adopted the massive, five-block redevelopment plan Nov. 17, responded to the appellate decision by scheduling the referendum for July 10.

Today's opinion by the Supreme Court will determine whether the referendum is necessary. It also could reverse the appellate ruling and conclude that the referendum is not required under the 1984 statute that sanctions P.A. development in the port region of New Jersey and New York.

Hoboken had asked for — and was granted — the accelerated appeal by the Supreme Court.

Farina and Mayor Patrick Pasculli contended the statute does not require the referendum.

But this position was chal-

lenged in the petition drive led by Daniel Tumpson, who lost initially in Superior Court in Hudson Jan. 12 when it ruled the plan was not subject to a referendum.

These opponents have expressed concerns over environmental impact, traffic congestion, financial terms, and changes in the community.

The Appellate Division overturned this judgment in April, leading to the appeal to be decided today.

The mixed-use development would extend from First to Fifth streets on the waterfront in the deteriorated Pier A and C area.

Under the P.A. lease agreement Pasculli executed Dec. 30, the agency would provide \$41 million in infrastructure

improvements, provide in fixed rental payments \$10 million Sept. 20, and another \$20 million over five years. Hoboken would receive 25 percent of the gross rentals the first 30 years, up to 60 percent after that in the 99-year lease.

The plan includes 1,600 dwelling units, with Hoboken spending \$32 million for 240 affordable units; 1.4 million square feet for offices, 15 shops, a 260,000-square-foot hotel, a marina, 13.9 acres for parks and walkways by 1995-97; modernization and expansion of the Little League park.

The P.A. has suggested Hoboken would eventually receive \$800 million from the development projected to create 13,000 construction jobs, 12,000 permanent jobs.



# State's top court OKs referendum

Hoboken voters to decide on Port Authority project

By Jo-Ann Moriarty  
Journal staff writer

The New Jersey Supreme Court ruled yesterday that Hoboken residents have the right to vote on a massive development project the city is planning for the southern waterfront with the Port Authority of New York and New Jersey.

The Supreme Court's precedent-setting ruling ends a lengthy dispute between Mayor Patrick Pasculli, who contended that the redevelopment plan was exempt from the referendum process, and a group of residents who claimed the project was subject to voter approval.

The ruling means a special election scheduled for Tuesday asking voters if they want the city to develop the waterfront with the P.A. will be held.

"It is a happy day for Hoboken residents, that two days before Independence Day, the Supreme Court of New Jersey has upheld our democratic right to a referendum on this issue," said Steve Busch, spokesman for the Coalition for a Better Waterfront.

Pasculli, who cancelled a long weekend at the shore with his family, vowed to work hard to insure the referendum's defeat.

"I believe the majority of the public wishes that this project occur and we are going to use this last week to bring that message to the people of this community in a clear and concise way," Pasculli said.

"This whole thing is equivalent to winning a World Series and having the umpires go back into the locker room and telling you you have to take the field for one more game," Pasculli said.

In its ruling, the court stated that the public should be allowed to vote on the city's plan to build a 3.2 million-square-foot project of apartments, offices and shops with the P.A. but noted the city should not be harassed by constant referenda.

"We believe that it would be an unduly rigid interpretation of the Faulkner Act (which allows the referendum process) to say that because the subject ordinance contains land-use decision or other development features that are administrative or executive in nature, that fact should necessarily insulate the broad legislative question from the referendum process," the court ruled.

"This ordinance will forever change the nature of the community."

"Its adoption is more than a merely administrative function of government," it concluded.

The court continued that other specifics of the redevelopment plan should not "become the subject of a referendum question in Faulkner Act communities, nor that all features of this project need be subject to the referendum process."

Anne Babineau, an attorney the city hired to write the 50-year contract with the P.A. and represent the city at the June 26 Supreme Court hearing, said the court ruled that not all redevelopment plans are subject to the referendum process and the city could have avoided a public vote by creating the redevelopment plan through resolution instead of by ordinance.

"They (the justices) did feel that under these circumstances and in light of the broad legislative question, the involvement of the Port Authority, it (the ordinance) should be presented to the voters," Babineau said.

Attorney John Payne, a Rutgers University law professor who assisted local attorney Ira Karasick, said the Supreme Court ruling supports their position that the development "will determine what Hoboken is going to look like for a long time. It seemed to us that this was the kind of big policy question."

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tion that the Faulkner Act intended to deal with."

He said the court balanced the interest of allowing residents to vote versus protecting the city fathers from harassment by "nit-picking" the redevelopment plan through the referendum process.

In siding with a coalition of community-based groups critical of the city's partnership with the P.A., the Appeals Court last month ordered the city to accept a petition asking for a public vote on the contract.

After the mayor and City Council signed a 50-year partnership agreement with the P.A. last December to develop the piers, several community groups conducted a petition drive asking for a public vote.

They say the agreement is a bad financial deal and are critical of the bistate agency because of its anti-pirating language that prohibits New York companies' moving their headquarters to New Jersey.

The city refused to accept

the petition in December based on a ruling from the Law Department that the public cannot legislate zoning and development. That opinion was supported by Superior Court Judge Severiano Lisboa in Hudson County.

But in its eight-page decision reversing the lower court's ruling, the appeals court said the public should have the opportunity to vote on the agreement because the development will significantly change Hoboken.

New Jersey's Legislature enacted in 1983 the bill authorizing the P.A. to enter into development projects. It was sponsored by Sen. Nicholas J. LaRocca, D-Union City, and then-Assemblyman Christopher J. Jackman, D-West New York.

The P.A. then envisioned a \$500 million investment in the Hoboken project. Commercial development in Hunters Point in New York also was authorized under the bill enacted in New York Aug. 1, 1984, which amended the 1921 bistate act.

William Mattingly of Michigan Avenue in Trenton was pronounced dead on arrival at 9:04 a.m. at St. Mary Hospital.

At Hoboken site

# Construction worker crushed to death

By ROBYN PFORR  
The Hudson Dispatch

HOBOKEN — A 31-year-old construction worker, trying to tear down a Port Authority building on Pier B, was killed yesterday when a steel beam and part of a collapsed second-floor roof fell and crushed him.

William Mattingly of Michigan Avenue in Trenton was pronounced dead on arrival at 9:04 a.m. at St. Mary Hospital.

The accident occurred about a half-hour earlier. Mattingly was cutting a second-story roof beam with a welding torch at the three-story brick Port Authority of New York and New Jersey terminal building off River Street.

The beam and roof collapsed. "He tried to run, but the beam and the roof struck him on his back and legs," said Detective Sgt. Vincent Lombardi. "Something caused the beam to weaken, and it came crashing down. He was

trapped under the debris."

Two co-workers — Thomas Maza, a machine operator, and Ismael Centeno, a general laborer — pulled Mattingly from the fallen debris.

Mattingly was treated by emergency medical technicians at the scene, and then taken to St. Mary Hospital.

"I don't believe he had a chance," Lombardi said. "The police officers at the scene said he was a mess."

Mattingly worked for a wrecking crew,

for Queens, and good for New York City," said Dan Andrews, a spokesman for Queens Borough President Claire Shulman. "If we don't seize this opportunity, we don't know when it could come around again."

But 21st District Councilman Walter McCaffrey — who represents the roughly 5,200 residents of Hunters Point — believes the plan is flawed, largely because of the involvement of the Port Authority of New York and New Jersey.

"When dealing with the Port Authority, count

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# Sale of Hoboken bank catches customers by surprise

By Michele Drayton  
Journal staff writer

The couple stopped in front of the bank at Fourth and Washington Streets, looked once, then twice.

Large block letters read Elysian Federal Savings Bank of Hoboken but a sign in the window read Pamrapo Savings Bank.

"Maybe it's two banks," Onata Edwards, of the Bronx, said to her friend.

It is one.

Federal regulators took over Elysian in 1989 and sold the failed Hoboken thrift to

Pamrapo Savings Bank of Bayonne in a deal that closed last weekend. Elysian was the first New Jersey thrift to be seized and later sold by the government.

The bail-out of Elysian, which had assets of \$114.3 million, will cost taxpayers \$33.5 million, according to the Resolution Trust Corp., the federal agency managing the thrift bail-out plan. Nationally, the bail-out will cost taxpayers between \$300-\$500 billion over the next ten years.

Pamrapo paid \$12 million to acquire Elysian's deposits and its three branches.

Pamrapo's two Hoboken branches opened yesterday and the change-over took some customers by surprise when they realized their old bank slips were now obsolete.

"I filled out the slip and they converted the old deposit slip into the new one," said Sam Hochberger, an engineering professor at Stevens Institute of Technology. "I didn't know (about the new owner) until I showed up here."

Hochberger, an Elysian customer since 1986, said he deposited some of his money into other banks when federal regulators first took over

Elysian.

He put it back when he saw other banks having similar troubles.

"I felt more comfortable with what was going on," he said. "I think the system seems to be working."

Lena Vezzoli, of Hoboken, was an Elysian customer for 15 years. She found out about the bank's new owner when she went to the counter and saw Pamrapo. Some of the signs on the wall behind her, still had Elysian on them.

"It's a surprise," she said, "but as long as the money is safe, that is the important

thing."

She said Elysian offered good interest rates and hoped that Pamrapo would do the same. "I would like to see some of those things come back."

"I don't know what happened," said Charlie Aguilar, of Hoboken, as he stood at the teller's window. "I put my money here. This is a good bank. I don't care about the name."

Jimmy Del, of Hoboken, who banked with Elysian for 23 years said he was dismayed about the change-over.

"I'm sorry it had to happen," he said. "Mr. (Ernest) Badaracco was a nice man. He

helped us in any way he could."

Del said he believes allegations about Elysian's former chief executive are untrue.

Badaracco was ousted as chief in late 1987 and a New York state thrift management team was brought in to run the bank. Badaracco is the subject of an ongoing FBI probe which centers on his dual roles as president of the thrift and head of a failed electrical contracting firm.

Elysian was seized by federal regulators in February of 1989 when it failed to meet new capital guidelines.

"I never had problems. I always got good service," Del said. "I will continue here unless things change," he added.

A former banker, John Cameron of Hoboken, said he understands how some customers could hear about the change-over and think the worst.

"People are afraid. They think their money is not safe or that somebody is running off with their money," he said. "It's all very understandable."

"I don't care what the new name is," said Anne Fiorillo, of Hoboken, "as long as they don't go broke. They can't go broke can they?"

# New contract wins approval at St. Mary

By The Associated Press

Workers at St. Mary Hospital in Hoboken approved a two-year contract yesterday, capping successful negotiations at nine hospitals in Essex, Hudson and Passaic counties, officials said.

However, hospital administrators are expected to return to the negotiating table today to iron out a new contract for its registered and licensed vocational nurses, said a spokeswoman for St. Mary Hospital.

About 120 of the hospital's 200 nurses belong to the bargaining agent, the Jersey Nurses Economic Security Organization, she said. Their contract is scheduled to expire Friday.

Workers at St. Mary Hospital would get a 5 percent wage increase in each of the two years. Employees with 10 or more years seniority will also get a 1 percent wage increase now and the \$180 uniform allowance would be paid up front rather than through the life of the contract, officials said.

# Waterfront forums scheduled

Opposing factions to discuss P.A. lease agreement

By William Hollister

Hobokenites are preparing for a July 10 referendum election of epic earth, brick and steel moving proportions. To be voted on is a lease agreement with the Port Authority and the city of Hoboken to redevelop Hoboken's valuable southern waterfront. As the election nears, Hoboken residents will be seen walking around town with buttons that say "yes" and "no" as political tensions flare.

There will be two forums in Hoboken next week and voters will perhaps have a chance to learn more about the volatile issue. One will be held at St. Matthews Lutheran Parish Hall,

Hoboken residents will be seen walking around town with buttons that say "yes" and "no" as political tensions flare.

57 8th St at 7:30 p.m. Wednesday, June 27. The next day, there will be a mayor's forum to discuss the advantages of the lease agreement at the Stevens Institute Center Building at 7 p.m. (For voters who need background information, the document, site agreements and redevelopment plan are available in the City Clerk's office at City Hall.)

Hoboken Mayor Patrick Pasculli has turned down a terse invitation from the Hoboken Environment Committee to debate a member of the coalition of petitioners who seek to overturn the city council's 7-2 vote to sign the agreement. Pasculli said he would not debate people whom he describes as being opposed to any kind of development. Instead, Pasculli has decided to have a public forum — on his terms — to discuss the issue. During the mayor's forum, he will meet with Hoboken's public to discuss the lease agreement. Attending the forum will be the same people who spoke in

favor of the project at a December city council meeting and several public hearings. They will include Attorney Anne Babineau, Hoboken Corporation Counsel Eugene O'Connell, Business Administrator Edwin Chius, and others who were involved with the lease negotiations and development planning.

The Coalition For a Better Waterfront, the group opposed to the lease agreement, contacted the Coalition For a Waterfront at Hoboken, the group in favor of a lease agreement, hoping to debate the issue in a formal setting. Since the pro-agreement side has turned down the invitation, the anti-agreement side will explain their perspective on an open platform.

# Money, the land and the plan

Hoboken has used \$7 million in preliminary payments from the P.A. to bolster last year's municipal budget. This act of budget buttressing is not unique to the Pasculli administration. During the Vezzetti administration, \$3 million was allocated in 1987 and \$3 million in 1988 from a pier fire insurance settlement to finance municipal budget shortcomings.

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# AUTHORITY

CONTINUED FROM PAGE 1

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The project was made possible by the same 1984 bistate legislation that allowed the authority to enter a partnership with Hoboken to create a 3.2-million-square-foot mixed-use development on the city's Hudson River waterfront.

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McCaffrey said he is not opposed to development. He said he pushed for the legislation that allowed the agency to get involved in Hunters Point.

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They did this by electing Mayor Patrick Pasculli, who made the P.A. pact a central theme of his campaign, and by rejecting a referendum that would have reserved the waterfront for park and open space uses.

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A big argument in favor of the pact was that it would rapidly deliver substantial revenue to the city to help avert big increases in the property tax. Now more than ever, with voters being hit by new taxes at the state level, and talk of tax increases at the federal level, Hoboken property owners should be eager to retain the P.A. project and its millions of dollars in revenue from the P.A.

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Of course, that could change in the long term. But do Hoboken taxpayers want to take that risk?

Every Hoboken voter should take the time to go to the polls next Tuesday. This is too important an issue — important to their pocketbooks and important to the future of the city — for voters to ignore this referendum.



# State's top court OKs referendum

Hoboken voters to decide on Port Authority project

By Jo-Ann Moriarty  
Journal staff writer

The New Jersey Supreme Court ruled yesterday that Hoboken residents have the right to vote on a massive development project for the southern waterfront with the Port Authority of New York and New Jersey.

The Supreme Court's precedent-setting ruling ends a lengthy dispute between Mayor Patrick Pasculli, who contended that the redevelopment plan was exempt from the referendum process, and a group of residents who claimed the project was subject to voter approval.

The ruling means a special election scheduled for Tuesday asking voters if they want the city to develop the waterfront with the P.A. will be held.

"It is a happy day for Hoboken residents, that two days before Independence Day, the Supreme Court of New Jersey has upheld our democratic right to a referendum on this issue," said Steve Busch, spokesman for the Coalition for a Better Waterfront.

Pasculli, who cancelled a long weekend at the shore with his family, vowed to work hard to insure the referendum's defeat.

"I believe the majority of the public wishes that this project occur and we are going to use this last week to bring that message to the people of this community in a clear and concise way," Pasculli said.

"This whole thing is equivalent to winning a World Series and having the umpires go back into the locker room and telling you you have to take the field for one more game," Pasculli said.

In its ruling, the court stated that the public should be allowed to vote on the city's plan to build a 3.2 million-square-foot project of apartments, offices and shops with the P.A. but noted the city should not be harassed by constant referenda.

"We believe that it would be an unduly rigid interpretation of the Faulkner Act (which allows the referendum process) to say that because the subject ordinance contains land-use decision or other development features that are administrative or executive in nature, that fact should necessarily insulate the broad legislative question from the referendum process," the court ruled.

"This ordinance will forever change the nature of the community."

"Its adoption is more than a merely administrative function of government," it concluded.

The court continued that other specifics of the redevelopment plan should not "become the subject of a referendum question in Faulkner Act communities, nor that all features of this project need be subject to the referendum process."

Anne Babineau, an attorney the city hired to write the 50-year contract with the P.A. and represent the city at the June 26 Supreme Court hearing, said the court ruled that not all redevelopment plans are subject to the referendum process and the city could have avoided a public vote by creating the redevelopment plan through resolution instead of by ordinance.

"They (the justices) did feel that under these circumstances and in light of the broad legislative question, the involvement of the Port Authority, it (the ordinance) should be presented to the voters," Babineau said.

Attorney John Payne, a Rutgers University law professor who assisted local attorney Ira Karasick, said the Supreme Court ruling supports their position that the development "will determine what Hoboken is going to look like for a long time. It seemed to us that this was the kind of big policy question."

See STATE — Page 6

# State's top court OKs referendum on P.A. project

Continued from Page 1

tion that the Faulkner Act intended to deal with."

He said the court balanced the interest of allowing residents to vote versus protecting the city fathers from harassment by "nit-picking" the redevelopment plan through the referendum process.

In siding with a coalition of community-based groups critical of the city's partnership with the P.A., the Appeals Court last month ordered the city to accept a petition asking for a public vote on the contract.

After the mayor and City Council signed a 50-year partnership agreement with the P.A. last December to develop the piers, several community groups conducted a petition drive asking for a public vote.

They say the agreement is a bad financial deal and are critical of the bistate agency because of its anti-pirating language that prohibits New York companies' moving their headquarters to New Jersey.

The city refused to accept

the petition in December based on a ruling from the Law Department that the public cannot legislate zoning and development. That opinion was supported by Superior Court Judge Severiano Lisboa in Hudson County.

But in its eight-page decision reversing the lower court's ruling, the appeals court said the public should have the opportunity to vote on the agreement because the development will significantly change Hoboken.

New Jersey's Legislature enacted in 1983 the bill authorizing the P.A. to enter into development projects. It was sponsored by Sen. Nicholas J. LaRocca, D-Union City, and then-Assemblyman Christopher J. Jackman, D-West New York.

The P.A. then envisioned a \$500 million investment in the Hoboken project. Commercial development in Hunters Point in New York also was authorized under the bill enacted in New York Aug. 1, 1984, which amended the 1921 bistate act.

# Sale of Hoboken bank catches customers by surprise

By Michele Drayton  
Journal staff writer

The couple stopped in front of the bank at Fourth and Washington Streets, looked once, then twice.

Large block letters read Elysian Federal Savings Bank of Hoboken but a sign in the window read Pamrapo Savings Bank.

"Maybe it's two banks," Onata Edwards, of the Bronx, said to her friend.

It is one. Federal regulators took over Elysian in 1989 and sold the failed Hoboken thrift to

Pamrapo Savings Bank of Bayonne in a deal that closed last weekend. Elysian was the first New Jersey thrift to be seized and later sold by the government.

The bail-out of Elysian, which had assets of \$114.3 million, will cost taxpayers \$33.5 million, according to the Resolution Trust Corp., the federal agency managing the thrift bail-out plan. Nationally, the bail-out will cost taxpayers between \$300-\$500 billion over the next ten years.

Pamrapo paid \$1.2 million to acquire Elysian's deposits and its three branches.

Pamrapo's two Hoboken branches opened yesterday and the change-over took some customers by surprise when they realized their old bank slips were now obsolete.

"I filled out the slip and they converted the old deposit slip into the new one," said Sam Hochberger, an engineering professor at Stevens Institute of Technology. "I didn't know (about the new owner) until I showed up here."

Hochberger, an Elysian customer since 1986, said he deposited some of his money into other banks when federal regulators first took over

Elysian. He put it back when he saw other banks having similar troubles.

"I felt more comfortable with what was going on," he said. "I think the system seems to be working."

Lena Vezzoli, of Hoboken, was an Elysian customer for 15 years. She found out about the bank's new owner when she went to the counter and saw Pamrapo. Some of the signs on the wall behind her, still had Elysian on them.

"It's a surprise," she said, "but as long as the money is safe, that is the important

thing." She said Elysian offered good interest rates and hoped that Pamrapo would do the same. "I would like to see some of those things come back."

"I don't know what happened," said Charlie Aguilar, of Hoboken, as he stood at the teller's window. "I put my money here. This is a good bank. I don't care about the name."

Jimmy Del, of Hoboken, who banked with Elysian for 23 years said he was dismayed about the change-over.

"I'm sorry it had to happen," he said. "Mr. (Ernest) Badaracco was a nice man. He

helped us in any way he could." Del said he believes allegations about Elysian's former chief executive are untrue.

Badaracco was ousted as chief in late 1987 and a New York state thrift management team was brought in to run the bank. Badaracco is the subject of an ongoing FBI probe which centers on his dual roles as president of the thrift and head of a failed electrical contracting firm.

Elysian was seized by federal regulators in February of 1989 when it failed to meet new capital guidelines.

"I never had problems. I always got good service," Del said. "I will continue here unless things change," he added.

A former banker, John Cameron of Hoboken, said he understands how some customers could hear about the change-over and think the worst.

"People are afraid. They think their money is not safe or that somebody is running off with their money," he said. "It's all very understandable."

"I don't care what the new name is," said Anne Fiorillo, of Hoboken, "as long as they don't go broke. They can't go broke can they?"

# New contract wins approval at St. Mary

By The Associated Press

Workers at St. Mary Hospital in Hoboken approved a two-year contract yesterday, capping successful negotiations at nine hospitals in Essex, Hudson and Passaic counties, officials said.

However, hospital administrators are expected to return to the negotiating table today to iron out a new contract for its registered and licensed vocational nurses, said a spokeswoman for St. Mary Hospital.

About 120 of the hospital's 200 nurses belong to the bargaining agent, the Jersey Nurses Economic Security Organization, she said. Their contract is scheduled to expire Friday.

Workers at St. Mary Hospital would get a 5 percent wage increase in each of the two years. Employees with 10 or more years seniority will also get a 1 percent wage increase now and the \$180 uniform allowance would be paid up front rather than through the life of the contract, officials said.

# Waterfront forums scheduled

Opposing factions to discuss P.A. lease agreement

By William Hollister

Hobokenites are preparing for a July 10 referendum election of epic earth, brick and steel moving proportions. To be voted on is a lease agreement with the Port Authority and the city of Hoboken to develop Hoboken's valuable southern waterfront. As the election nears, Hoboken residents will be seen walking around town with buttons that say "yes" and "no" as political tensions flare.

There will be two forums in Hoboken next week and voters will perhaps have a chance to learn more about the volatile issue. One will be held at St. Mathews Lutheran Parish Hall,

favor of the project at a December city council meeting and several public hearings. They will include Attorney Anne Babineau, Hoboken Corporation Counsel Eugene O'Connell, Business Administrator Edwin Chius, and others who were involved with the lease negotiations and development planning.

The Coalition For a Better Waterfront, the group opposed to the lease agreement, contacted the Coalition For a Waterfront at Hoboken, the group in favor of a lease agreement, hoping to debate the issue in a formal setting. Since the pro-agreement side has turned down the invitation, the anti-agreement side will explain their perspective on an open platform.

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57 8th St at 7:30 p.m. Wednesday, June 27. The next day, there will be a mayor's forum to discuss the advantages of the lease agreement at the Stevens Institute Center Building at 7 p.m. (For voters who need background information, the document, side agreements and redevelopment plan are available in the City Clerk's office at City Hall.)

Hoboken Mayor Patrick Pasculli has turned down a terse invitation from the Hoboken Environment Committee to debate a member of the coalition of petitioners who seek to overturn the city council's 7-2 vote to sign the agreement. Pasculli said he would not debate people whom he describes as being opposed to any kind of development. Instead, Pasculli has decided to have a public forum — on his terms — to discuss the issue. During the mayor's forum, he will meet with Hoboken's public to discuss the lease agreement. Attending the forum will be the same people who spoke in

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# Collapsing wall kills worker

By Kery Murakami  
Journal staff writer

A 31-year-old demolition worker was killed yesterday morning when portions of a roof and wall fell on him at the Hoboken waterfront.

William Mattingly of Trenton was part of a crew dismantling an abandoned two-story warehouse at the old Port Authority of New York and New Jersey piers, Hoboken police said.

He was cutting into the

wall of the steel and cement warehouse at about 8:30 a.m. when the wall collapsed, burying him under a girder and chunks of concrete, police said.

Hoboken Police Detective Vince Lombardi, who was investigating the accident, did not know if Mattingly weakened the wall.

Investigators for the P.A. and the federal Occupational Safety and Health Administration were also called to the building later in the morning. Other workers told him

that Mattingly saw the wall weakening above him and tried to get out of the way, said Lombardi.

Mattingly was unconscious when fellow workers freed him, he said.

Mattingly was pronounced dead at St. Mary Hospital in Hoboken at 9:29 a.m., he said.

The site manager for the Mercer Wrecking Co. declined to talk about Mattingly or the accident.

See WORKER — Page 6

# Worker killed as wall collapses

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A woman answering the phone at the company's Trenton headquarters said Mercer officials had no comment.

Lombardi said that Mattingly has family in Texas but he did not know any more about him.

The warehouse, near Pier B at River and

Third Street, has been abandoned since the Port Authority stopped operating a cargo port there in 1968, said Port Authority spokesman Armando Arrastia. The area is being razed for a proposed 10-year, \$125 million redevelopment project, which will include a hotel, condominiums and 1.6 million square feet of office space.

By Queens councilman

# Hoboken antis praised

By EDWARD K. SHANAHAN  
The Hudson Dispatch

Foes of the Hoboken's waterfront development agreement with the Port Authority are "visionaries," says a Queens councilman who is battling the bistate agency over a similar project in Queens.

Like the proposed mixed-use development here, the Hunters Point project is supported by some elected officials who believe it will bring jobs and tax relief to an area sorely in need of both.

"We feel the Hunters Point project will be good

for Queens, and good for New York City," said Dan Andrews, a spokesman for Queens Borough President Claire Shulman. "If we don't seize this opportunity, we don't know when it could come around again."

But 21st District Councilman Walter McCaffrey — who represents the roughly 5,200 residents of Hunters Point — believes the plan is flawed, largely because of the involvement of the Port Authority of New York and New Jersey.

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# AUTHORITY

CONTINUED FROM PAGE 1

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At Hoboken site

# Construction worker crushed to death

By ROBYN PFORR  
The Hudson Dispatch

HOBOKEN — A 31-year-old construction worker, trying to tear down a Port Authority building on Pier B, was killed yesterday when a steel beam and part of a collapsed second-floor roof fell and crushed him.

William Mattingly of Michigan Avenue in Trenton was pronounced dead on arrival at 9:04 a.m. at St. Mary Hospital.

The accident occurred about a half-hour earlier. Mattingly was cutting a second-story roof beam with a welding torch at the three-story brick Port Authority of New York and New Jersey terminal building off River Street.

The beam and roof collapsed. "He tried to run, but the beam and the roof struck him on his back and legs," said Detective Sgt. Vincent Lombardi.

"Something caused the beam to weaken, and it came crashing down. He was

trapped under the debris."

Two co-workers — Thomas Maza, a machine operator, and Ismael Centeno, a general laborer — pulled Mattingly from the fallen debris.

Mattingly was treated by emergency medical technicians at the scene, and then taken St. Mary Hospital.

"I don't believe he had a chance," Lombardi said. "The police officers at the scene said he was a mess."

Mattingly worked for a wrecking crew,

Mercer Wrecking Co. of Trenton, that was hired by the authority to demolish the building abutting Pier B.

Mattingly, who was single, worked for Mercer as a cutter for the past three years, police said.

His employer notified his family in Texas, police said.

Mercer had the necessary construction permits to work at the site, according to

city Law Director Eugene O'Connell.

The demolition of the authority terminal buildings is the first phase of the city's waterfront development agreement with the agency, which was approved by the City Council on Dec. 7.

The site will feature a planned 3.5 million square feet of condominiums, hotels, stores and office space, if it is approved in a referendum next Tuesday.



# Phase-out begins at Maxwell House

By Jo-Ann Moriarty  
Journal staff writer

## Transition team will help displaced employees

Maxwell House management, the Labor Department and union officials are mobilizing to map out the gradual closing of the 50-year-old coffee plant which employs about 600 people in Hoboken.

Bert Quarfordt, plant manager, said representatives of The Transition Team, a consulting firm based in Troy, Mich., will come to Hoboken this week to begin a phase out of the

workforce. Eventually, the team will counsel employees about stress, help them write a resume or cover letter, prepare for a job interview or obtain instruction for job training, he said.

General Foods announced last week it was closing its Hoboken plant by spring, 1992. Workers with five or more years experience are covered by their contract, which expires that

March. Stephen Hornik, vice president of Local 56 of the United Food and Commercial Workers Union, has a meeting with management on Friday.

"We will be laying the ground work out to make sure our people are protected," Hornik said.

"Specifically, we want a bridge in our hospitalization. Right now you only get coverage if you are over 55

and have 10 years service," Hornik said.

"We need to bridge that gap until 55 when you get free coverage," he said.

Personnel director Daniel Zanetich, born and raised in Hoboken, said that there are 480 union workers.

Of that number, 76 live in Hoboken, 101 in Jersey City and 280 in

Hudson County. "The average age of the workers is 47 years with 18 years experience," Zanetich said.

Peggy Thomas, director of the Office of Community Development, said Hoboken lost 3,500 industrial and manufacturing jobs between 1966 and 1985.

The closing of Maxwell House and the recent loss of the Levolor venetian blind factory represent the loss of another 1,200 industrial jobs.

See MAXWELL — Page 4

## Maxwell House phase-out starts

Continued from Page 1

Raymond Daley, a labor market analyst for the Department of Labor, said that the closing of Maxwell House affects 2,500 jobs in the New Jersey-New York area.

He said that the Labor Department will provide a team to go to the Hoboken plant to take job applications and match the skills of workers with job market demands.

Counseling, job retraining and job placement services will also be offered to the Maxwell House workers, he said.

Mayor Patrick Pasculli said

he has instructed the office of Community Development to coordinate any resources the city has with the county and state.

Quarfordt said a study was released a few months after he came to Hoboken last summer, recommending that General Foods close an east coast plant because of a decline in coffee consumption.

He said that the four plants — in California, Texas, Florida and Hoboken — operate at only 55 percent capacity because coffee consumption has declined by 24 percent since the 1960s.

General Foods decided to close Hoboken and place 80 percent of its coffee production at the Jacksonville, Fla., plant.

## Coffee drinkers not switching to other brands

Continued from Page 1

boken resident Kelly Stanley, who went straight for a jar of instant regular blend.

"We don't use anything but Maxwell House," she said while placing the jar in her grocery cart. "Just because they are moving doesn't mean we will stop using it."

But Stanley, who lives on Washington Street two blocks from the waterfront plant, said she will miss at least one thing about the massive roasting operation. "I'll miss the smell — you knew it was going to rain every time you smelled it, especially during the summer," she said.

Tes Gonzalez, who works at Willow Grocery & Liquor on Willow Street said consumer loyalty to coffee rarely fluctuates. "It's like cigarettes," he said. "When someone gets used to buying it, they don't care what the company does."

The company that owns Maxwell House, General Foods, Inc., said Wednesday that declining coffee consumption across the country forced it to close the Hoboken plant.

George Boecklin, president of the National Coffee Association, said the trend away from coffee drinking began in the early 1960s, and he blamed several factors.

Coffee drinking in the United States peaked in 1962, when the generation raised during World War II came of age.

Boecklin attributed the subsequent decline to the generation gap between WWII survivors and their children; the large number of beverages available in recent decades; and, "That health craze thing."

In 1962, the average coffee drinker consumed 4.17 cups of coffee per day, while in 1989, that decreased to 3.34, said Boecklin, adding that he drinks about five cups a day.

Despite the negative numbers, Boecklin said coffee still has one thing over the competition: it's price. He said the average cup brewed at home costs about five cents. "It is still a hell of a bargain," he said.



JOSEPH BARRY  
Rips foes of development

will continue to press for stricter zoning regulations along the city's southern edge.

Joseph Barry, owner of The Applied Companies, said he expected the court to rule in his favor. Applied Development is a subsidiary of The Applied Companies.

"This project was very carefully thought out over a period of three years," Barry said. "The people who opposed it did so for very narrow, selfish reasons. It was purely harassment."

Of the building's 115 units, 23 will be made available to low-income tenants, Barry said. The remainder will be offered to middle-income people.

The building — partially funded by a \$3 million no-interest federal loan — is scheduled to be finished early next year, he said.

## Hoboken group loses

## Court supports housing project

By EDWARD K. SHANAHAN

The Hudson Dispatch

HOBOKEN — A state appeals court yesterday killed a local group's fight to halt construction of a 12-story Observer Highway apartment building.

The court ruled that the city acted properly when it approved the project.

The court decision — which affirmed an earlier ruling in Hudson County Superior Court in Jersey City — means Allied Development Associates Inc. can finish the 115-unit Observer Park project, which it began in September 1988.

Downtown Residents for Sane Development sued the city to block the project, contending that a 1972 blighting of the area was outdated because many new buildings had sprouted in the neighborhood since the blighting.

The group also claimed the city was arbitrary in its zoning of the site, located between Garden and Bloomfield streets.

"What we really objected to was the height and density allowed for the project," said group member Ron Hine. "We were concerned that it would set a bad precedent for building along Observer Highway."

But the court ruled that the city used a proper planning process in selling the property to Applied Development and rezoning it.

"Rome wasn't built in a day," the old saying goes, the court said. "Neither could it be rebuilt in a day. Mere passage of time does not erase validity of a blighted area designation."

Hine said he was disappointed by the ruling, but that the group

## Coffee drinkers aren't switching their brand

By Wendell Jamieson  
Journal staff writer

The closing of Hoboken's Maxwell House coffee plant may have dealt the city a damaging economic blow, but that won't erase the loyalty many feel for the company's eye-opening brew.

Interviewed in the aisles of grocery stores and bodegas, several Hobokenites said the reasons for Maxwell House's popularity is plain and simple: It's good coffee.

"It's a great seller," said Paul Greco, the manager of the Foodtown on Clinton Street across from Hoboken High School. "Always was, always will be."

Greco said a combination of strong advertising, efficient distribution and a quality product line makes Maxwell House his store's top coffee seller by about 50 percent. However, he said, he did not have specific figures on recent Maxwell House sales.

He said he doubted anger

at the company for closing the plant would spark a trend away from the coffee.

"Everybody here was brought up on Maxwell House, and I don't think they are going to take out their bitter feelings on the product," he said.

The coffee aisle in the heavily air-conditioned supermarket demonstrated the brand's strength.

More than half of the coffee products are covered with Maxwell House's trademark. Together, they represent the entire spectrum of coffee tastes and could prove daunting to the most devoted of java drinkers.

There's the Columbian Supreme, Rich French Roast and Master Blend in addition to the brand's basic blend, first sipped in the late 1800s. Each comes with caffeine or decaffeinated and in an instant.

One person not confused by the startling array of coffee combinations was lifelong Ho-

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## From soap to coffee, layoffs an old story

By Jo-Ann Moriarty  
Journal staff writer

A block from the Maxwell House Coffee plant in Hoboken, a row of men dressed in blue shirts and work pants sat at the Elysian Cafe bar during lunchtime, one day after learning their good-paying jobs will end in 18 months.

These men are little different from their 450 co-workers who were told last week by General Foods that the 50-year-old plant was closing in the spring of 1992 because of consolidation due to a decline in coffee consumption.

Many of these men are former Colgate workers, who after spending two or three decades

in that factory, got their lives together at the Hoboken plant.

"It's going to affect people in different ways. Life goes on. You have to keep going and don't let it get to you. It is a very stressful thing for a lot of people worried about the mortgage and car payments," said Robert Allend, who worked at Colgate for 16 years before going to Maxwell House three years ago.

Charlie Kane, who also spent 16 years at Colgate, said that the advice he would pass along to his co-workers at Maxwell House is that "they don't blame themselves."

"You've got to relax, be

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## From soap to coffee, layoffs an old story to some workers

Continued from Page 1

cause you're in a situation you can't control. You didn't do anything wrong. The company didn't fire you. Don't take it out on the family, you'll feel worse because they are the only ones who are going to stand by you," Kane said.

Most of them are fathers, blue-collar men, who want to give the world to their children or at least appear as though they can.

When a worker said he will not tell his daughters about the plant closing until after their summer vacation, Allend understood completely.

"Kids always want a couple bucks off daddy," Allend said.

Kane's eight-year-old daughter is smart enough to read the newspaper. His daughter was five when he lost his Colgate job.

The day before her ninth birthday last week, his daughter asked him if the plant was closing.

Kane said that he told her the truth because she would find out through the newspapers.

"She asked me where I was going to work — someone else, a friend, has been out of work for three months and she knows that — I said, don't worry," said Kane, whose wife stays at home with their children.

Dennis Dembowski, who worked at Colgate for 15 years, said he has two children in college and one in high school.

"My wife went to work two years ago when I took a \$4 cut in pay. My son is saying that if I can't pay for his school, he'll work and go to school at night," Dembowski said.

"I said, 'No, you go to school first,'" he said.

The men said that they all knew each other at Colgate and socialized after work and on weekends.

"We grew up together," Dembowski said.

When Colgate announced it was closing, the men exchanged telephone numbers and kept in contact. When one got a job at Maxwell House and they knew of a job opening, they would contact their Colgate friends.

"The first (plant closing) is hard. Like someone hit you in the face. The second time, you don't have the same time in the plant, it's quick — like a mosquito bite," Kane said.

"A plant closing is like a death in the family. At first you're quiet and feel sad. It will take time to set in," Kane said. He was asked the next stage.

"Outrage," he said.

The men are happy for Maxwell House coffee workers in Jacksonville, Fla., which General Foods has chosen to

handle 80 percent of its coffee processing. The company has plants in California and Texas.

They had no ill feeling toward Hoboken plant manager Bert Quarfordt.

"Bert Quarfordt did us no wrong," said Bobby Hughes, 35, also a former Colgate worker.

Hughes is a father of four children. His wife does not work.

He is concerned about finding a job with comparable pay.

He knows of a friend from Colgate who is still jobless.

They know of another friend stocking shelves at ShopRite and whose wife is working as a secretary in New York.

They all dread what lies ahead — the letter writing and job interviewing.

"It means starting all over again — at a new job with no security, no vacation time, working nights and weekends. Going for interviews, trying to sell yourself in order to survive," said ex-Colgate worker Louis DePalma.

"You want to know what really gets me mad? It's all the talk about the Colgate clock. And now all the talk about the Maxwell House sign."

"Well the clock is still running and people are still out of work. A neon sign is only a sign," DePalma said, adding, "People have to live through this devastation."

## Hoboken vote next Tuesday

# High court OKs waterfront referendum

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — The state Supreme Court yesterday cleared the way for a special election next Tuesday that will decide the fate of the city's \$30 million waterfront development agreement with the Port Authority.

In a unanimous decision, the court

ruled that city residents have the right to vote on — and possibly reject — the deal approved by the City Council in December.

"This ordinance will forever change the nature of the community," the justices wrote in their opinion. "Its adoption is more than a merely administrative function of government."

The court's decision upheld an appeals

court ruling which reversed two lower court decisions. The Appellate Division of state Superior Court shot down the city administration's claim that the Port Authority of New York and New Jersey agreement is exempt from public referendum.

Critics of the deal — who began fighting for the special election immediately after the council approved the project —

hailed the high court's decision.

"It is a happy day for Hoboken residents," said Stephen Busch, a member of the Coalition for a Better Waterfront. "We are pleased that the court has ensured Hoboken voters will determine the fate of their waterfront and the enormous impact it will have on our community for generations to come."

Mayor Patrick Pasculli reacted stoical-

ly to the decision.

"It's the equivalent of winning the World Series and having the umpires come out and tell you you've got to play another game," Pasculli said. "It was hard to say which way the court was going to go. It was a 50-50 proposition."

The agreement would create 3.5

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## Waterfront referendum

# Vote nears on Hoboken's deal with P.A.

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — In an election without candidates, but loaded with issues, voters here will go to the polls Tuesday to decide the fate of the city's multimillion-dollar waterfront development deal with the Port Authority.

At stake is the future of the city's southern waterfront, a stretch of abandoned piers and marine terminals that was once the economic lifeblood of this community.

Several factors make Tuesday's election an oddity.

The midsummer date and the last-minute state Supreme Court ruling that cleared the way for the referendum are two ingredients that could mean low voter turnout.

Voters also might steer clear of the polls because they are simply tired of the issue and — like Councilman Thomas Newman — do not like the options they have.

"I'm staying out of it," said Newman, who voted against the deal when it was approved by the City Council in Decem-

ber. "I've had plenty to say about it in the past, but I see it as a no-win situation."

Under the terms of the agreement, the Port Authority of New York and New Jersey will pay the city \$30 million in lease payments for roughly 32 acres.

The city gets the initial \$10 million — \$7 million of which went directly into the 1989 budget — with no strings attached. The authority will deliver the remaining \$20 million during the next five years as various conditions — including the lifting of the local sewer ban — are met.

The authority is responsible for find-

ing developers to build 3.2 million square feet of office, commercial and residential space. The bistate agency is also obligated to invest \$41 million to improve the site's infrastructure.

The deal's supporters maintain it will bring tax relief to property owners, provide jobs for local workers and open up the waterfront to city residents who have been unable to walk to the Hudson River's edge for decades.

"We are on the receiving end of a great financial agreement," said Councilman David Roberts, an ardent supporter of

the deal. "And it's going to make office and professional jobs available to our people, which we need to adapt with the time."

Critics say the authority is a bad partner, the project is too big, and the financial terms of the lease agreement are shaky at best.

"The administration sees this deal as a short-term windfall to solve immediate budget problems," said Ron Hine, a member of Downtown Residents for Sane Development. "But that's not long-term thinking."

## ELECTION

CONTINUED FROM PAGE 1

million square feet of office, residential and commercial space on 32 waterfront acres.

Critics claim the deal mortgages the city's future for \$30 million in upfront payments. The agreement's backers maintain it will bring in much needed revenue and revitalize the long-dormant waterfront.

Supporters and opponents of the deal will now square off in a one-week campaign. But even before the decision, both sides had begun politicking.

"We've been going ahead on the assumption that we would win," said Ron Hine, who, like Busch, is a member of the group

that collected 1,600 signatures on a petition calling for the referendum. "We've been working hard, doing a lot of grassroots campaigning."

Pasculli, the driving force behind the Coalition for the Waterfront at Hoboken, said his backers also have been working the streets, trying to drum up votes for the deal.

"We still believe a majority of residents of this community want to see waterfront development proceed," Pasculli said. "This plan has always been driven by concern for the quality of life in this community."



# It's a full-court press for Hoboken vote

First of two parts  
J.J. 7-5-90

By Jo-Ann Moriarty  
Journal staff writer

From the state Supreme Court to the Hoboken Municipal Court, a group of residents trying to kill a massive development on the city's waterfront are campaigning with a full court press in the final days before Tuesday's special election.

## P.A. development proposal on ballot Tuesday

Earlier this week the Supreme Court ruled that the city's waterfront plan is not exempt from the referendum process and that residents have the right to vote on whether they want a 3.2 million-square-foot project by the Port Authority of New York and New Jersey.

This morning, members of the Coalition for a Better Waterfront, are expected to be in Municipal Court after filing a complaint that an administration-backed group, the Coalition for a Waterfront at Hoboken, stapled "Yes" campaign posters on utility poles, a violation of a local ordinance.

The two camps are in a high-stakes campaign. A yes vote Tuesday means approval of the development deal and a no vote means rejection. Ever since Mayor Patrick Pasculi took office more than two years ago, he has pushed to resolve outstanding issues with the P.A. and then began

intense negotiations for a waterfront development plan.

Pasculi at one time was a harsh critic of the P.A. Several years ago, in the midst of a dispute concerning \$9 million the bi-state agency owed the city, Pasculi, then a councilman, wrote that the authority was not a "suitable partner" because "it cannot

See P.A. — Page 4

# Development foes carry waterfront fight to the wire

## It's up to Hoboken voters Tuesday

Second of two parts

By Jo-Ann Moriarty  
Journal staff writer

Holding up a photograph of an artist's rendering of Hoboken's vision for its waterfront plan, Assistant City Clerk Robert Drasheff recently asked a reporter: "Isn't that beautiful?"

The question — from the secretary to the Hoboken Waterfront Development Committee — sums up the conflict between Mayor Patrick Pasculi's administration and a coalition of residents opposed to the city's plan to develop the waterfront with the Port Authority of New York and New Jersey.

Members of the opposition

believe that the P.A. is difficult to control and what the city signs up for on the waterfront and what eventually gets built may not be the same.

"There is a lot of wishful thinking in that model. It is something they would like to see built," said Tom Illing, a member of the Coalition for a Better Waterfront.

The plan has already increased in height and density between the time the city made a tentative agreement last spring and a final agreement in December. For example, a 25-story tower at the end of Pier A is up to 33 stories and a row of 15-story apartment buildings between First and Fourth streets is now 20 stories high.

Illing, who served on the previous administration's wa-

terfront advisory committee, is skeptical that the P.A. may need to increase size and density again in a few years to make the project economically feasible.

In addition to the power given to the P.A. by its bistrate enabling legislation, he said, the city would not be able to control the development even if it wanted to because it will be financially dependent on the expected revenue.

"We will be in the same situation we are in now. Pasculi is always spending money three times faster than we have it," Illing said.

The last municipal budget was financed by \$7 million the city received in upfront money

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## Thanks for the memories



Marlene and Noel Martinez toast each other on their 29th wedding anniversary with brunch drinks yesterday at Santa Fe Yacht Club in Hoboken.

JIM LOWNEY THE HUDSON DISPATCH

# Hoboken dropping plan to extend drinking hours

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — In response to numerous complaints, the City Council is expected to drop a plan to extend drinking hours in the city's taverns and restaurants at its Wednesday meeting.

The plan angered city residents who believed it would only add to the late-night rowdiness that accompanies bar closings here. Local clergymen also took issue with the extended hours.

"Many of my neighbors have problems with the local taverns," Councilman David Roberts said. "People are coming out of the bars, drunk and rowdy. I think this would only encourage more of the same."

At its last meeting, the council introduced an amended alcoholic beverage ordinance that would

have extended drinking hours from 3 until 3:30 a.m. on Friday and Saturday nights and from 2 to 2:30 a.m. other nights.

In addition, the ordinance would have allowed restaurants to begin serving drinks at 10 a.m. rather than noon on Sundays.

"It was indicated to the council that this was about brunch," Roberts said. "Little did we know it was going to extend drinking hours later into the night."

The changes were drawn up at the behest of the Hoboken Professional and Retail Business Association, who sought the extended hours in exchange for a jump in the annual liquor license fee from \$840 to \$1,000.

Connie Cappadona, who lives at Fifth and Gar-

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# Foes call waterfront plan wishful thinking

Continued from Page 1

from the P.A. for signing a 50-year agreement. This year's budget — yet to be presented to the City Council — relies on \$8 million the city expects from the P.A. Only \$3 million is guaranteed according to the contract.

The other \$5 million depends on the P.A.'s picking a developer and the lifting of a state-imposed sewer ban.

Residents will go to the polls Tuesday to answer the public question whether the city should develop its 30 acres of land and three derelict piers with the P.A.

In campaigning for the project's approval, Pasculi said the plan offers the city financial stability.

"It will benefit the community," Pasculi said of the 3.2-million-square-foot development the city is planning to build with the P.A.

"It will provide new opportunities and identify a new role for our waterfront property in the next decade and century."

"In the last 20-year period, we have gone through an exodus of our industry. And with the recent decision of Maxwell House, we can no longer drag our feet to be indecisive," the mayor said.

Daniel Tumpson, a member of the Coalition for a Better Waterfront, is campaigning against the project because of its size and because of the city's bad history with the P.A.

He notes that the P.A.'s 1952 lease, which was rewritten last December, was based on a profit share "but there was no profit." The 50-year agreement the city signed with the authority last December gives the city 25 percent of the gross revenues.

However, Tumpson notes that the city's share comes after the P.A. manages the books. The agency is allowed to make side deals with developers, and execute subleases.

Mayme Jurkat, who was chairman of the waterfront advisory committee on which Illing and Tumpson served, sup-

ports the project and the partnership with the P.A. Although she was critical of the authority, Jurkat said that her previous concerns about the authority's having too much power have been addressed in the new agreement.

"Both Dan and Tom have a phobia about the P.A. that is totally irrational," Jurkat recently commented.

Tumpson, in response, questioned whether Jurkat has read the lengthy agreement.

"She thinks that Hoboken is in the driver's seat when the Port Authority has total control over the revenue stream, the choice of developer, setting and collecting rents and other fees and taking control over the books," Tumpson remarked.

"To put it bluntly, the Port Authority has taken over the waterfront and for them to say that the city is taking the driver's seat is lunacy," Tumpson said.

But Pasculi and Peggy Thomas, director of community development and chairman of the waterfront development committee, want to know the opposition's alternative to the P.A. partnership.

The mayor believes that this is the city's last chance for a waterfront project in this century, because he was the only mayor in the last decade who could put a plan together.

He said that there is too much infighting among the opposition to develop an alternative.

The P.A. has the financial resources during an economic slump to fund the infrastructure improvements in preparation for developers, he said.

Thomas noted that P.A. involvement insures that "everything is done in the sunshine. Both public entities have to operate within the scrutiny of the public. There are no backroom deals here."

Ron Hine, a coalition member, said a small-scale development that extends the existing streets to the waterfront and keeps in character with the city is a better plan.

## DRINKING

CONTINUED FROM PAGE 1

den streets across from Moran's bar, said she was outraged when she heard about the plan.

Cappadona said the noise outside her window after the bar closes makes it impossible for her to sleep. Closing the bar later would only exaggerate the problem, she said.

"Three o'clock on a Friday night, and people are coming out of there, screaming, yelling, cursing," Cappadona said, pointing at Moran's. "I can't close my eyes. If they close down later, it'll only be worse. It'll go on later."

While the noise bothers her, Cappadona said she is more concerned about the woman who rents an apartment in her two-story house.

"My tenant is complaining," she said. "I don't want to lose my tenant because of all the noise."

Roberts said the council has reversed its position on changing the liquor ordinance and will pull the revision from Wednesday's agenda.

"I think it should just be left alone," Roberts said. "This whole discussion has accentuated a problem we have here with rowdiness coming from the bars. We're going to have to take a look at that."

# Roberts charges tossed

## Judge KO indictment of Hoboken fireman

By PETER F. DONOHUE  
The Hudson Dispatch

A Hudson County Superior Court judge yesterday threw out an indictment accusing Hoboken Fire Capt. Charles Roberts of assaulting a critic of his brother, Councilman David Roberts.

Judge Shirley A. Tolentino said the prosecution's presentation to the grand jury was flawed and that prosecutors allowed the victim of the alleged beating — Teofilo Olivieri — to testify for too long.

Olivieri "rambled on and on about the bad blood, or war, that existed with regard to the political situation," Tolentino said. "The prosecutor did not control that, and he had the duty not to let in testimony that would inflame the jury."

The County Prosecutor's Office said it will seek another aggravated-assault indictment against the 44-year-old Roberts.

Roberts could have been sentenced to 10 years in prison if convicted of aggravated assault.

Olivieri — who contended he was beaten during a 1989 municipal election outside a Willow Avenue polling place — said he was shocked by the ruling.

"This guy beat me up," said Olivieri, Hoboken's tenant ad-

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## ROBERTS

CONTINUED FROM PAGE 1

vocate. "He really did a number on me."

The alleged attack took place as Olivieri was campaigning for mayoral candidate Joseph Della Fave. Della Fave, a councilman, was running against Mayor Patrick Pasculi, who was supported by David Roberts.

Olivieri said he required five stitches after the attack, and was hospitalized for five days.

Charles Roberts could not be reached for comment, but his attorney was elated.

"I'm delighted," said Dennis D.S. McAlevy, who earlier this year persuaded a judge to dismiss a voter-fraud indictment against David Roberts.

The County Prosecutor's Office plans to present that case to a grand jury again, too, said Assistant Prosecutor Guy Gregory.

Olivieri said he has criticized David Roberts in the past for municipal legislation he saw as harmful to city tenants. According to grand jury transcripts, Olivieri alleged Charles Roberts verbally assaulted him before the alleged 1989 attack.

Tolentino's decision came after McAlevy embarked on his usual tirade against County Prosecutor Paul M. DePascale.

McAlevy alleged that DePascale, a Republican, has a vendetta against David Roberts, and thus his brother, because the councilman is a Democrat.

DePascale couldn't be reached for comment. But Assistant Prosecutor Barbara Turso said she took "strong exception" to the attacks on her boss.

Turso defended the grand jury presentation, telling Tolentino, "There's no reason for the state to re-present this case."

# Waterfront election right down to the line

Continued from Page 1

which was successful in getting the public vote on the city's contract with the P.A., continued anassing city streets.

Their cause won the endorsement of the Hoboken Environment Committee which, in a newsletter it mailed to residents over the weekend, said it opposes the development because of its height and density and eventual congestion.

The coalition opposes the P.A. agreement because members say it is a bad financial deal, will not reduce taxes and is too massive for Hoboken.

Pasculi says the project will stabilize the economy, create jobs and provide revenue for affordable housing.

Kenny and other insiders campaigning on behalf of the contract's passage agree that coalition members have gotten their message across to voters.

"This group has gotten on the streets and into the neighborhoods," said a City Hall insider who supports the plan.

Polls open today at 7 a.m. and will close tonight at 8, said City Clerk James Farina, who is expecting a low voter turnout.

The public question asks voters: "Shall the ordinance submitted by referendum petition providing for the execution of a municipal development agreement and agreement of lease between the City of Hoboken and the Port Authority of New York and New Jersey be adopted?"

A "yes" vote supports the city's contract with the P.A. to

develop the 30 acres of city land on the Hudson River and a "no" vote would cancel the 50-year contract the City Council authorized the mayor to sign last December.

Betty Outlaw, deputy superintendent of elections for Hudson County, said that two deputies as well as a staffer will be dispatched to the Hoboken City Clerk's office to handle commissioner orders.

The staffer will be able to correct in Hoboken any error county election officials may have made in keeping a voter off the registration list.

Outlaw said other voters whose names are off the registration list may have to go to the county Administration Building in Jersey City to get a court order before being allowed to vote.

Busch said that his group will be working to get the vote out. He noted that the administration has spent about \$14,000 on its campaign. He said the opposition spent about \$3,000.

"The real intangible, obviously, is who comes out to vote, who actually makes the trip to the polls and the effort to get people to the polls. That is going to decide this election," Kenny said.

"The key is the extra effort to bring out the marginal voter. That is where the 'yes' (forces) will have the advantage. There will be a lot of people pulling out votes, ringing bells, calling on the telephone, climbing stairs and helping bring people to the polls," he said.

# P.A. development plan up to voters Tuesday

Continued from Page 1

be trusted to live up to its agreements and pay its bills."

Now that the P.A. has handed over the money it owed the city, and relinquished its leasehold, Pasculi said the city and bi-state agency are on equal footing and can form a profitable partnership that will serve the city's best interests.

The Coalition for a Better Waterfront, many of them members of previous administration waterfront advisory committees, believes the end-product of those negotiations results in a plan too big for Hoboken and a P.A. contract that is a bad financial deal for the city.

"It is a result of the highest level of planning, expertise with volumes of public input and probably more comprehensively thought out than any urban redevelopment plan in this region," Pasculi said.

Members of the opposition describe the plan as a "nightmare." They claim that the public had no influence in shaping the project, only an opportunity to learn about it at a series of public hearings.

The plan itself increased in size and density since those public hearings between the time the city had a tentative agreement with the P.A. last spring and a final agreement last December.

A row of five, 15-story apartment buildings between First and Fourth streets has been increased to 20-story buildings. The plan now allows a 33-story — instead of a 25-foot structure — at the end of Pier A and a 20-foot building and 22-story tower also on Pier A, the pier nearest to the PATH station and the Erie Lackawanna Terminal.

The 3.2 million square feet to be developed is evenly divided between commercial and residential use. Originally the plan included 1,600 luxury apartments. It now allows up to 2,000 housing units.

The 50-year contract with the P.A. places on the city's shoulders any plans to create affordable housing through money generated by the development. Pasculi has written a resolution — adopted by the City Council — earmarking \$31 million toward affordable housing over a 20-year period.

Critics of the plan doubt the administration will carry through on the affordable housing commitment because the city is always short of funds.

The 13.9 acres of open space the administration says the plan will offer includes the existing Stevens Park at Hudson Street between Fourth and Sixth streets and walkways. The marina and swimming pool would be the city's responsibility to build.

The plan also calls for 3,000 parking spaces and a 315-room hotel.

In promoting the project and the P.A. partnership, Pasculi said the city will get \$30 million upfront and \$41 million in site improvements.

The Coalition for a Better Waterfront said that only \$10 million — the \$7 million the city received last December when it signed a contract with the P.A. — and another \$3 million this year is guaranteed. The rest of the money depends upon the P.A.'s ability to execute deals with developers and the city's ability to get the state-imposed sewer ban lifted, according to the group.

Pasculi contends Tuesday's election is a replay of the election last May in which voters defeated a referendum to dedicate the 30 acres of city-owned land for parks. In campaigning for its defeat, the mayor pitches the plan and the 50-year contract as the city's economic salvation.

He claims that the plan would provide stability for the municipal budget and stabilize future tax rates.

"The community must be pro-active in establishing a redevelopment plan for our waterfront property," the mayor said. "We have gone to great lengths to make this agreement work for the betterment of this community."

The project will create jobs and open up the public access to the derelict piers, he said.

This year's budget — yet to be presented to the City Council — is dependent on \$8 million the city expects to get from the P.A. Of that, \$3 million is guaranteed.

The remaining \$5 million depends on the project getting sewage and waterfront permits and the P.A. accepting a developer proposal to begin construction.

Sada Fretz, a member of the Coalition for a Better Waterfront, is skeptical that the money will ever be sufficient to offset escalating taxes.

Fretz, who pays \$5,400 in taxes annually on his two-family house, argues that the city spends more money than it has, adding that last year's budget depended on \$7 million in P.A. money.

"The whole tax issue is a false issue," Fretz said. The development will increase city spending for services such as police and fire coverage, garbage collection and street cleaning, she said.

Fretz said that taxpayers will not see their bills decrease but will be stuck with a development too immense for the Mile Square City.

Tomorrow: Is the Port Authority a good partner? What is the alternative?

# Close vote expected on P.A. pact

## Light turnout of voters predicted in Hoboken

By Jo-Ann Moriarty  
Journal staff writer

A tight race is expected today when Hoboken residents go to the polls to decide if they want to develop the waterfront with the Port Authority of New York and New Jersey.

"I see a very close election," said state Assemblyman Bernard Kenny, D-Hoboken, who stood on the corner of Fifth and Washington streets yesterday promoting the P.A. agreement.

Steve Busch, a spokesman for the Coalition for a Better Waterfront, agreed with his opposition that the election is going to be close.

"I don't want to make predictions but I think it will be close. I think we have a good chance," he said.

That speculation was supported by an informal survey of residents leaving the Foodtown supermarket at Seventh and Willow streets. About two dozen were questioned by The Jersey Journal. All but four said they would vote today.

The rest were evenly divided on whether they intended to support a plan being pushed by Mayor Patrick Pasculi to build a 3.2-million-square-foot project of offices, apartments, stores and a hotel at the southern end of the city with the P.A.

A young woman with an armful of groceries and a son at each side said she would vote against the contract because the apartments — up to 2,000 units may be constructed — are only for the rich.

"That project will have luxury apartments for rich people and we, the poor people, are not going to have much in there. We will be flying out of Hoboken," said the woman, who lives on the 700 block of Willow Avenue.

Marge Borelli is going to vote for the project. "We need the money. There is no industry left and this town will go bankrupt if we don't do something about it," she said.

A well-tanned, middle-aged woman said with enthusiasm that she would vote because "I want the waterfront."

A woman who identified herself as B. Mastroddi said she will vote "no" because "Hoboken is congested enough. And I believe there is a lot more involved in the P.A. contract than meets the eye."

Kenny, who spent four hours on Washington Street while temperatures rose into the 90s, said people are definitely decided. "This is a very hot issue," he said.

Members of the coalition,

See WATERFRONT — Page 6







# P.A. Deal's Fans, Foes Rally

## Roberts' brother cleared in Hoboken election fight

A state Superior Court judge yesterday dismissed criminal charges against the brother of a Hoboken councilman, but the Hudson County Prosecutor's Office vowed to reinstate the charges.

The attorney representing Charles Roberts, 44, said the charges were dropped due to misconduct by the prosecutor who presented the case to the grand jury.

Roberts was charged with aggravated assault for allegedly slugging the city's tenant advocate, Teofilo "Tom" Olivieri, outside a polling place during last year's mayoral election.

Olivieri received five stitches around the left eye. He was held for observation for five days at St. Mary Hospital in Hoboken.

Roberts could not be reached for comment about the judge's decision.

The action left Olivieri in shock.

"I don't even want to comment on this, I'm so shocked," Olivieri of the city's Office of Community Development said. "I'm not pleased. The whole thing bothers me."

According to Olivieri, Roberts and another man emerged from a car and approached him at 3:15 p.m. outside the Wallace elementary school polling site on May 9, 1989.

It was Election Day. Olivieri was holding campaign literature for mayoral candidate Joseph Della Fave. Roberts was supporting incumbent Mayor Patrick Pasculli.

Olivieri contends words were exchanged after which Roberts punched him in the eye.

Roberts was indicted last August. His attorney, Dennis D.S. McAlvey, brought a motion for dismissal late last year. It was heard by Judge Shirley A. Tolentino in Jersey City yesterday.

McAlvey asked that the charges against his client be dismissed because Assistant Prosecutor Michael J. Zevits allowed Olivieri to testify beyond the May 9 incident.

Grand jury transcripts show Olivieri discussed the political climate in Hoboken and prior verbal confrontations with Roberts.

The city worker described how he had publicly opposed Roberts' councilman brother, David, because David Roberts advocated measures that he had believed were anti-tenant.

"Mr. Roberts has, Charles Roberts that is, has declared war on me for quite a while

now," Olivieri told grand jurors.

"Any time he's seen me and he's been with a group of people, he's always had a remark," McAlvey is convinced that Prosecutor Paul M. DePascale, who was born in Hoboken and whose father was once mayor, has a personal vendetta against his client and his councilman brother.

"(The indictment) should never have been brought in the first place," McAlvey said.

"It was a political indictment brought by a political prosecutor."

Criminal charges against David Roberts in an unrelated case were dropped earlier this year, also because of misconduct by the Prosecutor's Office before the grand jury.

David was accused of giving a Hoboken fraternity a keg of beer in exchange for members casting fraudulent votes in a municipal election five years ago.

DePascale is on vacation. A spokesman denied charges.

## Hoboken to vote over waterfront

Hoboken voters go to the polls tomorrow to decide the fate of the Port Authority's controversial 3.2-million-square-foot waterfront project.

The unusual midsummer special election follows last week's state Supreme Court ruling that the multi-million-dollar development is not exempt from the referendum process. Tomorrow's election will allow residents to vote in the referendum.

A "yes" vote means approval of the deal; a "no" vote means rejection.

If approved, the site to be developed along Hoboken's southern waterfront will be divided between commercial and residential use and will replace rotting piers and unused waterfront property. It will include up to 2,000 housing units.

Opponents say the plan is too big for Hoboken and a bad deal financially. And they say they are worried they would have no control over the P.A. once the project is under way.

## Teams tout positions for tomorrow's vote

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — With an election tomorrow to decide the fate of the city's waterfront development agreement with the Port Authority, the project's supporters and opponents rallied yesterday to sway undecided voters into their camps.

Mayor Patrick Pasculli touted the \$30 million deal at an afternoon rally downtown, while foes of the planned development campaigned door-to-door, handing out fliers listing its drawbacks.

The city's long-term future is at stake in tomorrow's referendum, making it the most important election here in recent history, those on both sides of the issue said.

And while many complex issues surround the proposed 32-acre development — which would create 3.2 million square feet of office, commercial and residential space — voters must make a simple "yes" or "no" decision.

"We've waited long enough for this opportunity to arrive," Pasculli said. "The development of that property is critically important to this community."

The size of the buildings planned for the project is one of the main issues in the campaign. The plan calls for five residential towers, each roughly 18 stories tall, to be built along River Street between First and Fourth streets.

In addition, an office complex about 33 stories high would be built on Pier A, near the Erie Lackawanna train terminal.

Opponents of the project complain that it would destroy Hoboken's character by dwarfing its small shops and brownstones with Manhattan-size towers.

"We are opposed to the height and density of those buildings," said Ron Hine, a member of Downtown Residents for Sane Development. "Buildings in Hoboken typically cover 60 percent of the lot they sit on. These buildings cover more than 90 percent. That's an abomination."

Hine and other opponents of the project contend it would not provide adequate recreation

Please see DEAL Page 6

## P.A. vote creating dilemma

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — It's a lot harder to sell voters on a concept than it is to promote a candidate.

That's the dilemma facing the two coalitions trying to persuade city residents to either approve or reject the city's waterfront development agreement with the Port Authority of New York and New Jersey in tomorrow's special election.

As in any election, campaign workers are using the usual methods of poster-hanging, hand-shaking and phone-calling to get out the vote.

But those on both sides of the campaign are finding out that many voters are not well-informed about the topic of the election.

"It's very easy to say 'no' to something," Democratic Assemblyman Bernard F. Kenny Jr. told a trio of elderly women gathered on Washington Street Friday morning. "It's easy to exaggerate the negatives and much harder to explain the benefits."

The yes-or-no nature of the election has forced both camps to make their pitches as direct as possible, with mixed results.

"What it comes down to is, either you're for development or you're not," Kenny said. "There is no other plan. And if it doesn't happen now, it's not going to

Please see DILEMMA Page 6

## DEAL

CONTINUED FROM PAGE 1

space for public enjoyment. They also say the thousands of people it would draw to Hoboken every day would overwhelm the city's streets with traffic jams and air pollution.

Supporters of the plan say the project wouldn't work on a smaller scale.

The city's planning consultants maintain that some of the development's most attractive features — a waterfront walkway and a Little League field — would not be feasible if it were scaled down, said Councilman David Roberts.

"I want the esplanade and the ballfield, and the professionals said this is the way to do it," he said. "This was designed to make the whole thing work financially."

Project supporters believe one of its major bonuses would be revenue generated for the city, producing tax relief for Hoboken property owners.

The Port Authority of New York and New Jersey would give the city \$30 million in lease payments on the property during the

next five years. The authority paid Hoboken a first installment of \$7 million when the agreement was signed in December. A \$3 million payment is due in the fall, and the bistate agency would pay the remaining \$20 million once it finds developers for the property and obtains the permits needed to start construction.

The city would also collect 25 percent of the project's gross revenues for the first 30 years of the authority's 50-year lease. In the final 20 years, Hoboken would get 60 percent.

"It's time we got moving on the waterfront," said Councilman Richard Del Boccio. "If this gets voted down, I don't know who's going to come in and pick up the pieces."

But opponents of the plan do not believe the authority is offering the city the best deal it can get.

"I think it's ridiculous to say we should go ahead with it because it's there," Hine said. "That's not a good enough reason to accept a bad deal."

## DILEMMA

CONTINUED FROM PAGE 1

happen." Kenny's argument appears to have swayed a fair number of voters.

"The way it sounds, it's going to create some jobs," said Jose Cintron, who has lived here since 1960. "You can't just leave it the way it is."

Retailers along Washington Street told Mayor Patrick Pasculli they support the plan as he visited them on Friday, seeking their votes.

"This is the kind of thing the business community has been waiting for," said Armando Luis of Sparrow Wine & Liquor. "We've waited 10 years while this went around in circles. That waterfront is a potential jewel. Something has to be done with it."

Opponents of the plan are finding the most effective argument against it is its size.

Standing around a card table piled with literature on Washington Street yesterday, Steve Busch and Annette Illing handed fliers to passers-by urging them to vote "no."

"I don't like the idea of high-rises being built on the waterfront," said Laurie Budgar, who moved here from Brooklyn a few months ago. "I just think there's too much of a push to develop. Bigger is not necessarily better."

Ann Fabbriatore, a lifelong city resident, said she thinks the project would reduce property taxes here, but that is not enough to convince her.

"On the Fourth of July, I could look right out my window and see the fireworks over New York," she said. "I don't want to give up that view for anything."

## Calabro balks

## Parents and faculty oppose move to Rue

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — After months of planning, a Salvatore Calabro School parents and teachers group has vetoed a proposal that would shift pupils there to the mostly vacant David E. Rue School in the fall.

Calabro Principal Richard Del Boccio, who heads the school's on-site management team, said the group backed off from its desire to make the move because Rue needs too much renovation before it can house students.

"Rue is just too old," Del Boccio said. "I don't think it could be brought up to code. We have to think about the safety of the staff and

the students."

The Board of Education has already geared up for the relocation, however, and is not ready to drop the plan because of the management team's change of heart.

"If he can (get) five votes on the board to rescind the move, then it won't happen," said

Please see CALABRO Page 12

## Tavern hour change killed in Hoboken

By Jo-Ann Moriarty  
Journal staff writer

The last call for alcohol in the Mile Square City will remain the same after a plan to extend bar hours is killed to night by the Hoboken City Council.

Mayor Patrick Pasculli said yesterday that he did not know whose idea it was to extend the bar hours but that the proposal will die in committee.

"Even if the City Council approved it, I would veto it," Pasculli said.

The ordinance was introduced at the last council meeting in June by Councilmen Edwin Duroy and Richard England and was expected to pass tonight after a public hearing.

Instead, the administration received a wave of complaints and councilmen reconsidered their initial approval.

The ordinance would have extended the bar hours from 2 a.m. to 2:30 a.m. Sunday through Thursday nights and from 3 a.m. to 3:30 a.m. on Friday and Saturday nights.

Other changes included extending the hours to 3:30 a.m. the night before Martin Luther King's Birthday, Abraham Lincoln's Birthday, Good Friday, Memorial Day, the Fourth of July, Labor Day, Columbus Day, Veterans Day, the night before St. Patrick's Day and Christmas Eve.

The city has 159 liquor licenses of which 116 are restaurants.

Another change in the ordinance would have permitted serving alcoholic beverages on Sunday mornings at 10 instead of the noon embargo. But Pasculli said that other residents complained about that business disturbing the Sunday morning churchgoers.

Pasculli and Sixth Ward Councilman David Roberts will hold an informal public hearing Thursday in City Hall at 7 p.m. about complaints concerning bars located in neighborhoods, specifically Moran's Tavern at Fifth and Garden streets and O'Neill's at Fourth and Park Avenue.

Initially Roberts supported the measure to extend bar hours to accommodate the Sunday morning brunch crowd but has since changed his position.

One Sixth Street homeowner said yesterday that patrons leaving Moran's are loud and often "use our neighborhood as a bathroom."

The council had considered the changes as a way of compensating tavern and restaurant owners for increases in their annual retail license fees.

The council gave its initial approval June 21 and eliminated the 30-day time period to review proposed changes in the existing ordinance.

Jim Murphy, president of the Hoboken Professional and Retail Business Association, said that the request was made after the city's decision to increase fees for the "plenary retail distribution license" from \$840 to \$1,000.

# Hoboken says no to P.A.

Jersey Journal July 11, 1990

By Jo-Ann Moriarty  
Journal staff writer

Hoboken's plan to build a massive waterfront project with the Port Authority of New York and New Jersey was killed yesterday by 12 votes in a special referendum.

The vote was 4,406 in favor of the project to 4,418 against building a 3.2 million square foot development at the southern end of the city on 30 acres of city-owned land along the

Hudson River. The voter turnout was 8.824.

Mayor Patrick Pasculli, who pushed for the project, said that the plan's defeat means increased taxes, reduced city services and layoffs of city workers.

"This puts us on the brink of bankruptcy," Pasculli told reporters minutes after the results were official at City Hall.

The mayor, who campaigned for the deal's passage under the organization of a Coalition for a Waterfront at Hoboken, said he would ask for a recount but added, "I don't think it will change anything." At City Hall, the mayor called members of the op-

position — the Coalition for a Better Waterfront — "urban anarchists" who "operate in a vague vacuum."

But after addressing his supporters at the Holiday Lounge in Hoboken, the mayor went to the camp of his opposition which celebrated three blocks from City Hall at the home of coalition member, Ron Hine.

## Waterfront plan rejected in Hoboken

Continued from Page 1

"I invite you to please work with us and develop a plan that is going to be acceptable by the majority of this community," Pasculli said.

The opposition campaigned against the project because they said the development was too massive for Hoboken, the P.A. is not a suitable development partner and the contract was a "rotten deal."

"You didn't have to be a rocket scientist to understand that," said Daniel Tumpson, a member of CBW. "You only had to read English. And people knew — when we talk to them, people talked on the issue."

"I feel that Pat Pasculli and the City Council will understand that they made a big mistake and we got them out of the fat because people knew they were getting screwed," he added.

Members of the group were giddy with their victory, which they said came despite the odds of the administration's organization and money. The mayor's side raised about \$20,000 and the resident's group raised about \$3,000, according to financial reports of the campaigns.

Allen Morrison, a spokesman for the Port Authority, said that the agency was

"surprised and disappointed at the apparent result of today's referendum, given the result of past elections and referenda and the December City Council vote approving" a 50-year contract with the authority.

"We will be evaluating the implication of the vote and discuss the matter with the mayor and city officials in the days to come," he added.

When the mayor signed the agreement last December he also signed a "side agreement" in which he promised to return the \$7 million the Port Authority had given the city as upfront money for the development partnership.

The coalition members challenged the ordinance allowing the partnership. Failure to give the money back in 15 working days would mean that the Port Authority could put a lien on the city's waterfront land.

When asked about that side agreement, Pasculli said that he did not believe the Port Authority would be expecting its money back within two weeks. "I am sure that they recognize the problem this (rejection) has created and will give the city proper time," Pasculli said.

Morrison would not speculate what the

Port Authority's next step will be. "These are the kinds of discussions that we will be having with the city in the next few days," he said.

"We tried to help Hoboken during long and difficult negotiations and we will continue in that spirit," Morrison said.

The administration was predicting a close election and Pasculli's key workers — Kenny, Roberts and city department heads — were nervous throughout Election Day.

Kenny said that homeowners as a voting bloc would decide the election. He predicted strength from the Fourth Ward, which encompasses the city's public housing projects, because residents there believe the development would create jobs.

"What the homeowner will do, that is the question in a nutshell," Kenny said. In the First Ward, the vote was 621 for, 878 against. The Second Ward's total was 672 for, 806 against; the Third Ward was 872 for, 732 against; the Fourth Ward was 766 for, 397 against; the Fifth Ward was 604 for, 830 against; and in the Sixth Ward the vote was 715 for, 699 against.

There were 156 absentee ballots in favor of the project and 76 against.

## CALABRO

CONTINUED FROM PAGE 3

Trustee Perry Belfiore, referring to Del Boccio. "As of right now, I hope his bags are packed, because they're gone."

Board President James J. Farina agreed with Belfiore, saying the board is proceeding on the assumption that the shift will take place. Farina said he expects Rue to be ready for pupils by November.

"The whole thing is still being negotiated," Farina said. "But as far as we're concerned, we are going forward with the move."

The board approved the relocation in May at the request of the parent-teacher group, which said going to Rue would allow the overcrowded Calabro program to expand.

Calabro offers innovative educational programs and is considered by many to be the best school in the city. Calabro's pupils are chosen in a citywide lottery system.

School officials said the lottery could be abolished if Calabro moves to Rue, a suggestion that did not sit well with some members of the parent-teacher group.

Del Boccio denied that the possibility of the lottery being phased out had anything to do with the decision not to pursue the Rue move.

"We just don't think the building is equipped to serve as a school," Del Boccio said.

In what was billed as a cost-cutting measure, the board closed Rue prior to the 1988-89 school year.

Subsequent efforts to sell or lease the building have been unsuccessful. The Nuestros Ninos day care center has been the building's only tenant since the closing.

Belfiore said he would support Calabro staying where it is because he believes Rue is more attractive to outside tenants.

But he said the board can not bow to the whims of the school's management team.

"We didn't tell them to move," Belfiore said. "They asked for it. After all this, it's a little hard for us to turn around and call it off."



## 4th Ward didn't put it over

7-10-90  
Pasculli's ace in hole  
wan't a trump card

By James Efstathiou  
Journal staff writer

What may have been one of the more important elections in Hoboken's history generated relatively little interest yesterday among the city's poorest voters in the Fourth Ward.

Unlike two previous mayoral elections in which Patrick Pasculli earned his margin of victory in the city's public housing projects, experts predicted that yesterday's referendum question would be decided by homeowners who would be most directly affected by the vote.

"It's a difficult election to motivate the people," said Fourth Ward Councilman Edwin Duroy, who received much of the credit for Pasculli's prior victories. "There's no candidate. We didn't go door to door."

Voters went to the polls yesterday to decide whether the Port Authority of New York and New Jersey should be allowed to develop the city's southern waterfront.

Supporters of the development predicted severe financial hardship for the city should a "No" vote prevail. Opponents of the proposed development who succeeded in placing the issue before voters said a "Yes" vote would bring a massive project to the city and lock Hoboken into a partnership with the powerful P.A.

By late afternoon yesterday, City Clerk James Farina had counted only 600 votes in the four polling places of the Fourth Ward, which includes a senior citizens building. By the time the polls closed, that figure had almost doubled. The waterfront plan received the approval of 766 voters and 397 voted against it.

The "Yes" team tried to

See ISSUE — Page 4

## Mayor, backers ponder reasons for P.A. defeat

DISPATCH  
7-12-90

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — How did it happen?

That was the question Mayor Patrick Pasculli and his backers grappled with yesterday after the city's proposed waterfront development agreement with the Port Authority was defeated by 12 votes in a special election Tuesday.

Pasculli and others pointed to an array of issues that might have persuaded voters to go against the deal: dissatisfaction with the size of the project, distrust of the Port Authority of New York and New Jersey as a business partner and dismay with the city's fiscal policies.

There were also political divisions in City Hall that led to a fractured "yes" campaign, which kicked into high gear only after the state Supreme Court approved the referendum.

And everyone acknowledged that the organizers of the "no" campaign worked harder and longer to get their message out.

"They just outworked us," said Councilman Richard England. "This administration ran a limited campaign, and it hurt us."

One political insider said the administration spent too much time celebrating the city as baseball's birthplace when they

Pasculli to seek recount

# P.A. Plan Loses in Squeaker

DISPATCH  
7-11-90

## Issue failed to fire up Fourth Ward voters

Continued from Page 1

frame the question in terms of jobs for the city's low-income residents.

On the other hand, the Coalition for a Better Waterfront, which has battled the city's plan, tried to portray the P.A. as an agency that discriminates against minorities by targeting blacks and Hispanics for harassment at P.A. bridge and tunnel crossings and at the PATH Station.

In the end, however, the campaign seemed to have little effect on the Fourth Ward where, except for a few small

pockets of poll workers, it was business as usual yesterday.

"If you give them a beer or a balloon or a hotdog, you get their vote," said one resident of the projects who did not believe that many of his neighbors understood the issue.

The administration focused its campaign on homeowners and spent much of the \$14,000 raised in the campaign on advertisements and direct mailings. There was reportedly little left over for election day street money, which in the past has been used to generate interest in the Fourth Ward.

The coalition fighting the development had even less to spend and ran their campaign office out of members Annette and Tom Illing's car, which was equipped with a phone.

"I think the homeowners are going to swing this election," said Drasheff. "They're most affected by the tax issue and the revenue from the project. They had to look at the project from a financial point of view."

Still, the administration made a late afternoon effort to bring out the Fourth Ward vote with the help of a van with

loudspeakers. Between verses of a popular rap band, a campaign worker urged voters to "do the right thing" as the van cruised the projects.

About 8,500 voters turned out citywide. By comparison, 3,000 voters went to the polls in April's primary election for county freeholder.

Only minor problems were reported at the polls, with fewer than two dozen people reporting they could not vote because of technicalities such as pages missing from voter registers.

## Coalition wants P.A. to get out of town

Continued from Page 1

When Pasculli subsequently signed a 50-year contract with the Port Authority on Dec. 27 and was given a check for \$7 million, a group of residents challenged the contract and called for a public vote on the partnership.

By a 12-vote margin on Tuesday, voters rejected the city's plan to build a 3.2-million-square-foot development with the Port Authority. The CBW members maintained that the plan was too big for the city and the contract with the Port Authority offered the city a poor financial deal.

The city is required to return that \$7 million within 15 working days or else the Authority can place a lien on the property.

The Port Authority said it is reserving comment on the broken contract until it meets with city officials.

Sada Fretz, a coalition member speaking as an individual, said she does not know if the group can have an alternate plan by November. The group wants the city's traffic and infrastructure studies, she said.

"All we need is somebody acceptable to both sides to look at the data already collected," Fretz said.

Ron Hine, a CBW spokesman, agreed with that assessment. He said that Pasculli called for studies to fit his development plan whereas the coalition wants to develop a plan based on what the traffic, environment and infrastructure reports conclude the city

can accommodate.

"It would be a mistake to start from scratch," Hine said.

But Pasculli wants a plan before November because he said the longer the city waits, the more the city will have to cut services, reduce staff and increase taxes to make up for the money it will lose from the P.A. deal.

The administration was basing its 1990 budget — yet to be presented to the City Council — on \$3 million to \$8 million it expected in upfront money from the deal this year.

Coalition members and homeowners are leery that the administration will attempt to offer only a moderately scaled-down version of the plan.

"It's not that simple. Any tampering with levels of density affects the needed revenue and the entire feasibility of the project," Pasculli said.

While Pasculli is promoting the waterfront as a resource to provide financial stability to the city, Hine said that the waterfront — as a contributor of taxes and jobs — has been dead for two decades. The administration should look to curb spending instead of relying on the waterfront to gener-

ate revenue to sustain a bloated city and school budget, Hine said.

"It cannot be looked at as a gold mine to be exploited to keep the city payroll way over what it should be," Hine said.

"Planning is a very rational process and the monetary side is not a big part of it. Planners don't talk about revenue and ratables but traffic and parking," Hine said.

The city was only guaranteed \$10 million in upfront money from the Port Authority, Hine said, noting that "the financial crisis came this year."

If the project had succeeded, "it would have allowed them to squander the money for a couple of years and face the fiscal crisis in two years instead of now. The austerity measures should have been handled now."

After the plan's defeat, Pasculli met with department heads instructing them to eliminate overtime and curtail purchases except in emergencies.

The mayor meets today with state Department of Personnel staffers to learn the rules regulating the layoff of civil service employees.

## Coalition wants P.A. to get out

JJ 7-13-90

By Jo-Ann Moriarty  
Journal staff writer

A Hoboken citizens group successful in aborting a huge waterfront development plan is demanding that the Port Authority take a permanent walk from the city's waterfront.

In a letter to Mayor Patrick Pasculli yesterday, the Coalition for a Better Waterfront accepted the mayor's invitation to help shape a waterfront plan for the 30 acres of city-owned land along the Hudson River.

But the group warned that "in light of the voters' rejection of the best deal we could get from the Port Authority, the Port Authority must not be further considered as a participant in our waterfront."

Pasculli, who wrote a formal letter of invitation to the group yesterday, said that the latest demand by the coalition members gets the negotiation process "off on the wrong foot."

"There should be no conditions in a true spirit of negotiations. All issues should remain open," Pasculli said.

The mayor is also calling for a new plan by November so that the city can get revenue to offset tremendous budget shortfalls.

Before last year's mayoral election, Pasculli announced a tentative contract with the Port Authority which promised to give the city \$7 million in upfront money if the two parties signed a final contract by the end of the year.

See COALITION — Page 6

## Hoboken officials see financial ruin

DISPATCH  
7-11-90

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — In a vote that left city officials predicting financial ruin, residents yesterday knocked down — by just 12 votes — a proposed \$30 million waterfront development agreement with the Port Authority.

Voters defeated the development deal, 4,418-4,406, in a special election held after seven months of legal wrangling.

A visibly shaken Mayor Patrick Pasculli said defeat of the Port Authority of New York and New Jersey deal puts the city on "the brink of financial disaster."

He said he will ask for a recount, but doesn't expect the results to change.

But the deal's foes — a coalition of environmental, anti-development and political activists — hailed the vote as a message to City Hall that city residents thought the deal was a "ripoff."

"It's unbelievable," said coalition member Steve Busch at a raucous victory party. "This is a victory for all the people of Hoboken."

The vote was so close that results had to be counted twice. The first tally indicated the referendum passed by some 100 votes, but a recheck of the figures swung the election the other way.

Under the deal, the city would have leased about 32 acres of waterfront land to the authority, which then would have found developers to build 3.2 million square feet of commercial and residential space.

The agreement was inked in December, and the authority gave Hoboken an initial payment of \$7 million.

Pasculli said the city now have to repay the \$7 million. The city also will lose out on another

Please see DEFEAT Page 6

## Mayor, opponents argue defeat's cause

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — Before yesterday's special election, Mayor Patrick Pasculli labeled critics of the city's \$30 million development deal with the Port Authority "modern-day urban anarchists."

After the election — after the "anarchists" won a stunning but slim 12-vote victory — Pasculli stuck by that assessment.

The defeated mayor claimed that his foes were mostly relative newcomers to the city who had little concern for its future.

But the coalition's members, who won decisive legal and political battles despite being overmatched financially, disputed Pasculli's criticism.

"We care about this city," Dan Tumpson said, amid the whoops and

Please see CAUSE Page 6

## DEFEAT

CONTINUED FROM PAGE 1

\$8 million it expected from the bistate agency this year.

With \$15 million gone, Pasculli raised the specter of new property taxes and layoffs of municipal workers to offset the impending budget shortfall.

"We expected a close election," Pasculli said. "Right now, it's back to the drawing table with our waterfront redevelopment plans."

The defeat was the second major blow in less than a month for the city. In June, Maxwell House announced it would close its Hoboken coffee plant.

Authority spokesman Terry Benzick said the agency was "surprised and disappointed" with the result.

"We're evaluating the implications of the vote and will discuss the matter with the mayor and city officials," she said late last night.

Dan Tumpson, a member of the committee of petitioners who battled for the special election, said there were three reasons why the voters rejected the deal.

"Some people thought it was too big," Tumpson said. "A lot of people thought the P.A. was a lousy partner, and others thought the financial deal itself was abominable. The voters didn't want to see their city sold out."

Critics also objected to the scarcity of affordable housing in the plan.

At one time, Pasculli, too, was

an ardent foe of the authority. But he used the proposed agreement as a key component of his mayoral campaign in the fall of 1988 and again last spring.

The road to yesterday's special election started in December, when the City Council approved the agreement with the authority.

Opponents of the development immediately began circulating petitions calling for a referendum on the deal.

They gathered enough signatures, but were rebuffed by City Clerk James J. Farina, who — on the advice of city attorneys — refused to accept the petition.

That sent the agreement's foes to court.

## CAUSE

CONTINUED FROM PAGE 1

hollers of the group's lively victory bash.

"That's why we did what we did. The city's got some big financial problems, and it's time to deal with them, rather than selling off our assets in ripoff deals."

The coalition that sent the deal down to defeat was an amalgamation of potters and artists, computer programmers and attorneys, affordable housing advocates and environmental activists.

They waged a vigorous street-level campaign that attracted a higher-than-expected number of

people to the polls — more than twice as many as in the last Board of Education election.

Many of the opponents were on the losing end of a similar public question last spring that would have turned the proposed waterfront development site into a park.

Tumpson said he and his colleagues are willing to work with the city administration on a sensible plan for the waterfront.

"We'll talk about that tomorrow," Tumpson said. "Right now, we're celebrating a victory for the people of this city."

Shortly after 9:30 last night, Pasculli appeared at his adversaries' celebration at Ron Hine's pottery studio on Newark Street. He was more tempered in his remarks than earlier in the evening.

"I want to congratulate all of you for waging a formidable campaign," Pasculli said to a hushed crowd who appeared shocked by his entrance. "I invite you to put forth your plans for the waterfront so we can put together a comprehensive plan that will be endorsed by a majority of the community."

## Taxes versus congestion: For many, a hard choice

DISPATCH  
7-11-90

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — For some residents, yesterday's vote came down to a difficult choice — bigger buildings or bigger tax bills.

For others, it was a choice they didn't want to make.

Mary DeCongello, who has lived at Third and Garden streets for 40 years, said the referendum confused her.

"I didn't even want to go into the voting booth," she said, refusing to divulge which way she voted. "I want to see something happen on the waterfront, but I don't want to see a lot of traffic coming into this city. It's a tough decision."

Voters leaving the polls at the David E. Rue School in the 1st Ward early in the afternoon were split on the waterfront deal.

Marie Tomao said she voted against the proposed 3.2-million-square-foot, mixed-use development because of its size and the increased traffic it would bring into this mile-square city.

"It's just too big for Hoboken," she said. "I'm not against development, but I think whatever goes on the waterfront should be smaller. Hoboken can't handle something that big."

Lucille Mollicow said the project's size worried her, but not enough to turn her against it.

"The way it was explained to me, the city wants to put up offices and condominiums there," Mollicow said. "The other people just want to put a park on the waterfront. That's not going to bring any money in. And who's going to pay for all the services that go along with that?"

By mid-afternoon, voter turnout was heavier than anybody expected.

Assistant City Clerk Robert Drasheff estimated that between 8,000 and 9,000 ballots would be cast by the time the polls closed at 8 p.m. Some 8,824 people voted. Roughly 3,000 people voted in the city's April school election.

Neither does nor supporters of the city's waterfront development knew whether the heavy turnout would help or hamper the referendum's chances.

But at least one person urging a "no" vote said the turnout reinforced his belief that the public should vote on the issue.

"I think the heavy turnout clearly shows this is a big topic with people here," said lawyer Ira Karasick, who went through four court cases to have the referendum placed on the ballot.



Mary Ferrante, right, signs a registration book at Hoboken City Hall yesterday before voting on the Port Authority of New York and New Jersey development plan. Helping Ferrante is Ann Tortorella, while Frank Mussara watches.

Don McCoy THE HUDSON DISPATCH



# Hoboken in crisis, says mayor

Pasculli calls for austerity after P.A. pact rejection

By Jo-Ann Moriarty  
Journal staff writer

One day after residents rejected a massive waterfront development plan, Hoboken Mayor Patrick Pasculli yesterday declared the city to be in a financial crisis and asked the state for more aid.

The mayor called a grim staff meeting yesterday with department heads, directors and supervisors.

He instructed them to develop an austerity program by eliminating overtime pay except in emergencies and by curtailing all purchasing until the financial picture is clearer. "We will have demotions and layoffs of temporary, provisional and permanent employees. There will be reductions in city services," the mayor said during an afternoon press conference.

The corridors of City Hall, usually filled with chatter, were silent yesterday as officials scrambled to assess the impact of the referendum.

The mayor's voice cracked with emotion as he discussed the impact of Tuesday's referendum, which aborted by a 12-vote margin the city's plan to build a 3.2 million-square-foot development with the Port Authority of New York and New Jersey.

## Stevens revives project

College to reintroduce high-tech center plan

By James Efstathiou  
Journal staff writer

Stevens Institute of Technology will again offer plans for a multi-million-dollar high-tech business center on the Hoboken waterfront, despite Tuesday's vote rejecting a huge mixed-use development south of the campus.

The school is close to closing a deal with the Park Tower Group, a Manhattan developer, for the \$150 million project and is expected to submit site plans to the city before the end of the year, according to Stevens President Dr. Harold Raveche.

Unlike Stevens' prior proposal, turned down by city officials wary of its height and potential to increase traffic congestion, the new plan promises to be more sensitive to environmental, economic, educational and traffic concerns of Hoboken, according to Raveche.

"We had to refine our plans," said Raveche. "Stevens is going ahead with plans and we're going to make our case to the city because we believe that high-tech businesses are the key to Hoboken's future."

The concept of creating a "technology pavilion" to attract high-tech industry to the Mile Square City and linking those firms to the college remains the same, Raveche said.

But the new plan, developed by Stan Eckstut, the urban planner who designed the waterfront complex turned down by voters this week, is expected to be more palatable to city planners, Raveche said.

For example, the tallest buildings in the project have been moved from the waterfront onto the campus itself to protect the views of the Hudson River. Smaller structures more consistent with a 35-foot zoning limit along the waterfront will be built at the base of Castle Point.

Although Raveche predicted a less favorable economic climate following Tuesday's vote against developing the city's southern waterfront, he vowed to push ahead with the technology pavilion. Ironically, it was Stevens that filed a law suit challenging Hoboken's development agreement with the Port Authority of New York and New Jersey on grounds the pact violated the open public meetings act.

"As a newcomer, here under two years, I am convinced that the waterfront is a key to Hoboken's economic future and I was disappointed that the town did not see that as expressed in their vote," said Raveche.

See STEVENS — Page 4

### Hartz to rescue?

Development firm still interested in building on Hoboken's waterfront Page 4

The vote was 4,406 to 4,418. "The layoffs and reduction in city services doesn't solve our problem," Pasculli said. "We will have a significant tax increase. I asked the department heads to halt all purchases except in emergencies and after close scrutiny. Over time has been discontinued except in absolute emergencies."

"People are barely squeaking by at an existence to put bread and butter on a table and now they are going to lose their jobs. It is not easy," Pasculli said.

The budget crisis "represents a financial emergency of epidemic proportion. We have to do everything possible to lighten taxpayers. Even with deep municipal cuts, we still will see a dramatic tax increase," Pasculli said.

Business Administrator Edwin Chius said that a special City Council meeting will be called next week to present the municipal budget. He speculated yesterday that the present rate of \$17.52 per \$1,000 of assessed valuation will increase into the "high 20s."

August tax bills will include the retroactive tax hike, he said, adding that property owners may see their quarterly tax bills increase by as much as \$1,500.

Chius predicted huge amounts of tax appeals because "people's houses will devalue because taxes are going up. Homes will be harder to sell."

The city was relying on funding its 1990 budget with \$8 million it expected in upfront money from the partnership with the P.A. When the city signed a 50-year contract with the bistate agency in December, it received \$7 million to fund budget shortfalls in 1989.

Budget reductions and tax increases will have to recover the \$8 million the city will lose, said Pasculli. The city is also obligated to repay the \$7 million to the P.A. within 15 working days or the authority can

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## Hoboken is in a fiscal crisis says Pasculli

Continued from Page 1

place a lien on the city's 30 acres of waterfront land. Law Director Eugene O'Connell, who drafted the side agreement, said that the clock has started ticking on the time the city has to repay the money. He said yesterday he was glad the agreement was signed because it gives the city time to repay the authority.

After the City Council authorized the mayor to sign a partnership in December, a group of residents — now known as the Coalition for a Better Waterfront — circulated a petition calling for a public vote on the contract.

After six months of court battles, which focused on the question of whether a redevelopment plan is exempt from the referendum process, a state Supreme Court ruling July 2 required the special election. Residents, when ques-

tioned yesterday, said the plan was rejected because it was too big and because residents distrust the P.A.

Stephen Berger, executive director of the P.A., said that the authority will cease its demolition work at the piers. Pasculli, during a recent council meeting, said that the P.A. has spent \$11 million so far in site preparation, an amount that the authority would not confirm.

"We have said all along the decision of going ahead is a local issue that was up to the city to determine whether or not the Port Authority would develop the city's waterfront," Berger said in a prepared statement.

"The Port Authority therefore did not participate in the referendum process," Berger said. "We will be discussing the situation with city officials over the next few days. In the

meantime, the city and Port Authority have agreed to suspend all work on the project," he said.

Pasculli said that the state Department of Community Affairs will send representatives to his office today to discuss ways the city can handle its budget crisis. He will also ask the state for more money.

The state Department of Personnel will send officials tomorrow to discuss with the mayor rules and regulations concerning laying off Civil Service employees.

"They (the state staffers) are going to help us through this nightmare," said Chius.

Last night, police and firefighters, accompanied by their families, packed the council chambers in an attempt to learn about their jobs. A gloomy silence enveloped the more than 200 people in the chambers. Even the children

were silent. Pasculli would not say how many workers will lose jobs.

The mayor said he will invite the Coalition for a Better Waterfront to his office to shape a development plan for the waterfront that can be accepted by the majority of the voters.

Coalition members organized last night at the home of Sada Fretz.

Member Ron Hine said that the group is looking for a smaller scale of development that better blends in with the present scale of the city. Members criticized the mayor's plan as too large and dense.

"We can't treat this thing (the waterfront) as a cash cow," Hine said. "It has to be planned in a rational way that fits into the city instead of maximizing the revenue to bail out of a current crisis. The vote yesterday brought an end to that."

## Newcomers make voices heard

By Jo-Ann Moriarty  
Journal staff writer

The defeated administration learned a lesson from Tuesday's special referendum: the "newcomers" have arrived as a voting bloc in Hoboken.

"They came out in fairly substantial numbers for the first time since the 1988 presidential election on a local issue," state Assemblyman Bernard Kenny, D-Hoboken, observed yesterday.

"For the first time, they took a real interest in the local community and that can only happen because they have a perception of what Hoboken means to them," he said.

"It is a historic, political turning point and we can no longer view this constituency as being temporary, no matter how long they stay, but view it as a permanent constituency."

"It is a reality we have been very slow to accept," Kenny added.

Except in the Fourth Ward, which encompasses the concentration of public

housing, the election results show that homeowners were evenly divided over a plan to develop the southern end of the waterfront with the Port Authority of New York and New Jersey.

Without the vote from the newcomers coupled with the split among traditional homeowners, the plan to build a 3.2 million-square-foot development on the waterfront with the P.A. probably would have succeeded.

The plan, pushed by Kenny and by Mayor Patrick Pasculli for nearly two years, was torpedoed Tuesday by a 12-vote margin.

Kenny realized the vote was going to be close only recently when he rode a city bus and overheard newcomers discussing the waterfront plan at length, he said.

"I heard people talking about local people," Kenny said. "I heard Patty's (Pasculli's) name and (opposition leader Dan) Tumpson's. This was revolutionary. Until this campaign, I have never heard them talk about local issues. The guys usually

talked about sports. That is the big story, and we as politicians are going to have to expand our perspective."

Passers-by, questioned during the evening rush hour at the PATH station, said the project was defeated because it was too massive.

"People didn't want to see that monstrosity on the waterfront," said a woman wearing a Walkman.

A man who said he has lived in Hoboken for two years said he begrudgingly voted for the deal because of the city's financial woes.

"But I think people voted against it because of a general distrust toward politicians. I don't think having police and firemen at the polls helped," he added.

Homeowners questioned gave various reasons why the plan was rejected. The primary reason was the massive size of the plan, they said. There was also a distrust of the P.A. as a development partner.

See HOMEOWNERS — Page 4

## Homeowners and newcomers key to the vote

Continued from Page 1

Other homeowners said they voted to give themselves a tax increase because they disagreed with what they described as the mayor's policy of spending more money than he had. The city budget is \$8 million in the hole.

Councilman Steve Cappiello said, and James Farina, president of the Board of Education agreed, that a recent contract with the Hoboken Teachers Association, giving a 30 percent increase over three years, hurt the mayor at the polls Tuesday.

"People want to bite the bullet now," said Cappiello. "They want to get hurt more in the near future and hopefully gain in the long run. He (Pasculli) is going to have to cut back. Residents feel the administration spends too much money. The teachers' contract is an example. A lot of people think the more money we get in, the more money we dole out."

Homeowners agreed with members of the Coalition for a Better Waterfront that any money generated from the project would be used to increase city spending.

"I voted no because I was scared with yes," said a homeowner about the size of the project. "But now I find no even scarier."

Councilman Joseph Della Fave, whose Second Ward rejected the deal by a vote of 806-672, said a constituent told him she had voted no and believed that was the right thing to do.

"She said in five years the vote Tuesday will be looked on as history. But she added that she was concerned about today."



Demolition of the Port Authority of New York and New Jersey Hoboken piers ground to a halt yesterday, a day after residents rejected a planned Port Authority development for the area.

Journal photo by Larry Cutshall

## Stevens has scaled-down high-tech center plan

Continued from Page 1

The college has been at odds with City Hall over the technology pavilion since the initial proposal was voted down by the city Planning Board in November after a year of testimony and hearings.

In conjunction with Hartz Mountain Industries, Stevens hoped to build office towers of 10 and 13 stories on Frank Sinatra Drive at the foot of Castle Point.

Soon after the planning board's decision, the city unveiled a 3.2 million-square-foot development to be built with

the P.A. just south of Stevens. Although Raveche said he was never opposed to the city's plan, the college nonetheless challenged the agreement, he said, hoping to gain leverage for its future development goals.

Stevens dropped the suit in April with the understanding that the college would reconsider its plan and return to the city for approval. Stevens hired Eckstut and began putting together a project that city planners could live with.

While city officials have not engaged in formal planning

talks with the college, the parties recently worked closely in an unsuccessful attempt to keep the Maxwell House coffee plant alive in Hoboken, according to city Business Administrator Edwin Chius.

The loss of Maxwell House, the last smokestack industry on Hoboken's waterfront, makes the push for high-tech business even more crucial, said Raveche.

"My personal concern is that the residents of Hoboken must understand that economic development is essential. It is not a luxury," said Raveche.

The Stevens plan envisions light manufacturing on the waterfront, heavy manufacturing inland, and research facilities for telecommunications, laser optics, computer software and the management of technology.

Firms which participate in the center would have access to the resources of Stevens, including the services of students and faculty.

The project would include amenities such as fishing piers and jogging trails along the river, seminars for public school teachers and scholarships for local students.

## Hartz to Hoboken: Let's make a deal

By Bill Campbell  
Journal staff writer 7-12-90

Mega-developer Hartz Mountain Industries — spurned last year in its attempt to develop Hoboken's southern waterfront — may finally get a shot at building on the city's long-idle piers.

"If the city wants us to develop the waterfront, they know our phone number," said Gene Heller, president of Secaucus-based Hartz Mountain Industries. "We're in the business of development so of course we'd be interested in talking to them."

In the wake of Tuesday's referendum defeat of a Hoboken-Port Authority of New York and New Jersey plan to develop the waterfront, Hoboken must again begin the process of shaping a plan to develop the 30 acres of city-owned land on the Hudson River.

And Hartz, which proposed a plan to develop the waterfront in 1989, would consider stepping into the vacuum caused by

the demise Tuesday of the Hoboken/P.A. deal, if the city wants, top company executives said yesterday.

Although the Hartz proposal was similar to the ill-fated P.A. plan, the company said it could modify any new plans to the city's specifications.

"We always told the city we would scale our plan," Heller said. "We would be very accommodating to what the city wants."

"We're ready to go," said Walter Smith, Hartz's vice president of planning, who mapped out the company's original plan to Hoboken officials.

Hartz presented a mixed-use plan for the waterfront site to the city in the spring of 1989.

But that summer, Hoboken opted to enter into a development agreement with the P.A., which once operated the site as a marine terminal.

Many residents opposed the P.A. plan as too big and dense for the city. Many others opposed the profit-sharing agree-

ment and questioned the integrity of the quasi-public bistate agency.

"We are confident we can do a better development in scale with the community faster and without the constraints of the Port Authority," Smith said.

"The Port Authority would never compete for tenants in New York City because of their interests there," Smith said of a standing P.A. rule. "But New York is where the market is."

Hartz, offering low rents and utility costs, has lured many corporate tenants across the Hudson to its Secaucus and Weehawken developments. Paine Webber moved its data center from New York to Lincoln Harbor in Weehawken in 1988.

Smith said Hartz also could provide a better financial deal with the city than the P.A. agreement, which tied payments to the city to the revenue generated by the development.

"We have a proven track record," Heller said. "We would be more than happy to talk to the city again."

### Notebook

## Hudson political reports

The Hudson Dispatch

Last week's defeat of Hoboken's deal with the Port Authority of New York and New Jersey also was a defeat for Mayor Patrick Pasculli.

Pasculli used the deal as the linchpin of both of his victorious mayoral campaigns, in the fall of 1988 and the spring of 1989. He often said those victories showed that city residents approved the deal.

Does it stand to reason that, by knocking down the agreement, voters were also saying they are less-than-pleased with the way Pasculli is running the city?

The dust stirred by the election shocker still hasn't Please see **POLITICS** Page 12



PASCULLI

### POLITICS

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cleared, but here's a look at some other winners and losers:

■ **WINNER:** Councilman Joe Della Fave, who campaigned — albeit late in the game — against the deal, could see his clout increase.

Della Fave has been outside the council loop since losing twice to Pasculli.

■ **LOSER:** Councilman Tom Newman's stock has dropped pretty far among his reformer allies. Newman drew scorn because of his fence-sitting during the campaign.

■ **WINNER:** The vote showed that former Mayor Steve Cappiello — who wore a YES button reluctantly, but, according to insiders, urged a NO vote — still has a fair amount of clout in the city's 3rd Ward, which he represents on the City Council.

The big winners, clearly, were the deal's active opponents, including Dan Tumpson and Steve Busch. They obviously have learned how to run a Hudson County political campaign.

They passed out literature in the city's poor 4th Ward that labeled the Port Authority as a racist agency. Though the flier had little to do with the issues at hand, it had everything to do with trying to win votes.

And it worked. The 4th Ward, which provided Pasculli with the margin of victory in both of his recent mayoral campaigns, failed to deliver big enough to tip the balance this time.

A day after voters rejected waterfront development in Hoboken, Pasculli and some al-

lies — including Councilman Dave Roberts — went to dinner in a restaurant in a waterfront development — in Weehawken.

The Hoboken referendum was the fourth election in four months in Hudson County, capping a busy political summer.

In April, voters picked Board of Education members. That was followed by municipal elections in May and the statewide primary in June.

Voters now get to relax briefly. There are no more elections until November.

Jersey City Councilman William O'Dea and Mayor Gerald McCann aren't the best of friends, but O'Dea decided he wasn't going to let a political feud stand in the way of souvenir hunting.

So, on a recent vacation in Ireland, O'Dea found a coat of arms for the McCann family. Upon his return, he presented it to the mayor.

The family's logo: "Virtue Under Oppression."

With \$210,000-a-year spokesman Roger Jones on his way out, Jersey City Hall insiders are speculating about who will replace him as the city's mouthpiece.

McCann said he is thinking of putting the job up for bids again. And he said he would consider hiring a newspaper reporter, but was worried about what effect that might have on his relationships with the newspaper.

The two people rumored to be leading contenders for the job are former Jersey Journal reporters Tom Golodit and Raul Vicente, who now serve as McCann aides. But McCann said he "probably" wouldn't hire either one for the post.

Edward K. Shanahan and Sebastian D'Elia contributed to this report.



# Official celebrates Hoboken despite referendum results

By Patricia Scott  
Journal staff writer

Hoboken Mayor Patrick Pasculli is still aching from the Port Authority referendum defeat, but the city's planning chief found something to celebrate yesterday.

Peggy Thomas, director of Hoboken's Division of Planning and Community Development, attended the county Board of Freeholder's monthly "historical tribute" series and offered an upbeat history of the city's past glories.

Each month freeholders ask officials from local cities to share their municipality's contributions and celebrate the area's history.

Thomas joked that she was actually present to ask freeholders for \$15 million, the amount Hoboken will now immediately lose following the defeat of the proposed Port Authority waterfront development in Tuesday's referendum. She then recounted the city's colorful history. Formally incorporated as a city on March 28, 1855, Hoboken is not

only the birthplace of baseball (the first game was played in 1846) but also had the first locomotive, first steamships, first organized yacht club, first ferry and even the first brewery, established in 1642.

The city actually dates back to Henry Hudson's river travels in 1609, Thomas said, and was purchased from early Dutch settlers by Col. John Stevens for \$90,000. Col. Stevens, namesake of Stevens Institute of Technology, was the pioneer who built wharves and piers and laid out the city's street

structure and urban planning. Hoboken launched its first ferry service in 1811, making 16 trips a day to New York City's Vesey Street, 100 passengers on each trip. As population and development picked up in the late 1800s, the city built chic arcades, shops, piers and the state-of-the-art River Walk to attract a leisure crowd seeking rural beauty far from the madding New York social scene. At the same time, Hoboken was becoming a premier shipping port and six major shipping companies based interna-

tional operations on the docks. Hoboken was the main port of embarkation for American soldiers during the war. Twice that many returned home the same way at the war's conclusion.

By 1949, the city had 197 major manufacturers based in the city. Hoboken could point to 100,000 waterfront jobs which offset a full 50 percent of the city's tax burden.

After Maxwell House closes in 1991, the city will have fewer than 100 waterfront jobs, Thomas said.

After plan rejected

## On the waterfront

### Hoboken ponders its future

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — In the late 1950s, industries along the city's waterfront provided jobs for nearly 10,000 workers and half the city's tax revenue.

Today, about 700 people work at waterfront companies. That number will drop to 100 when Maxwell House shuts its coffee plant in early 1992.

In fact, the closing of Maxwell House will leave the city with only one major waterfront industry: the Union Dry Dock and Repair Co.

Revitalizing its once-thriving but now struggling waterfront is one of the city's biggest problems, and has so far proved the toughest to solve.

Last week, voters rejected one solution — a \$30 million deal with the Port Authority of New York and New Jersey to develop 32 acres on the city's southeastern edge.

Mayor Patrick Pasculli said the future of the 32-acre city-owned land is the key to the future of the city.

"That's a very lucrative parcel of property adjacent to a \$1 billion transportation hub," Pasculli said. "The longer it takes to get something going there, the more this city is going to suffer."

Pasculli said he believes the property must be developed, and he's convinced the deal with the Port Authority was the best way to do it.

But with that deal shot down in a special election, the city must now look elsewhere.

Hartz Mountain Industries Inc. of Secaucus made the city an offer for the land last spring. Hartz

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Construction was halted yesterday at this site on the Hoboken piers after the city's voters rejected a development plan on Tuesday.

DON MCCOY THE HUDSON DISPATCH

shortfall for the city, which won't receive \$8 million it expected this year from the Port Authority of New York and New Jersey, and will have to return \$7 million it received last year.

Members of the coalition that led the opposition to the deal said they are ready to work with Pasculli to put together a more acceptable waterfront development plan.

"It's unfortunate that people are going to be laid off," said Ron Hine, who helped spearhead the "no" campaign. "They should

Please see **PASCULLI** Page 6

After P.A. plan defeat

### Pasculli sees doom and gloom

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — Mayor Patrick Pasculli predicted massive layoffs and sharp tax increases yesterday, a day after voters scuttled the city's \$30 million development deal with the Port Authority.

In a series of emotional, closed-door meetings with department heads and City Council members, Pasculli outlined a major austerity program.

"The layoffs will be felt from the tops of departments to the bottom," Pasculli said later. "They will be significant, but not enough to solve the problems we're facing. They will be accompanied by significant tax increases. There is no way to avert those in the face of the failure of the referendum."

City Business Administrator Edwin Chius said the local tax rate — \$17.52 per \$1,000 of assessed value — could zoom to the "high 20s or low 30s."

The deal's defeat means a \$15 million

## Hoboken had money woe before referendum defeat

Jersey Journal 7-16-90  
City employees fear loss of their jobs; tax rate to rise

By Jo-Ann Moriarty  
Journal staff writer

Financial problems haunted Hoboken long before the recent demise of the city's agreement with the Port Authority of New York and New Jersey to build a huge development on the Hudson River.

But since residents by a 12-vote margin aborted the 3.2 million square foot plan in last week's special referendum, the monetary blow to the city budget is pitting employees against each other and homeowners and elected officials are second-guessing Mayor Patrick Pasculli's spending practices.

Instead of using all the \$7 million the city received last

year from the P.A. in anticipation of a development deal to offset the tax rate, Councilman Steve Cappiello said, some money should have been set aside.

The mayor was in the midst of an election to a four-year term when he used the money to lower the tax rate by 16 cents.

Business Administrator Edwin Chius said it was a philosophic decision of the mayor to use the money for tax relief instead of surplus revenue.

But city employees, homeowners and members of the Coalition for a Better Waterfront, which ran the opposition to the Pasculli/P.A. waterfront plan,

said the mayor should not have spent money when the plan was so controversial.

City records show Pasculli has put 70 people, including part-time, hourly paid workers, on the city payroll since he was appointed mayor in March, 1988.

Asked about the hiring, Pasculli said he had not seen the payroll records but added that a goal of his administration is to improve morale and city services.

"When I first became mayor, delivery of municipal services was at an all-time low along with employee morale because of the workload. The

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## Hoboken's finances precarious

Continued from Page 1

Police Department was dangerously undermanned," he said. "We began setting priorities by upgrading services," he said, noting that he added 24 patrolmen and made promotions in both the Police and Fire departments.

Those promotions will probably be rescinded because of the budget crunch, he said. In the police department, Pasculli promoted eight patrolmen to sergeants, five sergeants to lieutenants and two lieutenants to captains. Each promotion adds about \$5,000 to the base pay, said Police Capt. Carmen Labruno who noted the promotions were the first since 1985.

The mayor met Friday with officials of the state Department of Employment Personnel concerning layoffs of Civil Service employees and ways to shorten the 75-day process.

In an emotionally-charged letter, city employees asked that non-residents be first to go as the city grapples with an \$8 million shortfall in the 1990 budget, which the administration has yet to present to the City Council.

"Remember, if a Hoboken civilian employee is laid off, they still live here, still vote here, and must pay their share of high taxes here while the non-resident employees still get their pay check from the City of Hoboken," the municipal employees union wrote to the mayor and City Council.

"These employees earn good wages in the city of Hoboken and then go to other municipalities where they live. They pay no taxes to the City of Hoboken," the letter read.

The union is demanding enforcement of the residency ordinance that has been on the books for three decades.

The demand is an example of anger flooding City Hall since the mayor announced there will be layoffs, demotions, and no overtime or purchasing except in emergencies.

In addition to the \$7 million the city must return to the P.A., \$3 million to \$8 million anticipated in the 1990 budget will not be forthcoming.

Pasculli is predicting the tax rate of \$17.52 per \$1,000 of assessed valuation will increase by upwards of \$10.

That means a house valued

at \$100,000 and paying \$1,700 in taxes would be taxed at \$2,752. The mayor acknowledged in an interview before the weekend that the school budget and increases in county expenses would have increased the rate by \$3.50 per \$1,000.

The school budget, because of decreases in state aid and increases in spending, is adding \$5 million — from \$18 to \$23 million — to the amount to be raised by property taxes. That represents a \$3 hike in the rate.

Somewhere in the school budget is part of a recent three-year Hoboken Teachers Association contract, retroactive to June, 1989, that will cost \$5 million over the life of the pact.

The contract gave teachers a 30 percent raise over three years and increases salaries depending on seniority and academic degrees. Pasculli, who has 20 years in the school system, has said that his own salary will increase from the mid-\$40,000s to \$58,000.

A teacher with 18 years experience and a bachelor's degree will see a salary increase from \$42,221 to \$50,522 plus a \$6,000 longevity bonus. A teacher with the same degree but only three years seniority will see a salary increase from \$21,925 to \$25,050.

Pasculli has defended the contract, maintaining that Hoboken teachers are underpaid compared to surrounding communities and the contract brings them to the middle of the salary scale in a statewide comparison.

## Waterfront voting subject to recount

Only 12 votes decided referendum on P.A.

By Jo-Ann Moriarty  
Journal staff writer

A recount of Hoboken's special referendum last week, in which voters rejected a huge waterfront development by 12 votes, will be held Thursday, Hudson County Superior Court Judge Stephen Schaeffer ruled yesterday.

While attorney John Carbone is requesting a recount at this time, he alluded yesterday to a possible challenge to the July 10 election itself if there is enough evidence to prove voter fraud or other violation of the election laws.

Police Sgt. Thomas Meehan, a Hoboken resident and president of the police officers union, said that the Police Department has been receiving

complaints about the election. "Before anyone can look at those rumors and innuendos, we have to be sure as to what the actual results were. Thereafter, if it is required, we will carefully examine each and every allegation and charges being made with regard to the conduct of the election," Meehan said in a prepared statement.

"If necessary, we will contest the election to ensure that a full, fair and free expression of the voters of Hoboken is had," he said.

The special referendum was held after a group of residents concerned about the environment, development and housing challenged a 50-year

contract the City Council authorized Mayor Patrick Pasculli to sign in December.

The residents, called a Coalition for a Better Waterfront, yesterday said that other residents, including police and firefighters, have the right to challenge an election when the results were so close.

"It is perfectly reasonable for them to request a recount when the election results were so close, just to make sure that someone did not make an error," said Annette Illing, a coalition member.

Voters rejected by 4,418 to 4,406 the city's agreement with the Port Authority of New York and New Jersey allowing that

See **WATERFRONT** — Page 4

## Waterfront vote will be recounted

Continued from Page 1

agency to build a 3.2 million-square-foot development along the Hudson River on city-owned land.

The development was to consist of offices, a hotel and up to 2,000 housing units and a commercial tower as high as 33 stories on Pier A, according to the plan.

Pasculli said that since the plan has been defeated, he will need to increase taxes, cut city jobs and rescind promotions he made in the Police and Fire departments.

The mayor planned to use between \$3 million and \$8 million in upfront money from the Port Authority to fund the 1990 budget, which he has yet to present to the City Council.

Since January, the council has been running the city on emergency appropriations.

Carbone, an attorney said to have expertise in election recounts, was hired by a committee of residents seeking a recount.

The movement is being spearheaded by police and firefighters, whose jobs are in jeopardy because of budget cutbacks.

Meehan was accompanied to court yesterday by police and fire officials as well as three residents, one of whom works for the Board of Education.

A committee, called the Committee to Save Hoboken, has been established to request a recount and to help

gather information about any improprieties into the election, he said. An office will be set up at 223 Bloomfield St. where residents can file information concerning voter fraud or the inability to vote last Tuesday, he said.

Carbone said that he would only have "to show 12 votes are in question and other misconduct would void the election."

Ira Karasick, who successfully represented the CBW members in the state Supreme Court in securing the election last week, said that he believed that last Tuesday's election "was one of the smoothest and apparently cleanest elections we have seen in Hoboken over the last five or six years. There were virtually no challenges."

### PASCULLI

CONTINUED FROM PAGE 1

have trimmed the budget a long time ago. Now we're going to meet among ourselves and with the mayor to see what approach we should take in planning a smaller-scale development."

Seeking financial and administrative help from the state, Pasculli and Assemblyman Bernard F. Kenny Jr., D-Hoboken, contacted Gov. James J. Florio's office, as well as representatives from the state Community Affairs and Personnel departments.

State officials will be visiting the city today and tomorrow to review procedures for sending layoff notices to city workers, including police officers and firefighters.

The city will likely send layoff notices to all employees, although not all will be let go. Some members of the fire and police departments will be demoted, Pasculli said.

Rumors in City Hall were that up to 45 percent of the city's workforce could get the ax, but Pasculli said it was too early to tell how many jobs will have to be eliminated.

"We are assessing what is required to maintain some semblance of orderly city services," he said. "But there will be drastic cuts."

Andrew Markey, president of the International Association of Firefighters Local 1078, was uncertain how the belt-tightening would affect his 95-member union.

"We don't know what's going on," Markey said. "Everything's in limbo."

Also in limbo is the fate of the 32-acre waterfront site. City officials ordered authority wrecking crews there to cease demolition work yesterday.

"The first thing we did was contact the Port Authority and ask that the demolition be suspended until we can reassess the project," Pasculli said. "They have been cooperative and are not at our doorstep asking for the \$7 million. But we will have to deal with that shortly."



# Judge Orders Recount

## Hoboken waterfront plan lost by 12 votes

By PETER F. DONOHUE  
The Hudson Dispatch

A Hudson County Superior Court judge yesterday ordered a recount of last week's referendum election in Hoboken, which shot down the city's \$30 million waterfront development deal with the Port Authority by just 12 votes.

Judge Steven J. Schaeffer directed the County Board of Elections to check the tally of last week's referendum on Thursday morning.

The recount was sought by a coalition of residents, city employees and developers who favored the waterfront development deal.

"The financial impact upon the citizens of Hoboken, its services... operations and survival, hinge on the accuracy of these numbers," said Hoboken Police Sgt. Thomas Meehan, a member of the Committee to Save Hoboken. "The risk to Hoboken is too grave for us not to be sure of the outcome."

Mayor Patrick Pasculli and other city officials said that, without the deal, the city will have to drastically cut its work force and may have to double its property taxes.

The deal's defeat means a \$15 million shortfall for the city, which was to receive \$8 million from the Port Authority of New York and New Jersey this year. The city also must return \$7 million it received from the Port Authority last year.

"It's going to be a real blood-letting," Councilman David Roberts said.

Under the deal, the city would have leased about 32 waterfront acres to the authority, which was then to find developers to build 3.2 million square feet of commercial and residential space.

Opponents to the plan, loosely organized by the Coalition for a Better Waterfront, criticized the scale of the project and said it lacked, among other things, affordable housing.

The coalition does not oppose the recount, said steering committee member Annette Illing.

Please see RECOUNT Page 4



DAVID ROBERTS  
"A real blood-letting" coming.

## Teachers asked to take cut

By DAVID REILLY  
The Hudson Dispatch

HOBOKEN — Two city councilmen yesterday asked public school teachers to help relieve the city's fiscal crisis by renegotiating a contract signed this year.

Council President E. Norman Wilson asked the teachers to "exercise some social conscience, renegotiate their contract and bear some of the burden the city is going to have to bear."

Wilson, along with Councilman David Roberts, sent letters to President James J. Farina of the Board of Education, asking for a meeting with union leaders to discuss the contract.

The city cannot afford the contract, which gives teachers a 30 percent raise over three years, after voters last week defeated a \$30 million waterfront development deal with the Port Authority of New York and New Jersey.

"I don't think it's acceptable for

Please see TEACHERS Page 4

## Pasculli begins tightening city's belt

By Jo-Ann Moriarty  
Journal staff writer

Hoboken Mayor Patrick Pasculli said yesterday he will eliminate three departments because of an \$8 million shortfall in the city budget.

City Council President Norman Wilson and Councilman David Roberts want the city to meet with the Hoboken Teachers' Association to ask the leadership to reopen the teachers' contract.

A teachers union spokesman last

## Three Hoboken departments to be eliminated

night indicated a willingness to talk but not to make any concessions.

James Farina, president of the Board of Education, yesterday said the city should close four of the six elementary schools within five years.

That is one of several scenarios worked out by a team of experts who studied the school buildings and student enrollment.

Hoboken is in a financial mess since the administration based its 1990 budget on anywhere from \$3 million to \$8 million it expected in up-front money from a development deal with the Port Authority of New York and New Jersey.

But since voters rejected the plan to build a 3.2 million-square-foot development with the bistate agency

along the Hudson River, the budget — yet to be presented to the City Council — is \$8 million in the red.

A recount of the referendum will be held tomorrow. Residents rejected the development plan by 12-vote margin last week.

The police and fire unions are spearheading a campaign to challenge the results of the election.

See PASCULLI — Page 4

## Pasculli begins belt-tightening in financially-strapped Hoboken

Continued from Page 1

too much money. The departments of Parks and Buildings, headed by Helen Macri; Public Safety, headed by Thomas Kennedy; and Human Resources, headed by George Guzman, will be eliminated, Pasculli said.

"Those departments are going to be repealed. They were created to address a problem that has been ignored for a number of years and significant progress was made in Parks and Buildings, Human Resources and Public Safety," he said.

"Unfortunately, now the good work of those directors is going to be temporarily suspended," he said.

In another development, Pasculli has decided that no police and fire personnel will be cut from the budget.

While Pasculli wants to preserve police and fire jobs, Business Administrator Edwin Chius said that the unions will be asked to forgo their salary increases this year.

"I have decided not to lay

off any police and firefighters," Pasculli said yesterday. "In return, they will assume many duties that are going to be cut back."

Specifically, the mayor said that police and fire personnel will be enforcing housing and sanitation codes, off street parking and "responding to emergencies of our volunteer ambulance corps when necessary and assuming more clerical duties because of critical cutbacks."

Concerning the schools, Wilson and Roberts are calling for givebacks in the teachers' contract.

The Board of Education approved a contract last spring that gives 344 teachers a 30 percent raise, amounting to \$5 million in new money, over the life of the three-year pact.

"There is no way that anyone can justify such huge raises when so many people will suffer," Wilson wrote Farina.

"Now is the time for everyone to exercise a sense of so-

cial conscience and work for the common good," he wrote.

New Jersey Education Association representative Tom DeSocio said he was dismayed by Wilson's letter and noted that the education budget and city budget are separate.

"If teachers take less money next year it will not solve the city's budget problems," DeSocio said.

He said money saved through contract renegotiation will go to the school board's surplus and will not spill back into the city's ailing budget.

"We're certainly willing to listen" to what they have to say, DeSocio said, but "it doesn't seem that at this particular time there's anything we can do that will help to effect an increase in the town's budget."

Chius said he expects 100 city jobs will be axed.

He said people hired in the Pasculli and Vezetti administrations are most vulnerable.

Representatives of the municipal union could not be reached for comment.

## TEACHERS

CONTINUED FROM PAGE 1

any union or group to be receiving a raise in light of the crisis we're in," Roberts said.

Union leaders could not be reached for comment.

Farina said he would give the letters to the other members of the board and the union today.

The city council and Mayor Patrick Pasculli are desperately looking for ways to slash expenses before introducing the municipal budget.

The city must make up for \$8 million it expected to receive from the Port Authority as part of the waterfront deal, Pasculli said.

The mayor is predicting massive layoffs, a hefty tax increase and reductions in services to close the budget gap.

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THE COUNCILMAN said that because of these dire circumstances, teachers should not receive large raises.

"At the time it was a very generous contract award," Wilson said. "Now, in light of what the city is facing, and what the citizenry as a whole is going to be facing, it would be grossly unfair."

"We can't make kings of one group, and peasants of the others," he said.

Despite Hoboken's money woes

## Teachers union nixes new pay negotiations

By DAVID REILLY  
The Hudson Dispatch

HOBOKEN — Union leaders representing public school teachers said last night that there was no point in renegotiating their contract because any savings would not help ease the city's fiscal crisis.

"The Board of Education budget has been struck, and any reduction will not help the city because the money could not be redirected to the city," said Kenneth Johnston, president of the Hoboken Teachers Association.

Two city councilmen on Monday had asked that the union reconsider its contract to help reduce the blow taxpayers face from last week's voter rejection of a

\$30 million waterfront development deal.

The councilmen asked that the union, the City Council and school board meet to discuss ways to trim expenses.

The board, at its meeting last night, agreed to meet with the council and said it would ask union leaders to attend.

Johnston said the union would sit in on any discussions, but said there was no way to reduce costs to save the city money this year.

"The board and council have already cut our budget to the bone," Johnston said. "We're in very dire straits to begin with."

But council President E. Norman Wilson and Councilman David Roberts

disagree, saying the union's contract is unfair in light of the city's emergency financial situation.

Mayor Patrick Pasculli has said the loss of about \$8 million from the waterfront deal with the Port Authority of New York and New Jersey will force massive layoffs, reductions in services and hefty tax increases.

Wilson and Roberts said teachers will not feel this crunch.

The teachers will receive a 30 percent wage increase over three years, under a contract agreement reached this spring.

Wilson said the raises would make "kings out of one group and peasants out of another."

Johnston suggested the council was

seeing the teachers' situation through rose-colored glasses.

"We have 19 people unemployed for the 1990-91 school year," Johnston said. "We lost 11 people last year and eight this year."

Pasculli, a member of the teachers' union and a defender of the contract, said the teachers needed the raise.

"The teachers deserve to be paid equal to professionals in the area," he said. "But we are facing a financial crunch, and they should keep an open mind when they come to the table."

Pasculli said that although contract concessions might not figure in this year's budget, they would help in the future.

In other matters, the mayor asked the board to decide to close one of the city's seven elementary schools by the end of June.

The board is considering a five-year master plan that will call for the closing of three schools and the construction of two facilities.

Pasculli said these are needed changes, but said the board must make a decision to close a school soon to save money.

Board members did not decide if they would close the Salvatore Calabro School, saying they still wanted to keep their options open. The board is considering moving the school to the David E. Rue School, which is now shut.

## Pasculli wants one Hoboken school closed

By Kaki Kozelak  
Journal Correspondent

Mayor Patrick Pasculli made an appearance last night before the Hoboken Board of Education to plead for school closings to cope with declining enrollment and rising budget woes.

He urged that at least one elementary school be closed, and the students relocated to another school, by September, 1991.

"We can no longer afford the luxury of school buildings" that house fewer students than they were originally intended for, said the mayor.

The board agreed to take the matter under consideration.

The mayor's concern, prompted in part by the July 10

referendum in which a proposed \$125 million waterfront development package was shot down by Hoboken voters, was mirrored by 20-odd Hoboken school teachers who patiently sat through the two hour meeting waiting to hear news of further teacher layoffs.

They were disappointed, as the board did not discuss teachers' salaries or job status.

On June 21, eight Hoboken teachers were laid off by the board pending budget revisions, and some are now fearful that those layoffs will be permanent in light of the election results.

"I was at unemployment today," said one teacher who asked for anonymity. "It hurts after 19 years."

Ken Johnston, president of

the Hoboken Teacher's Union, questioned the board's spending \$12,000 to send the football team to training camp and an additional \$40,000 on championship rings for the baseball team.

"That \$16,000 is almost one teacher," said Johnston, who is concerned that the eight teachers and 11 who were laid off last year will not be rehired.

## Hoboken workers brace for ax

By Jo-Ann Moriarty  
Journal staff writer

Hoboken Mayor Patrick Pasculli is expected to submit the municipal budget today or tomorrow and hundreds of city workers are bracing themselves for the ax in the wake of an \$8 million funding shortfall.

The mayor, who was still grappling with the budget at the end of last week, said municipal employees may start getting layoff notices with their

paychecks Wednesday. But city workers aren't going to put their necks on the chopping block without resistance.

They are expected to storm the City Council chambers demanding the nine-member body, which can reduce the budget, not add to it, enforce the residency ordinance.

The municipal union has issued a letter demanding that non-resident workers be the first to go because employees who live in the city are going to

be hit with huge tax increases. "If I drank a beer out on the sidewalk, that ordinance would be enforced. This (the residency) ordinance should be enforced," said a City Hall employee. "It is not fair that we live here and pay the taxes and we will be the first to go."

The city is in a financial crisis because the administration based its 1990 budget on \$3 million to \$8 million it expected

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## Pasculli predicts tax increase

Continued from Page 1

ed from a partnership with the Port Authority of New York and New Jersey.

But, on July 10, residents by a 12-vote margin rejected, in a special referendum, the city's plan to build a \$3.2 million-square-foot development with the P.A.

Now the city finds itself in a financial mess. Pasculli predicts a significant tax increase — perhaps a 10 hike on the existing rate of \$17.52 per \$1,000 assessed valuation — in addition to massive layoffs, demotions and reduced spending.

A \$10 increase would mean that someone owning a house assessed at \$100,000 would go from paying \$1,700 in taxes to \$2,700.

The mayor announced last week he is cutting his salary by 20 percent and has urged the City Council to do the same.

He also said that he will eliminate the three departments created under his administration and their directors: Helen Macri of the Department of Parks and Buildings, George Guzman of the Department of Human Resources and Thomas Kennedy, director of public safety. The three jobs add more than \$100,000 to the payroll.

While the mayor blames the defeat of the development plan for the city's financial problems, City Council members and residents have said the mayor's spending prac-

tices have added to the budget crisis.

Second Ward Councilman Joseph Della Fave has been critical that the city kept adding jobs and operating on emergency appropriations without a spending plan as a master guide.

Payroll records show that at least 70 jobs — representing more than \$2 million on the payroll — were added during Pasculli's two years as mayor.

Third Ward Councilman Steve Cappiello was critical of the three-year contract the Board of Education signed with the Hoboken Teachers Association. The pact will cost \$5 million to fund and raises pay more than 30 percent.

Tomorrow the City Council committee on education and a committee of the school board will meet about reducing school spending and reopening the contract.

HTA president Kenneth Johnston said he is willing to discuss the contract with elected officials but has not said he would reopen the contract. He said that a contract give back would not help the city because school spending is already set for next September.

Business Administrator Edwin Chius said that reduced school spending could help lower the tax rate. Pasculli, a public school teacher on leave, of absence, said he will ask the HTA "to make sacrifices" but would not elaborate.

## Garbage can be checked, say officials

By Jo-Ann Moriarty  
Journal staff writer

While the state Supreme Court ruled this week that police cannot rummage through a person's rubbish without a search warrant, Hoboken DPW workers and inspectors can still peek inside trash bags.

Vincent Logan, a former sanitation inspector who now heads the recycling program, said yesterday that the Supreme Court ruling applies to police looking for evidence.

"Here, garbage is the evidence," Logan said, basing his opinion on a discussion he had with the Law Department.

For more than a decade, Department of Public Works employees, complaint investigators and sanitation inspectors have gone through trash bags if they suspected the city ordinance on garbage was being violated.

One resident relatively new to Hoboken said yesterday that he questioned a \$50 ticket he received shortly after arriving in town for putting his trash out on the curb between noon and 9 p.m.

Upon inquiring about the summons, the newcomer was read a copy of a warning letter he had received and thrown into the garbage.



## Referendum results are not changed

Continued from Page 1

After the City Council authorized Mayor Patrick Pasculli to sign a 50-year contract with the P.A. to develop 30 acres of city-owned land along the Hudson River, a coalition of residents challenged the enabling ordinance.

Pasculli said yesterday he did not expect a recount would change the results. He said he is moving ahead on a waterfront development plan and has held meetings with council members. Next week he will meet with coalition members.

The city refused to accept the petition for a public vote. The case went to state Supreme Court which ruled July 2 that the city had to hold a public vote because the development had a significant impact on residents' quality of life.

The recount of the 33 voting machines used in Hoboken was held in Kearny where the county stores the machines.

While the absentee ballots tally did not change, Julius Canter, a commissioner of elections, said an attorney hired by Hoboken police and fire unions on behalf of the departments and residents was interested in all materials used for absentee ballots.

"Nothing changed with the recount, but now they could go to the next stage and contest the election," Canter said.

The Board of Elections will certify the election results, possibly on Wednesday, to a Superior Court judge, he said. The unions and residents who petitioned for the recount have 10 days to challenge the election after that, he said.

Carbone has told The Jersey Journal that if he can raise doubts about 12 votes, a new election could be ordered.

If Carbone does contest the election, a trial date would be set and witnesses called to determine if voting irregularities took place, Canter said.

"They would have to prove with evidence that the election should be overturned and have a new election," Canter said.

Fifteen ballots were not accepted by election officials because they came into the county office after polls closed and 11 applications for ballots were denied by election officials.

Karasick warned about people coming forward about election irregularities.

"No one is aware of irregularities on our side. If they are going to try to overturn the election, they are going to have to find people coming forward on their side who will have to say they shouldn't have voted," Karasick said.

"If that is the case, a judge is going to have a very strong interest in knowing why someone voted 'no' who shouldn't have voted in the first place," he said, adding that in that situation "a criminal penalty will most likely be attached."

P.A. defeat aftermath

# Pasculli: I'll Take Pay Cut

DISPATCH July 19, 1990

## Hoboken mayor urges cohorts to follow suit

By DAVID REILLY

The Hudson Dispatch

HOBOKEN — Mayor Patrick Pasculli said yesterday he will cut his salary by 20 percent to help trim the city's deficit-ridden budget, and he urged his colleagues to do likewise.

Pasculli said he instructed payroll officials to cut his pay from \$65,000 a year to \$52,000.

"I think there's going to be a lot of hurt in our community," Pasculli said, "and I can't let that go on without sharing in it."

Pasculli also said he will also ask the nine City Council members to take a similar 20 percent cut from their \$12,000-a-year salaries.

Council members said they would go along with the plan.

"It's something we should be doing, and it's the right thing for him to be doing," said Councilman David Roberts.

Councilman Joseph Della Fave said he would take a cut, too. But he said the drop would have more of a symbolic than a financial effect.

"I don't mind taking a little pay cut," Della Fave said. "But how much can you really cut from \$12,000?"

And Della Fave — a critic of the mayor — said he wasn't impressed by Pasculli's salary cut. "There's a lot of symbolism involved here," he said.

Meanwhile, other officials worked on more serious cuts, preparing to pare down the number of workers on the city's payroll.

The city will send lists of civil service workers to the state today



PATRICK PASCULLI  
Acts to ease budget deficit

before sending out nearly 100 layoff notices, possibly next week, Pasculli said.

Part-time and provisional workers will be the first to learn if they are being cut, he said.

The belt-tightening comes a week after voters rejected the city's \$30 million waterfront development deal with the Port Authority of New York and New Jersey.

The vote could cost the Hoboken \$15 million. City officials were banking on an \$8 million payment the authority was scheduled to make this year as part of the deal. The city also will have to return a \$7 million payment made by the authority last year.

Besides job cuts, Pasculli said residents face hefty tax increases

Please see PASCULLI Page 12

## RECOUNT

CONTINUED FROM PAGE 1



Chief mechanic Allen Ross inspects a Hoboken voting machine at a Hudson County warehouse in Kearny yesterday.

in voting and registration records, Carbone said.

"They didn't expect a change," Carbone said. "We did this more as a discovery process. It's a way of gaining and garnering information."

Carbone would not detail the irregularities he said he found. Karasick said he wasn't surprised that Carbone leveled allegations of irregularities because this is what he usually does.

Carbone has specialized in recount litigation for 15 years. He handled successful recounts for Thomas H. Kean's 1981 gubernatorial campaign and Anthony R. Cucchi's 1985 Jersey City mayoral drive.

The attorney said he even has a 30-foot sailboat named "Recount."

But Karasick said opponents of the authority project are ready for Carbone's tactics.

"We'll fight him," Karasick said. "If he's going to manufacture irregularities, he's going to have to work hard at it."

The county Board of Elections has not yet certified the recount results, said Deputy Elections Superintendent Betty Outlaw.

Once the results are certified, both sides have 30 days to file a lawsuit challenging the election.

## PASCULLI

CONTINUED FROM PAGE 1

and reductions in municipal services.

Some city workers and residents are hoping that a recount this morning of the July 10 referendum election will make the budget slashing unnecessary.

Unions representing municipal workers, facing the prospect of having to make wage concessions to save jobs, are supporting the recount.

But Pasculli does not think the

recount will change the results of the referendum, which was defeated by 12 votes.

Nor does the mayor think the state will come to the city's rescue.

Pasculli said he is sending a letter to Gov. James J. Florio apprising him of the city's financial emergency. But the state, he said, doesn't have the money to help bail out the city.

## Recount doesn't change result of referendum

By Jo-Ann Moriarty  
Journal staff writer 7-20-90

A recount yesterday of Hoboken's special referendum did not change the results of the July 10 election, when a huge waterfront development was rejected by a 12-vote margin.

After a check of 30 machines and absentee ballots, the result remained the same. Residents by a vote of 4,418 to 4,406 rejected a plan to build a 3.2

million-square-foot development with the Port Authority of New York and New Jersey.

But an attorney hired by police and fire unions scrutinized absentee ballots, including the envelopes, applications and the messengers who hand-delivered them, to seek evidence of election irregularities.

Attorney John Carbone, hired by the unions and by residents, is expected to challenge the election. He special-

izes in elections and told a reporter his 30-foot sailboat is called "Recount."

While the Coalition for a Better Waterfront supported the request for a recount, members are critical of a campaign to challenge the election.

"Everyone involved on both sides has said that the election was conducted professionally without any apparent irregularities," said Ira Karasick, attorney for the coalition.

"Although it was reasonable to re-

quest a recount given the closeness of the vote, what we are seeing now, if Mr. Carbone chooses to challenge the election, is yet another effort to decide this issue in the courts which will result in further stalling and impeding the process of cooperation which is necessary to solve the city's problems," Karasick said. Carbone could not be reached for comment.

See REFERENDUM — Page 13

## Austerity begins

100 city employees may lose their jobs

By Alex Ladd

In the aftermath of the July 10 defeat of the city's waterfront agreement with the Port Authority, Mayor Patrick Pasculli and the city council this week scrambled to find ways to fill the void created by the absence of \$8 million in Port Authority money which the administration was anticipating for this year's budget. The budget is

**Pasculli announced that he will be taking a 20 percent pay cut in light of the city's fiscal condition, bringing his \$65,000 salary to \$52,000.**

expected to be introduced this week.

Pasculli said he is awaiting to hear from the State Department of Personnel before mailing out notices to city employees regarding layoffs. He said he estimates that approximately 100 city employees will be effected.

On Wednesday, Pasculli announced that he will be taking a 20 percent pay cut in light of the city's fiscal condition, bringing his \$65,000 a year salary to \$52,000.

Earlier in the week, the mayor met with members of the city's police and firefighters union and obtained an agreement to increase workloads in exchange for a guarantee of no layoffs.

City councilmembers will meet on Tuesday with members of the Board of Education and the Hoboken Teachers' Association to discuss possible concession on the city's teacher's contract (see page 3).

In other news, Pasculli announced on Tuesday that three departments which were created last October will be eliminated in an effort to fill the gap in the city's budget. They are the Department of Human Resources, the Department of Public Safety and the Department of Parks and Public

Property. When the departments were created, Pasculli justified their need by stating they would improve municipal management and accountability.

According to the mayor, the departments' directors will be dismissed and their employees will be transferred into other municipal departments. Tom Kennedy, Director of Public Safety, George Guzman of the Department of Human Resources and Helen Macri of Parks and Public Properties all received notices that their jobs will terminate on September 2. Each now receives a yearly salary of \$35,000. The six weeks is necessary for the ordinances repealing the three departments to be passed.

According to Pasculli, employees from Park and Public Properties will transfer back to the Department of Public Works. Human Resources responsibilities will revert back to the city Business Administrator and the position of Public Safety Director will most likely be assumed by the city's Law Director, as was the case previously.

Kennedy stated he was told by Pasculli before the referendum that if voters rejected the city's P.A. lease agreement, he would likely lose his job because of the budget shortfalls. Kennedy said he doesn't foresee being out of office for very long, though.

"I've been in Hudson County all of my life and I've seen a lot of things happen," he said.

According to Kennedy, his department was created to "bring morale and harmony back to the police and firefighters." He called the office "more of a show of leadership." His duties included bearing interdepartmental charges against firefighters and police.

Councilmember Tom Newman, who was critical of the departments when they were formed, asking if they were going to be paid for with the "mayor's Port Authority credit card," commented this week that "they were doing useful work, but I don't think that it (their demise) will bring the city to a halt."

Newman added that the work which is now being done by the departments "can be picked up by others."

## Extra duties to be assumed

By Alex Ladd

Mayor Patrick Pasculli met with firefighters and Police unions on Tuesday and struck a deal whereby police and firefighters will assume extra duties in exchange for assurances of no layoffs. "Because of the dramatic reduction in municipal services, public safety is more important to the community. In return for additional workload, there will be no layoffs," the mayor said. The mayor said he does expect for there to be demonstrations, however.

According to the mayor, police will now be required to issue summonses for sanitation violations, perform inspection of public housing, enforce alternate side of the street parking and respond to calls assisting the Hoboken volunteer's ambulance corporation.

The mayor said that he was prepared to go ahead with police and firemen layoffs before Tuesday's meeting despite a regulation concerning the \$3.5 million the city received from the state in Municipal Revitalization Program aid. The

aid proscribes the layoff of active duty public safety officers who are on staff at the time the grant is issued. Jay Johnston, a spokesperson for the Department of Community Affairs which oversees the grant, said waivers of that clause, although unprecedented in the program's four years, are possible.

Thomas Meehan, the president of the Police Superiors Union, said that he has no objection to the additional workload. "We are police and will not shun our duties. We'll help the public as best as possible," he said.

Meehan, however, was not as compliant on the issue of possible demotions. "Demotions take the heart out of the department. It's quite a big shock. It's a bitter pill to swallow," he said.

James Fisher, the president of the Municipal Employees Union, has called the news that no police or firefighters be dismissed a "kick in the teeth" to all municipal employees. "My position has always been that all sectors must share the burden," Fisher said.

## Teachers contract to be scrutinized

City Council, Board of Education and Union expected to meet Tuesday to discuss concessions

By Alex Ladd

With talk of austerity at city hall as city officials look for ways to fill the \$8 million hole in the city's budget created by the absence of anticipated Port Authority lease agreement funds, the Hoboken teachers contract signed last spring is increasingly coming under fire from members of the city council. In two days, Councilmembers E. Norman Wilson, Dave Roberts, Thomas Newman and Stephen Cappiello will be meeting with members of the city's Board of Education to discuss possibilities of givebacks and concessions in the contract, which stipulates a 30 percent pay hike over three years. Kenneth Johnston, president of the Hoboken Teachers' Association, has agreed to sit in on talks, but has dismissed the notion that renegotiations would help the city in its financial crisis.

Early last week, Wilson and Roberts called for the union to renegotiate with the city. Both sent letters to Board of Education President James Farina requesting a meeting with the teachers' union to discuss the contract.

"I don't think that it's acceptable for any union or group to be receiving a raise in light of the crisis we're in," Roberts said.

Wilson, who called the contract "overly generous" when it was first approved, last week said, "the raise would make kings out of one group and peasants out of other groups."

Johnston stresses that the Board of Education budget and the city budget, which the council is desperately trying to cut, are two separate things.

"The board budget has been struck and would not help the city budget. The money which has been allocated (for salaries) must remain in the budget and can't be redirected in any way," he said.

Wilson counters that although the two budgets are separate, relief can be sought for the tax rate.

"If you look at last year's tax bill, the smallest portion was for the municipal government and the lion's share was split between the county and the school board," he said.

Johnston, though, says that the school's budget is already "cut to the bone."

"We've suffered tremendously through loss of personnel," he said. The city has already cut \$575,000 from the budget. We have 19 layoffs for the 1990-91 school year. We lost 11 last year and 8 this year," Johnston said.

The city council can do little more than request any concessions since the contract has already been signed.

"They (the board) can just be asked at this point to make voluntary concessions. The contract is a done deal," said Newman, who was critical of the contract when it was first signed. Last week, he said, "I'm sure the teachers deserve the raise, but we just couldn't afford it at the time."

Wilson agreed, but is hopeful that the union will make compromises.

"We know that it's going to be difficult to get the union to reopen the contract, but this is a very serious situation and requires heroic measures. I think the council is determined to come away with something," he said.

Mayor Pasculli said that he is not making predictions about the negotiations, but only that he expects all items to be on the table and for union members to approach the meeting "with an open mind." The mayor, a former teacher,

has defended the contract — which awards teachers approximately \$4.6 million in raises over three years — on the grounds that it would bring Hoboken teachers' pay in line with teachers' in other school districts.

At Tuesday's Board of Education meeting, the Mayor called on the board to close one school by next June. The board is currently considering a five year-plan which would call for the closing of three schools and the construction of two new facilities. The city currently operates seven facilities — six elementary schools and one high school. All but one school, Calabro, have student populations of less than half their capacity because of declining enrollment.

The mayor said he is pleased with the board's plan, but stressed that time is of the essence.

"I want to emphasize that the board must make that decision in an expeditious fashion. It's time to make difficult decisions," the mayor said.



## Referendum results are not changed

Continued from Page 1

After the City Council authorized Mayor Patrick Pasculli to sign a 50-year contract with the P.A. to develop 30 acres of city-owned land along the Hudson River, a coalition of residents challenged the enabling ordinance.

Pasculli said yesterday he did not expect a recount would change the results. He said he is moving ahead on a waterfront development plan and has held meetings with council members. Next week he will meet with coalition members.

The city refused to accept the petition for a public vote. The case went to state Supreme Court which ruled July 2 that the city had to hold a public vote because the development had a significant impact on residents' quality of life.

The recount of the 33 voting machines used in Hoboken was held in Kearny where the county stores the machines.

While the absentee ballots tally did not change, Julius Canter, a commissioner of elections, said an attorney hired by Hoboken police and fire unions on behalf of the departments and residents was interested in all materials used for absentee ballots.

"Nothing changed with the recount, but now they could go to the next stage and contest the election," Canter said.

The Board of Elections will certify the election results, possibly on Wednesday, to a Superior Court judge, he said. The unions and residents who petitioned for the recount have 10 days to challenge the election after that, he said.

Carbone has told The Jersey Journal that if he can raise doubts about 12 votes, a new election could be ordered.

If Carbone does contest the election, a trial date would be set and witnesses called to determine if voting irregularities took place, Canter said.

"They would have to prove with evidence that the election should be overturned and have a new election," Canter said.

Fifteen ballots were not accepted by election officials because they came into the county office after polls closed and 11 applications for ballots were denied by election officials.

Karasick warned about people coming forward about election irregularities.

"No one is aware of irregularities on our side. If they are going to try to overturn the election, they are going to have to find people coming forward on their side who will have to say they shouldn't have voted," Karasick said.

"If that is the case, a judge is going to have a very strong interest in knowing why someone voted 'no' who shouldn't have voted in the first place," he said, adding that in that situation "a criminal penalty will most likely be attached."

P.A. defeat aftermath

# Pasculli: I'll Take Pay Cut

RECOUNT  
CONTINUED FROM PAGE 1



Chief mechanic Allen Ross inspects a Hoboken voting machine at a Hudson County warehouse in Kearny yesterday.

in voting and registration records, Carbone said. "They didn't expect a change," Carbone said. "We did this more as a discovery process. It's a way of gaining and garnering information."

Carbone would not detail the irregularities he said he found. Karasick said he wasn't surprised that Carbone leveled allegations of irregularities because this is what he usually does.

Carbone has specialized in recount litigation for 15 years. He handled successful recounts for Thomas H. Kean's 1981 gubernatorial campaign and Anthony R. Cucci's 1985 Jersey City mayoral drive.

The attorney said he even has a 30-foot sailboat named "Recount."

But Karasick said opponents of the authority project are ready for Carbone's tactics.

"We'll fight him," Karasick said. "If he's going to manufacture irregularities, he's going to have to work hard at it."

The county Board of Elections has not yet certified the recount results, said Deputy Elections Superintendent Betty Outlaw.

Once the results are certified, both sides have 30 days to file a lawsuit challenging the election.

PASCULLI  
CONTINUED FROM PAGE 1

and reductions in municipal services.

Some city workers and residents are hoping that a recount this morning of the July 10 referendum election will make the budget slashing unnecessary.

Unions representing municipal workers, facing the prospect of having to make wage concessions to save jobs, are supporting the recount.

But Pasculli does not think the

recount will change the results of the referendum, which was defeated by 12 votes.

Nor does the mayor think the state will come to the city's rescue.

Pasculli said he is sending a letter to Gov. James J. Florio apprising him of the city's financial emergency. But the state, he said, doesn't have the money to help bail out the city.

## Hoboken mayor urges cohorts to follow suit

By DAVID REILLY  
The Hudson Dispatch

HOBOKEN — Mayor Patrick Pasculli said yesterday he will cut his salary by 20 percent to help trim the city's deficit-ridden budget, and he urged his colleagues to do likewise.

Pasculli said he instructed payroll officials to cut his pay from \$65,000 a year to \$52,000.

"I think there's going to be a lot of hurt in our community," Pasculli said, "and I can't let that go on without sharing in it."

Pasculli also said he will also ask the nine City Council members to take a similar 20 percent cut from their \$12,000-a-year salaries.

Council members said they would go along with the plan.

"It's something we should be doing, and it's the right thing for him to be doing," said Councilman David Roberts.

Councilman Joseph Della Fave said he would take a cut, too. But he said the drop would have more of a symbolic than a financial effect.

"I don't mind taking a little pay cut," Della Fave said. "But how much can you really cut from \$12,000?"

And Della Fave — a critic of the mayor — said he wasn't impressed by Pasculli's salary cut.

"There's a lot of symbolism involved here," he said. Meanwhile, other officials worked on more serious cuts, preparing to pare down the number of workers on the city's payroll.

The city will send lists of civil service workers to the state today



PATRICK PASCULLI  
Acts to ease budget deficit

before sending out nearly 100 layoff notices, possibly next week, Pasculli said.

Part-time and provisional workers will be the first to learn if they are being cut, he said. The belt-tightening comes a week after voters rejected the city's \$30 million waterfront development deal with the Port Authority of New York and New Jersey.

The vote could cost the Hoboken \$15 million. City officials were banking on an \$8 million payment the authority was scheduled to make this year as part of the deal. The city also will have to return a \$7 million payment made by the authority last year.

Besides job cuts, Pasculli said residents face hefty tax increases

Please see PASCULLI Page 12

## Recount doesn't change result of referendum

By Jo-Ann Moriarty  
Journal staff writer 7-20-90

A recount yesterday of Hoboken's special referendum did not change the results of the July 10 election, when a huge waterfront development was rejected by a 12-vote margin.

After a check of 30 machines and absentee ballots, the result remained the same. Residents by a vote of 4,418 to 4,406 rejected a plan to build a 3.2

million-square-foot development with the Port Authority of New York and New Jersey.

But an attorney hired by police and fire unions scrutinized absentee ballots, including the envelopes, applications and the messengers who hand-delivered them, to seek evidence of election irregularities.

Attorney John Carbone, hired by the unions and by residents, is expected to challenge the election. He special-

izes in elections and told a reporter his 30-foot sailboat is called "Recount."

While the Coalition for a Better Waterfront supported the request for a recount, members are critical of a campaign to challenge the election.

"Everyone involved on both sides has said that the election was conducted professionally without any apparent irregularities," said Ira Karasick, attorney for the coalition.

"Although it was reasonable to re-

quest a recount given the closeness of the vote, what we are seeing now, if Mr. Carbone chooses to challenge the election, is yet another effort to decide this issue in the courts which will result in further stalling and impeding the process of cooperation which is necessary to solve the city's problems," Karasick said. Carbone could not be reached for comment.

See REFERENDUM — Page 13

## Extra duties to be assumed

By Alex Ladd

Mayor Patrick Pasculli met with firefighters and Police unions on Tuesday and struck a deal whereby police and firefighters will assume extra duties in exchange for assurances of no layoffs. "Because of the dramatic reduction in municipal services, public safety is more important to the community. In return for additional workload, there will be no layoffs," the mayor said. The mayor said he does expect for there to be demonstrations, however.

According to the mayor, police will now be required to issue summonses for sanitation violations, perform inspection of public housing, enforce alternate side of the street parking and respond to calls assisting the Hoboken volunteer's ambulance corporation.

The mayor said that he was prepared to go ahead with police and firemen layoffs before Tuesday's meeting despite a regulation concerning the \$3.5 million the city received from the state in Municipal Revitalization Program aid. The

aid proscribes the layoff of active duty public safety officers who are on staff at the time the grant is issued. Jay Johnston, a spokesperson for the Department of Community Affairs which oversees the grant, said waivers of that clause, although unprecedented in the program's four years, are possible.

Thomas Meehan, the president of the Police Superiors Union, said that he has no objection to the additional workload. "We are police and will not shun our duties. We'll help the public as best as possible," he said.

Meehan, however, was not as compliant on the issue of possible demotions. "Demotions take the heart out of the department. It's quite a big shock. It's a bitter pill to swallow," he said.

James Fisher, the president of the Municipal Employees Union, has called the news that no police or firefighters be dismissed a "kick in the teeth" to all municipal employees. "My position has always been that all sectors must share the burden," Fisher said.

## Austerity begins

100 city employees may lose their jobs

By Alex Ladd

In the aftermath of the July 10 defeat of the city's waterfront agreement with the Port Authority, Mayor Pasculli and the city council this week scrambled to find ways to fill the void created by the absence of \$8 million in Port Authority money which the administration was anticipating for this year's budget. The budget is

Pasculli announced that he will be taking a 20 percent pay cut in light of the city's fiscal condition, bringing his \$65,000 salary to \$52,000.

expected to be introduced this week.

Pasculli said he is awaiting to hear from the State Department of Personnel before mailing out notices to city employees regarding layoffs. He said he estimates that approximately 100 city employees will be affected.

On Wednesday, Pasculli announced that he will be taking a 20 percent pay cut in light of the city's fiscal condition, bringing his \$65,000 a year salary to \$52,000.

Earlier in the week, the mayor met with members of the city's police and firefighters union and obtained an agreement to increase workloads in exchange for a guarantee of no layoffs.

City councilmembers will meet on Tuesday with members of the Board of Education and the Hoboken Teachers' Association to discuss possible concession on the city's teacher's contract (see page 3).

In other news, Pasculli announced on Tuesday that three departments which were created last October will be eliminated in an effort to fill the gap in the city's budget. They are the Department of Human Resources, the Department of Public Safety and the Department of Parks and Public

Property. When the departments were created, Pasculli justified their need by stating they would improve municipal management and accountability.

According to the mayor, the departments' directors will be dismissed and their employees will be transferred into other municipal departments. Tom Kennedy, Director of Public Safety, George Guzman of the Department of Human Resources and Helen Macri of Parks and Public Properties all received notices that their jobs will terminate on September 2. Each now receives a yearly salary of \$35,000. The six weeks is necessary for the ordinances repealing the three departments to be passed.

According to Pasculli, employees from Park and Public Properties will transfer back to the Department of Public Works. Human Resources responsibilities will revert back to the city Business Administrator and the position of Public Safety Director will most likely be assumed by the city's Law Director, as was the case previously.

Kennedy stated he was told by Pasculli before the referendum that if voters rejected the city's P.A. lease agreement, he would likely lose his job because of the budget shortfalls. Kennedy said he doesn't foresee being out of office for very long, though.

"I've been in Hudson County all of my life and I've seen a lot of things happen," he said.

According to Kennedy, his department was created to "bring morale and harmony back to the police and firefighters." He called the office "more a show of leadership." His duties included hearing interdepartmental charges against firefighters and police.

Councilmember Tom Newman, who was critical of the departments when they were formed, asking if they were going to be paid for with the "mayor's Port Authority credit card," commented this week that "they were doing useful work, but I don't think that it (their demise) will bring the city to a halt."

Newman added that the work which is now being done by the departments "can be picked up by others."

## Teachers contract to be scrutinized

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By Alex Ladd

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The mayor said he is pleased with the board's plan, but stressed that time is of the essence.

"I want to emphasize that the board must make that decision in an expeditious fashion. It's time to make difficult decisions," the mayor said.



# Mayor, council to take pay cuts

By Jo-Ann Moriarty  
Journal staff writer

Hoboken Mayor Patrick Pasculli says he and the nine-member City Council will take a 20 percent pay cut to help offset an \$8 million budget shortfall.

Pasculli, who is on leave of absence from his public school teaching job, said yesterday he will cut his salary by \$13,000 from \$65,000.

## Pasculli says 100 city jobs may be axed

The mayor noted that he would be earning more working as a school teacher.

The mayor also said that up to 100 city jobs may be eliminated.

"One hundred actual jobs may go. The crisis is real," Pasculli said.

"I cannot have city taxpay-

ers bear the full brunt of the crisis. We cannot avoid municipal layoffs, they are going to have to take place."

James Fischer, head of the municipal employees union, said he is disturbed that the administration plans to lay off workers while making no cuts in the Police and Fire depart-

ments. "I have been preaching calm until the layoff notices have gone out," Fischer said.

"But we are getting a double bang. Municipal workers have to live in town and we will be the first to go."

The city is in a financial crisis because the administration based its budget on an

infusion of \$3 million to \$8 million that it expected in upfront money from a waterfront development partnership with the Port Authority of New York and New Jersey.

But voters rejected by a 12-vote margin the plan to build the 3.2 million-square-foot development at the southern end of the city.

Third Ward Councilman

See FIREFIGHTERS — Page 4

## Firefighters, cops won't lose jobs

Continued from Page 1

Steve Cappiello and First Ward Councilman Thomas Newman said yesterday they believe the deal was rejected because voters did not like the plan or the 50-year contract with the P.A., and because residents believe the administration has been spending too much money.

"There was a backlash on how we spend money — the

Board of Education, the hirings, the promotions and the idea of wasting money," Newman said.

Newman, with Councilmen Richard Del Boccio and David Roberts, met yesterday with the mayor on developing another waterfront plan that will be acceptable to the community.

Pasculli said he plans to meet tomorrow with Second

Ward Councilman Joseph Della Fave, who opposed the defeated plan.

Newman said he supports the administration's decision to keep police and fire officials and confine the layoffs to the rest of city government.

"DPW and city employees always get the ax. But if the streets are dirty, no one is going to get killed," he said.

Pasculli said he could lay off police and fire personnel and retain the \$3.5 million the city receives in state aid.

But the mayor said he has made a decision not to touch those departments and instead have police and fire personnel assume other duties such as enforcing off-street parking rules, typing and manning police and fire telephone lines.

Cappiello said he questions whether the city would be saving money by eliminating the jobs of DPW workers who ticket cars for violating parking rules. He said the workers issue about \$90,000 in tickets per month, which brings in more than \$1 million annually.

Fischer said he thinks it doesn't make economic sense to have high-paid police and fire personnel doing the work of low-paid municipal workers.

"What genius came up with this idea?" he asked. "It is going to cost more and it is not going to improve public safety."

Thomas Meehan, head of the police superior officers' union, said he believes the department is willing to accept other job responsibilities.

But he noted that routine calls to the department, such as "kids setting off firecrackers," will be taking a back seat to emergency calls.

"The public is going to have to be patient," he said.

A special meeting between the Board of Education and the City Council committee on education is set for Tuesday.

Roberts said he wants the Hoboken Teachers Association to reopen its recent contract in which 344 teachers got a 30 percent raise over three years. Funding the contract will cost \$5 million.

But Kenneth Johnston, HTA president, said reducing the cost of the contract will not help the city out of its budget crunch. He said if the schools reduce spending, the savings will affect only the 1991-92 school budget.

But Business Administration Edwin Chius said that if the Board of Education and teachers agree to budget adjustments, reduced spending could help lower the tax rate.

# Recount Upholds P.A. Loss

## Pink slips for city workers

Layoff notices today with their paychecks

By Jo-Ann Moriarty  
Journal staff writer

Hoboken Mayor Patrick Pasculli yesterday said that many municipal employees should expect layoff notices today when they collect their paychecks.

One hundred jobs will be eliminated to recover about an \$8 million funding shortfall.

The mayor has called a special City Council meeting for tomorrow to introduce the 1990 municipal budget.

The budget is expected to be about \$8 million in the red because the administration based its initial budget proposals on upfront money from a waterfront development partnership with the Port Authority of New York and New Jersey.

But residents by a 12-vote margin rejected the development partnership deal in a special referendum July 10.

"Layoff notices will be in the checks tomorrow. We expect to hear from the Department of Personnel Administration tomorrow afternoon," Pasculli said.

He said that after Civil Service certifies the seniority and layoff lists, the city employees who will be let go will be noti-

fied. It was still uncertain when the work day ended yesterday whether the distribution of the paychecks will be delayed from morning until the afternoon.

The budget crisis has created a chaos in city government. Yesterday afternoon members of the City Council in a closed-door session at the Board of Education argued that the school board overspent in its budget and requested a copy of the Hoboken Teachers' Association contract, approved in April, which gave the system's 344 teachers 30 percent in raises over three years.

The pact will cost \$5 million to fund.

"I made my position known about the teachers' contract impression on Hoboken in general and that it should be revisited to find ways and means to lessen the impact on taxpayers," said City Councilman David Roberts, who sits on the council committee on education.

In turn, the HTA officials requested a copy of the police and fire unions' contracts, said James Farina, chairman of the Board of Education.

See HOBOKEN — Page 4

## Reversal of vote forecast

Police and fire unions fighting referendum

By Jo-Ann Moriarty  
Journal staff writer

A spokesman for a campaign attempting to invalidate a recent Hoboken referendum in which residents rejected a massive waterfront development said yesterday he is "ninety percent sure that the election will be overturned."

Meanwhile, Councilman Joseph Della Fave, who opposed the development, warned yesterday that he will try to fire any city employees who violated the election laws during the July 10 referendum.

Police Sgt. Thomas Meehan, president of the superior officers' union and spokesman for a grass-roots campaign organized to challenge the election, called Della Fave's resolution a "scare" tactic in an attempt "to make us fold up our tents."

"We don't scare that easily," Meehan said. The police and fire unions and some residents have hired a lawyer, John Carbone, who specializes in elections, to look into election irregularities.

Della Fave said he will introduce a resolution at the next council meeting to terminate the jobs of city employees "if they engaged in voter fraud."

"We should not be tolerating employees violating public trust in the electoral process. The whole purpose is to eliminate politics and gameplaying from the governing of the city," Della Fave said.

Asked if the resolution was a warning to those trying to overturn the results, Della Fave said, "I hope so."

"The ironic thing is that for the other side to show irregularities, they are going to have to sell out their own people. I am not looking for irregularities but if it comes out they have occurred and city employees are involved, we should not

See DELLA FAVE — Page 4

### In Our Opinion

## In Hoboken, new direction

The results of the referendum in Hoboken Tuesday provided a powerful illustration of how vital individual voters can be. The margin of defeat for the Hoboken-Port Authority pact was only 12 votes. That means if 13 more supporters of the pact had gone to the polls, the mixed-use development for that city's southern waterfront would be on track rather than dramatically halted. If seven opponents had changed their mind before entering the voting booth, the immediate city fiscal crisis would have been averted.

Hoboken Mayor Patrick Pasculli had fought for the agreement, but now he has responsibility to move in a different direction. He should definitely consult with members of the coalition that fought so hard and so successfully against the P.A. agreement.

But he should also keep in mind private developers.

Hartz Mountain Industries has made proposals in the past. Other private firms may step forward now.

Although Hartz may very well be involved in the future of that southern waterfront in Hoboken, Pasculli should make sure the city is well briefed on the proper legal guidelines concerning new negotiations for any development.

In addition, the city should research under what conditions would a future city waterfront project be subject to another citywide referendum.

If there is going to be still another referendum, the city should make plans for it before any work starts on the project — or it starts anticipating the revenue.

## Hoboken employees to get layoff notices

Continued from Page 1

When asked later if the HTA requested a copy of the police and fire contracts, HTA President Kenneth Johnston responded "No comment."

The Board of Education has added another \$5 million to the amount that needs to be raised through local property taxes because of increased spending and reductions in state aid.

Because the city budget is on a calendar year and the school operates on a July 1 through June 30 fiscal year, half of the \$5 million will be included in the 1990 budget.

Late yesterday, after city government offices closed, municipal employees jammed the City Council chambers in another closed-door session to decide whether they should join a campaign begun primarily by police and firefighters and residents to challenge the special election.

The committee is made up of police and fire officials and residents who supported the waterfront development plan.

The committee is trying to prove voting irregularities in hope of getting a new election.

While Meehan did not request any money from the municipal union, James Fischer, its president, suggested that the employees contribute \$5,000 of the \$8,000 in its treasury to help finance the campaign.

But that was blocked by municipal workers who objected that not all members knew a vote on it was to be called.

Other members who left the chamber complained that their jobs are the most vulnerable and the police, fire and teachers received hefty raises and should finance the campaign.

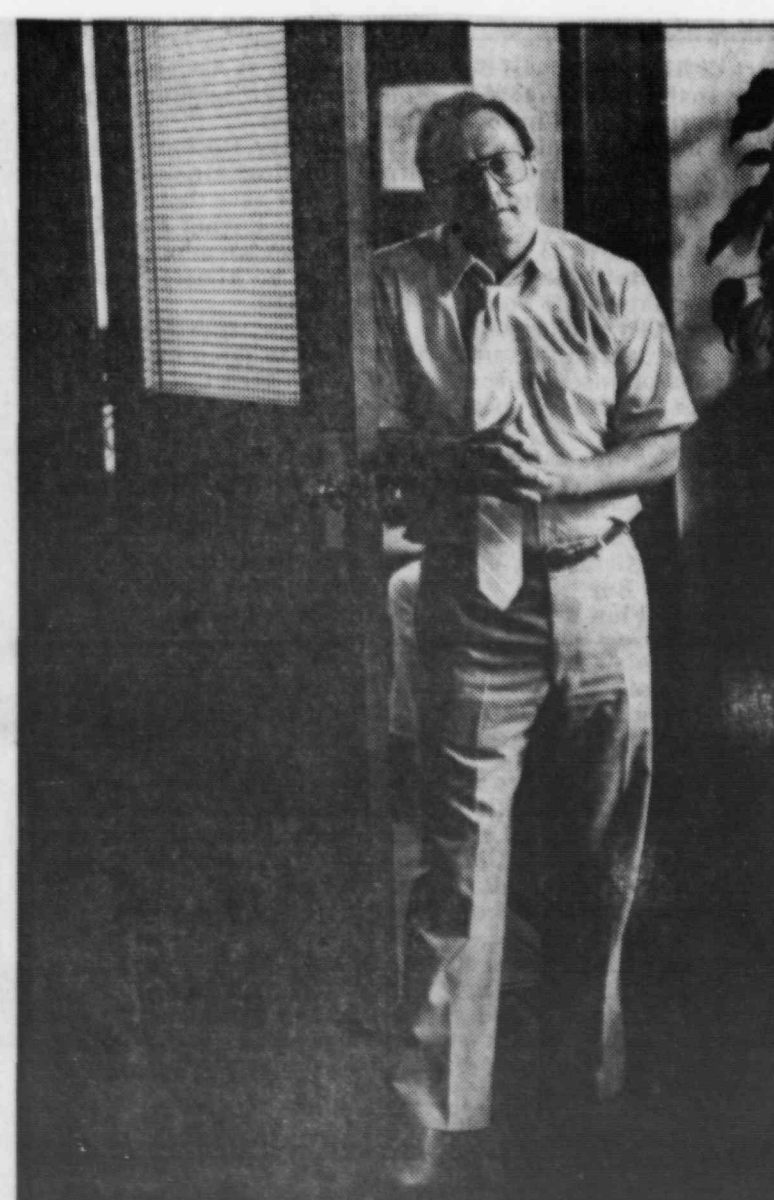
Shouts of "Let the teachers pay. Let the police and fire pay. Let the out-of-towners pay," belled through the doors into the corridors.

Other members wanted to vote contributions because they believe it would help the battle to keep their jobs.

Pasculli said there will be no layoffs in the Police and Fire departments but that he expects about 100 municipal workers to be axed.

The municipal workers are angry that the city does not enforce its residency ordinance. Several claimed they are required to live in the city and pay high taxes, but are at greatest risk of losing their jobs.

In the end, Fischer said that a ballot will be attached today to the paychecks of 180 employees asking if they want to join the campaign and whether the union should con-



tribute \$5,000 or \$2,500. The employees were told that the legal fees to attorney John Carbone, who is handling the referendum protest, will be about \$40,000.

When asked about the attempt to overturn the election, Pasculli said, "All my time and energy has been directed toward getting the city out of this fiscal crisis."

## Hefty tax hike looms for Hoboken

By DAVID REILLY  
The Hudson Dispatch

HOBOKEN — Residents will feel the bite of an \$8 million shortfall in city coffers caused by defeat of a waterfront development plan, when the municipal budget is introduced this week.

City officials said the budget could push taxes up from about \$1,700 to nearly \$3,000 for the owner of a home assessed at \$100,000.

Mayor Patrick Pasculli said he expects to present the City Council with the 1990 spending plan either tomorrow or Wednesday.

While property owners will soon begin paying more in taxes, they can expect less service from the city.

Pasculli said the city will cut about 100 employees and slash programs to balance the budget.

"It's a terrible time in the city," said Councilman David Roberts.

"Morale is down the drain."

The city will probably begin to send out layoff notices this week, Pasculli said.

The cutbacks are needed to stem the flow of red ink that engulfed the budget when voters rejected a waterfront develop-

Please see BUDGET Page 4

## Della Fave tries to block reversal of referendum

Continued from Page 1

tolerate that," Della Fave said. By a 12-vote margin, voters rejected a plan pushed by Mayor Patrick Pasculli to build a 3.2 million-square-foot development on the Hudson River with the Port Authority of New York and New Jersey.

The administration based its proposed 1990 budget, yet to be presented to the City Council, on anywhere from \$3 million to \$8 million in upfront money it expected this year from the P.A.

The budget shortfall means the layoff of city employees, demotions in the police and fire departments, and a tax increase of up to \$10 on the existing rate of \$17.52 per \$1,000 assessed valuation.

Meehan said police and fire unions have been working "sixteen hours a day" documenting complaints about the election to build a case to overturn the election and call for another vote.

Meehan said voting irregularities included possible incidents of:

- Polls which opened late.
- Registration books that arrived late.
- People who were turned away from voting.
- Members of the City Council electioneering within polling areas.
- Denial of applications for absentee ballots.
- Improper registration of voters.

"We are doing what has to be done. The work is slow, accurate and tedious but we are out there, not eight hours but 16 hours a day and there is no doubt in my mind this will be overturned," Meehan said.

Della Fave's resolution "lends credence to what we are trying to say," Meehan said.

"This decision was rendered on a 12-vote margin," he said. "Some absentee votes weren't counted. There was improper registration and people who voted illegally (including) city employees and yuppies."

Meehan said that he supports the Della Fave resolution and added, "I hope it means City Council people."



## Council to get budget

Continued from Page 1

to the City Council tonight. Second Ward Councilman Joseph Della Fave said that the council should have been more concerned about the administration's budget and not waited until after the defeat of the July 10 referendum.

Della Fave said that even if the city could count on the \$8 million from the P.A., the city faced a possible \$5 increase on the existing tax rate of \$17.52 per \$1,000 assessed valuation because of the \$5 million the school budget added to the amount to be raised through local taxation, \$1 million more for the county budget and another \$1 million the city will need to offset uncollected taxes.

"It is disappointing to me that we were going to be \$7 million short and nothing was done," Della Fave said.

"That is nearly \$5 on the tax rate. We were in a tax crisis at the beginning of the year and we should have been trying then to do something about it," he said.

"Regardless of the waterfront issue, we would have had a hefty tax increase," Della Fave added.

Della Fave, along with Councilmen Thomas Newman and Steve Cappiello, has been critical of the administration's operating the city on emergency appropriations since January.

James Fischer, president of the municipal employees union, yesterday said he cannot believe that the elimination of city jobs will have a significant impact on the budget crunch.

Civil Service requires a 45-day layoff notice, which means that the effective layoff date is Sept. 12.

Fischer said that, in effect, the city has already paid for nine months of the municipal workers' salaries and wages. "If I earn \$20,000 and you cut my job, you can only save \$5,000," Fischer said.

He was critical of the administration for not having an alternative plan in case the waterfront deal was rejected. "I would like to know where is the administration's Plan B," Fischer said.

"The administration banked the budget on the Port Authority. What was the contingency plan if it fell through?" Fischer asked.

"They put all the chips in the same pot," he said. "Where is the alternative pot?"

# Even the mayor gets a pink slip

By Jo-Ann Moriarty  
Journal staff writer

Hoboken Mayor Patrick Pasculli and 646 other city workers got layoff notices yesterday as a legal requirement to prepare for massive layoffs needed to offset a huge budget shortfall.

The 1990 municipal budget will be presented to the City Council at 6 tonight, although Business Administrator Edwin Chius said yesterday

that he had not yet completed working on it.

"I'll probably finish about four this morning and then it will go to the auditor's first thing in the morning," Chius said.

The budget will reflect the elimination of about 100 city jobs, most of them in clerical departments because

Pasculli has decided not to lay off police and firefighters.

Clerical workers are expected to storm the City Council chambers in protest that they have to shoulder the budget crisis. The employees have demanded that council members enforce the residency ordinance and lay off non-residents first.

The mood inside City Hall was quiet but tense yesterday.

"You can feel the tension," said a longtime employee. "Even if your job is not in danger you feel sorry for the others."

The city is in a financial crisis because the administration based its 1990 budget on up to \$8 million it

expected from a waterfront partnership deal with the Port Authority of New York and New Jersey.

But since residents rejected a plan to build a 3.2 million-square-foot development with the P.A., the budget is \$8 million in the red on the municipal side and another \$5 million short in the Board of Education budget.

Pasculli said that he will make a presentation on the municipal budget

See COUNCIL — Page 4

## City Council will get austerity budget tonight

## St. Ann's street fair makes visitors 'family'

By Kery Murakami  
Journal staff writer

Emily Altomari stood behind a stand next to St. Ann's Church in Hoboken early last evening and spun the roulette table.

On the counter in front of her, people put down quarters, nickels and dollar bills on the numbers they were betting the wheel would stop on.

Behind her were the prizes

three rows of stuffed mutant Ninja Turtles. And on the streets around the church, at 7th and Jefferson streets, people in shorts munched on zeppoles and shish kebabs, and in the sweet fragrance of Italian

sausage frying on grills. Hundreds had come to this, the third of seven nights of street fair

around the church, which culminated Thursday with St. Ann's Feast. They came for the food — the calmar, the calzones, the cheese

cake and the cannolis. They came because it is tradition, an annual event that little girls, their mothers

and their grandmothers look forward to.

And many, like Altomari, came for St. Ann, who Catholics believe is

the patron saint of pregnant women and women who want to have babies

— "in the context of matrimony," emphasized the church's pastor, Rev. Casimir Filipkowski.

The feast pays homage to the saint, who was Christ's grandmother.

"I prayed to St. Ann for my daughter," said Altomari, who, like

the other vendors, is a volunteer at the fair. "My daughter had five miscarriages before, but thank God, she

finally had a healthy, beautiful baby.

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That's why she'll be one of an expected 300 people who will, for

five hours, snake through Hoboken's streets behind a statue of St. Ann

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That's where the statue was yesterday, as women knelt before it and

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a thanksgiving," said Lane Curtis, the parish accountant who explained the

significance of the saint to a reporter.

"By Thursday, there will be 4,000 candles on the altar," Curtis said.

There will also be an extra \$12,000 in the church coffers; each

of the candles was sold for \$3 inside the front door of the church. Like all

proceeds collected from the games, the Ferris wheel and other rides that

whipped children and adults around in circles, the money collected for

the candles goes to St. Ann's School.

This fall, the school will be merged with St. Francis' School to

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The feast — an event that is equal parts religious celebration, street festival and fireworks show — is especially popular among the city's traditional Italian Catholic residents.

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Women who wish to become pregnant pray to St. Ann, Versaci said, as do women who are preg-

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And my child, when I have one, will be baptized there," Shearn said.

## Hoboken has week to return P.A.'s \$7M

Bi-state authority can place a lien on waterfront property Monday

By Jo-Ann Moriarty  
Journal staff writer

Hoboken has a week to return the Port Authority of New York and New Jersey the \$7 million the city got last year as

an upfront payment in anticipation of a huge development deal.

When asked whether the P.A. plans to place a lien

against the 30 acres of waterfront land, an agency spokesman would not say for sure that

no lien would be placed. "The Port Authority feels

no sense of urgency in meeting with city officials as we recognize the fact that they need

time to sort out the issues facing them," said P.A. spokesman

Terry Benzik.

But Mayor Patrick Pasculli said yesterday he does not believe

the P.A. will act on a lien next Tuesday, when the city is

legally required to repay the \$7 million it received last year

and used to reduce taxes. "No one has approached us

on it," Pasculli said.

"Our message to the Port Authority is that the city needs

time to reassess its development scenario and they have been very cooperative. I don't think there are many other agencies at this point in the economy that would have been that cooperative," Pasculli said.

"Seven million dollars is a lot of money and you can easily compute the daily interest on that," he added.

When the mayor signed a 50-year partnership with the

P.A. Dec. 27 to build a 3.2 million-square-foot development,

he also signed a "side agreement" that committed the city

to return the money within 15 working days if the deal fell

through.

That "side agreement" was disclosed at a City Council

meeting by Daniel Tumpson, who spearheaded a campaign

to call for a public vote on the development.

Tumpson and the Coalition for a Better Waterfront

campaigned against the development because members objected to the size and the financial

See P.A. — Page 4

## P.A. may extend deadline

Continued from Page 1

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By a 12-vote margin July 10, residents rejected the project and the partnership.

The 15 working days to return the money are up Monday.

Pasculli met this week with Tumpson and four other residents

who initiated the petition drive for the public vote. Both parties described the

meeting as friendly and cooperative.

"We all came away with a good feeling," said Ron Hine, a

member of the coalition. He said that the group

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The members presented Pasculli and his staff a list of

criteria the coalition wants included in planning a waterfront

development, specifically that the development is in scale with the rest of the community and that it provides

"generous" open space to the public including a public swimming pool and a requirement for affordable housing.

"It was a very good initial meeting," Pasculli said. "I

think we came out with a better understanding of each other. I

believe that they understand the severity of the crisis and I

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period of time."

"It is extremely important that we recognize that time is of the essence and that we continue

our dialogue to hopefully arrive at the goal of a waterfront development that we can

jointly support," he said.

## Sewage stinks up 2 blocks in Hoboken as workers store it in bins at curbside

By Kery Murakami  
Journal staff writer

John Hemphill awakens each morning to the smell of sewage.

In fact, Hemphill, 83, says that his Hoboken neighborhood has constantly

smelled bad for the past six weeks.

Residents of Jefferson Street between First and Third streets say that

the problem is that the city has been storing raw sewage in roll-off containers

in front of their homes.

They say that ten 20- and 30-cubic-yard containers have been parked on the

street since workers installing a new sewer line began dumping gobs of sewage

into them last month.

No one has gotten sick from the smell but workers at a nearby coffee

shop said that their customers have been ordering their food "to go."

Hemphill, who keeps his windows open because he does not have an air conditioner, said that the smell was suffocating during last week's heat wave.

And Milagros Ramos, 46, who lives in a house on First Street, complained that

there are always flies in her house.

A container only steps from her door is filled with dark brown sewage.

"If this was in front of a city councilman's home, do you think they would

leave it there?" asked Andrew Amato, who lives in the neighborhood and was

Hoboken's Public Works director during Mayor Steve Capiello's administration.

Roy Hack, the city's director of Public Works, said that workers began removing the containers earlier this week

but the last container won't be taken away until the end of next week.

Hack blamed red tape for the delay. He said that the haulers who will

take the sludge to a landfill in Ohio require that the city test the sewage to

determine what it contains.

The haulers are then required by the state Department of Environmental Protection to do their own tests so the

wastes can be disposed of properly.

"It's been a long, drawn out process," Hack said.

"There's about 50 tests to see if there's various chemicals or hazardous

materials," he said.

The city's health officer, Pat Mitten, said that the sludge has been tested for

chromium and other toxins.

Mitten said that the sludge poses no health risks.

Hack said that DEP rules forbid the city to move the containers from the

worksites while the tests are being done.

See SEWAGE — Page 4

## Hoboken denied gasifier change

By Earl Morgan  
Journal staff writer

During a special meeting last night, the Hudson County

Utilities Authority vetoed the Tri-City Sewage Authority's request

to alter the construction of a sludge gasifier plant in

Hoboken.

The board also voted unanimously to adopt a federal consent

decree that binds them to complete the plant by Jan. 1993.

Tri-City Authority Executive Director Robert Ranieri

said his agency will abide by the 5-1 vote with one abstention

HCUA vote that will include new ultra violet light technology

for treating sewage. Most HCUA commissioners

voting against Hoboken said they feared the proposal will

violate a federal consent decree recently agreed to by

HCUA, TCA, the U.S. Environmental Protection Agency and the

state Department of Environmental Protection. The decree sets a timetable for HCUA

and TCA to complete specific portions of the gasification

plant. July 8, 1992 is the next deadline for completion of liquid

train facility in the Hoboken plant. Failure to meet the

deadline will result in fines that range from \$2,000 to \$5,000

per day until the facility is completed. The completion

date in the consent decree for the plant is Jan. 8, 1993. Again

failure to meet the deadline will result in federal fines. Hoboken has already been fined

with federal waste disposal guidelines.

Ranieri and Tri-City officials last night argued replacing the ultra violet or Crosta

process, with a conventional method of sewage treatment

would save nearly \$500,000 a year.

Resident engineer Packy Lawlor, of Lawlor, Matusky,

and Skelly refused to recommend the change although he

did say money could be saved by eliminating the Crosta unit.

Commissioner Jeff Chancellor suggested Hoboken and

the HCUA use a provision in the consent decree which

allows the agencies to ask the courts for permission to change

plans or extend the deadlines.

## Sewage stinks up 2 blocks in Hoboken

Continued from Page 1

"Otherwise, we'd just move them to an empty city lot," Hack said.

But a DEP spokeswoman said that the contractor doing the work, J. Fletcher Creamer & Son, is allowed to move the

containers to a city lot at night and then

move them back when work resumes in the morning.

Lye could be put on the sludge to reduce the smell, the spokeswoman suggested.

Hack said that the sludge is being removed to make way for a new sewer

line after portions of the old line collapsed from age and the vibrations from

traffic above it.

The collapses lowered pressure in the sewer system and repeatedly backed

up toilets in homes along the street, according to Hack.



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Continued from Page 1

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See COUNCIL — Page 4

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They came for the food — the calzoni, the calzones, the cheese cake and the cannolis. They came because it is tradition, an annual event that little girls, their mothers and their grandmothers look forward to.

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## Hoboken march honors mothers' patron saint

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — An 80-year-old tradition continued yesterday as thousands of city residents jammed the streets for a five-hour procession marking the end of the seven-day Feast of St. Ann.

The predominantly female crowd gathered outside St. Ann's Church at Jefferson and Seventh streets. About a dozen women carried the 600-pound statue of the patron saint of mothers into the sweltering heat.

"It's a beautiful day," said life-long city resident Grace Pacilli as she watched parishioners carry the towering statue of St. Ann

down the church's steps. "It just thrills you to be part of it. People who have moved out of the city, to Florida, to Bergen County, come back just for this. You get to see a lot of old friends."

The feast — an event that is equal parts religious celebration, street festival and fireworks show — is especially popular among the city's traditional Italian Catholic residents.

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The board also voted unanimously to adopt a federal consent decree that binds them to complete the plant by Jan. 1993.

Tri-City Authority Executive Director Robert Ranieri said his agency will abide by the 5-1 vote that includes new ultra violet light technology for treating sewage.

Most HCUA commissioners voting against Hoboken said they feared the proposal will violate a federal consent de-

creed recently agreed to by HCUA, TCA, the U.S. Environmental Protection Agency and the state Department of Environmental Protection. The decree sets a timetable for HCUA and TCA to complete specific portions of the gasification plant. July 8, 1992 is the next deadline for completion of liquid train facility in the Hoboken plant. Failure to meet the deadline will result in fines that range from \$2,000 to \$5,000 per day until the facility is completed. The completion date in the consent decree for the plant is Jan. 8, 1993. Again failure to meet the deadline will result in federal fines. Hoboken has already been fined \$20,000 for failing to comply

with federal waste disposal guidelines.

Ranieri and Tri-City officials last night argued replacing the ultra violet or Crofta process, with a conventional method of sewage treatment would save nearly \$500,000 a year.

Resident engineer Packy Lawlor, of Lawlor, Matuskis, and Skelly refused to recommend the change although he did say money could be saved by eliminating the Crofta unit.

Commissioner Jeff Chancellor suggested Hoboken and the HCUA use a provision in the consent decree which allows the agencies to ask the courts for permission to change plans or extend the deadlines.

## Sewage stinks up 2 blocks in Hoboken

Continued from Page 1

"Otherwise, we'd just move them to an empty city lot," Hack said.

But a DEP spokeswoman said that the contractor doing the work, J. Fletcher Creamer & Son, is allowed to move the containers to a city lot at night and then

move them back when work resumes in the morning.

Lye could be put on the sludge to reduce the smell, the spokeswoman suggested.

Hack said that the sludge is being removed to make way for a new sewer

line after portions of the old line collapsed from age and the vibrations from traffic above it.

The collapses lowered pressure in the sewer system and repeatedly backed up toilets in homes along the street, according to Hack.



## In Our Opinion

### Overspending in Hoboken

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These measures seem too late. If Mayor Patrick Pasculli had simply held down the number of new jobs so that perhaps half of those 110 jobs hadn't been filled, and if the school board had negotiated a contract that held raises to approximately the inflation rate, some voters might have looked more favorably at the referendum on the proposed Port Authority mixed-use plan on Hoboken's southern waterfront.

For these voters, the city and school board would have shown they cared about economizing even if the city received millions from the P.A. Many voters worry that if government gets a new source of revenue it tends to raise spending. They see the situation (with some, although not full, justification) as if elected officials were Cookie Monsters devouring all the revenue they can get their hands on.

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At this point, these questions are moot. But Mayor Pasculli should resolve that whether or not the southern waterfront ever provides a new revenue stream for Hoboken, economizing must be consistent and rigorous.

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Limiting pay raises and holding down spending may disappoint some people seeking to get more of the public's money, but these measures can build public confidence.

## \$10 more on city's tax rate

Pasculli gives council his budget proposal

By Jo-Ann Moriarty  
Journal staff writer

The Hoboken municipal budget will recover the \$8 million it lost through an aborted waterfront development plan by adding \$10 to the tax rate, according to the 1990 spending plan introduced last night by Mayor Patrick Pasculli. "In absence of the \$8 million from anticipated revenue, I would like to describe a bare bones budget," Pasculli said of the \$34 million budget as he spoke before the City Council.

"This is more like a skeleton that has been dismantled," Pasculli added that it contains "an unconscionable tax rate of \$27.49."

"We have to work together, close ranks and leave politics at the door to join together to identify revenue from other sources of funding," Pasculli said.

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In addition to the \$8 million the city expected from the deal with the Port Authority of New York and New Jersey, the school budget increased by \$5 million its amount to be raised by taxation, the county budget is up by \$1 million and the municipal budget will add another \$1 million to the tax levy.

"Only 50 percent of the tax rate increase can be attributable to loss in waterfront revenue," said Councilman Joseph Della Fave. "We got to start working on a new attitude. We have to come to the resolution that the spending of money is as important as the raising of money."

See PASCULLI — Page 4

More word next week

# Hoboken to Cut 100 Aides

## City sends out layoff warnings to 600 workers

By EDWARD K. SHANAHAN  
The Hudson Dispatch

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DOH MCCOY THE HUDSON DISPATCH

"It's not because women are inferior to men," he said. "Even if a woman had the basic scholarship required to be a rabbi, I would still reject her. It is not considered proper according to Orthodox Jewish etiquette for women to be the center of attention amongst men in a synagogue."

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"It's time to join together, close ranks and leave our politics at the front door of City Hall," Pasculli

said. "We must identify new sources of revenue and come up with a new plan for waterfront development. Time is of the essence."

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Continued from Page 1

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No Police or Fire department jobs were eliminated. The brunt of the budget reductions will be felt by municipal workers.

Three directors' jobs are being eliminated as well. Helen Macri, director of parks and public buildings, George Guzman, director of human resources, and Thomas Kennedy, public safety director, will lose their jobs.

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"For 50 cents you are going to have about 110 city residents jobless," he said.

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## DEBT

CONTINUED FROM PAGE 1

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DON MCCOY THE HUDSON DISPATCH

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# Hoboken may sell schools

Shipyard tract also could go

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — Intent on staying off a possible 60 percent tax increase, the City Council is considering selling as much municipal property as possible, including at least one school and perhaps two.

"Our objective is to avoid a huge tax increase this year," Councilman David Roberts said. "Just cutting the budget isn't enough. We're going to have to sell municipal assets and then consider bonding and borrowing."

The possible sales — and other methods of raising money — will be discussed this afternoon at the first in a series of budget workshops.

Mayor Patrick Pasculli and his council allies argue that the voters' July 10 rejection of the city's waterfront development deal with the Port Authority of New York and New Jersey has left the city on the brink of financial disaster.

But Pasculli's critics, including those who led the fight against the project, contend the city budget has become bloated and needs to be slashed.

When he introduced this year's \$34 million budget last week, Pasculli said there are "a number of ways" the city can generate revenue to offset an \$8 million budget gap.

Although he declined to name specific examples, some of the

assets that could go on the block include:

■ Five parcels of city-owned land, scattered throughout the city, totaling 43,530 square feet of developable land. The largest of the five is a 29,000-square-foot plot on Park Avenue near Observer Highway.

■ The former Todd Shipyards, a mostly underwater 34-acre waterfront site the city has been planning to auction since the spring.

■ One or two of the city's underused school buildings, most likely the Joseph F. Brandt and David E. Rue schools.

For the city to be able to sell school buildings, it would have to first acquire the properties from the Board of Education.

With Hoboken High School, five active elementary schools and the dormant Rue School, board members realize there are more buildings than are needed.

"By 1995, we're going to go down to three elementary schools," said board President James J. Farina. "But we really don't know which schools we'll be keeping. There's some talk of turning one of the buildings into affordable housing units."

In 1983, the board sold the Sadie Leinkauf School to the city for \$1. After saying Leinkauf would be transformed into low- and moderate-income housing, the city sold the 74-year-old building to a developer, who converted the property into high-priced condominiums.



Joseph F. Brandt School is one of two elementary schools that may be sold to ease Hoboken's acute fiscal crisis.

DON MCCOY, THE HUDSON DISPATCH

## Hudson 3rd from top in region's jobless

By Lisa Torbic  
Journal staff writer

Hudson County has the third-highest unemployment rate in the New Jersey-New York metropolitan area — and that was before Maxwell House announced plans to cut 600 jobs.

The 7.5 percent rate is 2 percent higher than the national average for the first five months of the year, according to Samuel M. Ehrenhalt, regional commissioner of labor statistics for the Department of Labor.

"Nearly 75,000 manufacturing jobs have been lost in the past 2½ years," he said, "15,000 in the past five months." Many of the 75,000 cutbacks occurred in New Jersey, Ehrenhalt said.

Maxwell House announced on June 27 it will close its Hoboken coffee plant in March,

1992, and expand its plant in Jacksonville, Fla., to save on operational costs.

Ehrenhalt made it clear the loss of manufacturing jobs is a regional problem, not a national one.

Kings (Brooklyn) and Bronx counties ranked first and second in unemployment, with rates of 7.9 percent and 7.8 percent respectively, out of the 23 counties studied in the metropolitan area. Fourth was Passaic County, with a 6.3 percent jobless rate. Essex was fifth with 6.1 percent unemployed.

This year's jobless rate rose 1.4 percent from last year. In northeastern New Jersey, nearly 7,000 private sector jobs were lost, prompting Ehrenhalt to say the area is facing "a zero growth economy."

While manufacturing and

See HUDSON — Page 6

## Fine stepping down as city schools head

By Jo-Ann Moriarty  
Journal staff writer

Walter Fine, superintendent of Hoboken schools, is expected to announce at the next Board of Education meeting that he will retire effective next June but will take a leave of absence beginning in September.

Fine, interviewed as he was leaving his office Friday, said his retirement announcement at the Aug. 9 meeting is "very possible."

However, the superintendent, who is paid about \$90,000 a year and was appointed four years ago, has sent the school board a letter on his plan to retire, according to board members.

Fine, who has 38 years in the system, is owed a good deal of vacation and sick time.

He said that if the board agrees, he will leave in September and officially retire in

June, 1991. However, he said he would be available if he were asked for advice.

"They could call on me, but I would not want to impose on them," Fine said.

His departure from the system brings to the forefront the ongoing controversy concerning his successor.

There are board members, particularly the president, James Farina, who want Councilman Edwin Duroy to succeed Fine while other members, specifically Claire DePalma, who want to appoint Francis McGorty as acting superintendent while the board conducts a search for a new school head.

Farina said that he wants to name Duroy as acting superintendent immediately.

However, unlike DePalma, Farina favors looking for a permanent appointment from

See DISAGREEMENT — Page 4

## Six families are evacuated in 3-alarm Hoboken blaze

By Jo-Ann Moriarty  
Journal staff writer

Firefighters evacuated six families yesterday after a three-alarm fire swept through the first-floor apartment at 358 Sixth St. in Hoboken, fire officials said.

The fire began in the apartment of Patricia McNulty, whose 10-year-old son, Eric, was making french toast.

The boy was cooking french toast. While trying to light the stove, a match burned his finger. He accidentally discarded the match and it ignited a nearby pile of clothing, described Fire Chief Pasquale

Sarnella.

The boy was taken to St. Mary Hospital, treated for second-degree burns to his left hand, and released, the chief said.

Twenty-two firefighters responded to the fire, which began at 9:39 a.m. It was out by 11 a.m.

When firefighters arrived, the front of the building was consumed in smoke, and flames burned from the rear of the three-story wooden structure.

The fire was confined to the McNulty apartment.

The other five families were allowed back in their

homes.

The hallways had smoke detectors.

"People tend to get complacent with smoke detectors. They should react immediately by going to the hallway. If not, they have a good chance of being trapped in the building," Sarnella warned.

"Once a smoke detector goes off, you have a minute to a minute and a half to get out," he said.

"So if you hear an alarm, don't take it for granted that someone across the hall burnt the toast again."

"Find out for sure what is going on," he warned.

## Disagreement over Fine's successor

Continued from Page 1

within the existing ranks. "I have the deepest respect and admiration for Mr. Fine. I was one who was instrumental in making him superintendent of schools because of his ability and qualities as an educator in the Hoboken system for the last 35 years and as a resident of the City of Hoboken," Farina said.

"He went through the worst times and educationally it is the best of times that the school system is headed under his tenure," he added.

"As far as I am concerned, as an individual board member, there are people right in our school system qualified to do the job as superintendent," Farina said.

"I would like to see Edwin Duroy. I feel he is a product of the school system, he rose through the ranks and just finished his doctorate. He is Hispanic and 60 percent of the school population is Hispanic," Farina said.

"He would balance out the representation and serve as a role model and accomplish where Walter Fine left off," he added.

Neither Duroy or McGorty could be reached for comment. Fine is recommending McGorty as his successor, al-

though he described Duroy as "an excellent person."

While Farina endorsed Duroy and there appears to be enough votes to support a Duroy nomination, there is opposition in the community about making an appointment from within the system.

Gail Tuzman, president of the Brandt School parent and teacher organization, sides with DePalma that the school board should conduct an extensive search.

"They should definitely be looking for someone outside the school system with fresh ideas. I think they should go on a national search and it probably makes more sense to have the assistant superintendent be the acting with no promises that he will become the new superintendent," Tuzman said.

DePalma said it is not necessary to conduct a national search but it is reasonable to look in the region. "Francis (McGorty) should be acting while we do a thorough interviewing process. This is much too important for the system and the city to make a quick decision," DePalma said.

"The future of the system depends on who leads it. I wouldn't want to make a rash, quick decision," she said, add-

ing, "I think leadership and management are the two qualities most needed in a superintendent."

"I don't think it should be Jimmy's choice," DePalma said of Farina's endorsement.

About the time that Fine was appointed superintendent, the school system fell into Level III state monitoring, the next step before a state takeover, because basic skills test scores had fallen below state standards.

Since that time, the school system has improved and test scores have risen gradually each year.

There is a good chance that Hoboken can be out of state monitoring in the fall, school officials say.

## Hudson 3rd from top in region's jobless

Continued from Page 1

wholesale jobs are down, government and service jobs increased about 48,000 combined, Ehrenhalt said, due mostly to the temporary census workers.

The financial sector of Manhattan, which was responsible for nearly 137,000 new jobs in the 1980s, is now in reverse, Ehrenhalt said.

"In the past 2½ years, nearly 35,000 jobs have been cut," he said.

In 1988, the securities field saw a 9.1 percent pay increase, but 1989 brought only a 2.8 percent increase, Ehrenhalt said the figures reflect "choppy waters for the region."

Despite the figures, Ehrenhalt said the region is not in a recession.

"The unemployment figures for the area as a whole are 5.2 percent. The United States figures are 5.5 percent. No one is suggesting the nation is in a recession," he said.

Ehrenhalt said some suggested explanations for the unemployment rates are that fewer women and children are entering the labor market than

in previous years and that more part-time workers are being hired.

That way, he said, employers can hire someone temporarily to complete a job without permanently adding to the staff.

Ehrenhalt added that he is not sure whether the area can bounce back in manufacturing jobs.

"We have concentrated skilled people in the area... and a record of economic achievement in the '80s. Now, we just have to get moving the creative juices for rejuvenating the economy," he said.

The inflation rate, which rose to 10.3 percent in the first quarter of the year, dropped to 1.5 percent for the second quarter of the year.

Ehrenhalt attributed the drop in the second quarter to a slowing of food and shelter increases and changes in apparel prices that followed seasonal expectations after steep increases earlier in the year.

For the first half of the year, consumer prices rose 5.8 percent, matching the figure for all of 1989.

## Della Fave is hoping to be more involved

Continued from Page 1

Joseph Della Fave, the only council member to oppose the plan publicly, has been included in the discussions in the mayor's office.

He said yesterday that he hopes to have more involvement in the planning process. When the Pasculli/P.A. plan was developed, Della Fave was kept from participating because he was running against Pasculli for mayor.

"This is the first opportunity for us all to get together and discuss the critical questions.

We know that the public doesn't like what we already have, we have to look at other alternatives," Della Fave said. "One thing to discuss is how flexible we are going to be in terms of exploring various options." The easiest road to travel is to simply modify the plan and re-sign with the Port Authority if it's willing," Della Fave said.

"But now we have an opportunity to take a look at the plan and other development strategies. That can be done expeditiously," he said.

## Drug wars in city projects

Dealers from Jersey City are moving in

By Jo-Ann Moriarty  
Journal staff writer

An ongoing turf battle between drug dealers has led to "tense situations" in the public housing projects in Hoboken's Fourth Ward, and police are concerned about violence.

A Police Department directive has been issued requiring police going to the area to wear riot gear. Bricks and bottles have been thrown at patrol cars from the highrise buildings' roofs three times in the past 10 days.

The large crowds of people were outside because of the heat, and police became targets because residents were aggravated by the police presence.

"More people are out with the warm weather and they are easily irritated," LaBruno said. "When a mass of people gather in a close area, coupled

with their frustration, that provides all the ingredients for a tense situation," LaBruno added.

The situations were defused when the residents learned police were there to respond to a battle between residents and Jersey City drug dealers.

For a couple of months, LaBruno said, he has been working with community leaders to improve relations between residents and police.

A network between com-

munity leaders and the police has been established to verify the facts surrounding arrests made in the projects in order to dispel rumors about police brutality, he said.

"There are very honest, hard-working residents who want police protection. We are meeting to see how we can help them," LaBruno said.

"Obviously, not every resident is a drug dealer and we have to protect them."

Asked the reason for the

unrest, LaBruno said "a turf battle" but declined to elaborate.

But usually reliable sources in the Police Department say the conflict is between out-of-town drug dealers trying to infiltrate areas of the projects that have been cleaned by arrests of local dealers.

The rash of bottle-throwing and gun-brandishing occurred during a heat wave when many residents were outside in the

See DRUG WARS — Page 4

## Drug wars in projects worry Hoboken cops

Continued from Page 1

late evening. The unrest began when police were called to the scene after reports that fights with guns had started.

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"Obviously, not every resident is a drug dealer and we have to protect them."

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## Pasculli clears deck for new pier plan

Mayor says he'll work with City Council and Coalition for a Better Waterfront

By Jo-Ann Moriarty  
Journal staff writer

Hoboken Mayor Patrick Pasculli yesterday called for a special City Council meeting next week in hopes of moving ahead a waterfront development plan that can be embraced by the community.

Voters rejected by a 12-vote margin a plan Pasculli pushed to build a 3.2 million-square-foot development along the Hudson River on 30 acres of city-owned land in a partnership with the Port Authority of New York and New Jersey.

The redevelopment plan would have allowed for a 33-story commercial building and residential towers up to 20 stories as well as up to 2,000 apartments.

The meeting, planned for

Wednesday, is "simply to begin discussions and hopefully identify methods of proceeding with a waterfront scenario," Pasculli said.

The mayor had been meeting with council members individually and in small groups.

He also met with the people, now called a Coalition for a Better Waterfront, who organized a petition drive last December calling for a public vote on the mayor's and City Council's decision to build the huge development with the P.A.

The CBW members have asked for all documents per-

taining to the value of the land, the financial studies and market analysis and projection of revenue to the city.

They have also requested studies about the infrastructure, maps, traffic studies, environmental studies, data about open space and air quality control monitoring.

Pasculli, in a letter to Ron Hine of the CBW, said his office will furnish that information.

The mayor wants a plan by November so that revenue generated from the development can be used to offset the \$8 million budget deficit.

Pasculli is predicting a \$10

tax hike on the present rate of \$17.52.

Pasculli said that he has no plan in mind at this time.

He said that he still supports the plan that was aborted by the July 10 special election.

"At this time, I have no specific plan. But we cannot afford to waste one more day. We should take the matter to the public arena to form a consensus," Pasculli said.

"I have confidence in what we have done. But I remain open and flexible to modification and changes," he said.

There was discussion in City Hall this week about sending the plan back to the Planning Board for public input and modification.

Second Ward Councilman

See DELLA FAVE — Page 4



# Group seeks to overturn referendum results

Contends voting irregularities tainted election

Alex Ladd

The battle waged at the ballot box in July 10's referendum which defeated the city's development plan with the Port Authority will likely move into the courtroom, and if a group calling itself the Committee to Save Hoboken has its way, the 12-vote margin of defeat will be overturned. The committee, made up of police and fire union officers and Hoboken residents, has been busily gathering information which it says will sufficiently discredit the referendum results and force a new vote.

Thomas Meehan, head of the Police Superior Union, detailed the efforts of his group.

"We've been up at the Board of Elections going over the books since last Friday. We are also interviewing board workers — there are 138 of them — and that's a lengthy process," he said.

According to Meehan, the group will also set up a phone number for voters to call with examples of improprieties. Meehan believes he is "ninetv percent sure that the election

will be overturned." Among the irregularities, which Meehan and the committee's attorney John Carbone say they have documented are:

- Improper registration
- Late poll openings
- Politicians that were electioneering within 100 feet of the polls
- Absence of signatures in the voting books.
- Two incidents where names of dead voters were used to vote.
- An incident where a voter voted from an address traced to a garage.

According to Meehan, his group has many other examples of irregularities.

"This is just the tip of the iceberg," he said.

Meehan said his group also plans on challenging 11 absentee ballots that arrived late. According to Meehan, some of the absentee ballots were postmarked July 6.

For Ira Karasick, an attorney for the Coalition for a Better waterfront, the organization which successfully put the referendum to a vote, these charges alone do not amount to much.

"Obviously, I don't condone dead people voting. What it means is that two live people voted in the name of two dead people. We don't condone that. The question is whether these two votes should thwart the entire election and the will of the majority," Karasick said.

Karasick cast doubt on other information which the committee has raised.

"By itself, someone who voted from a garage is not acting improperly if in fact he lives in a garage. I am told that there is someone who actually voted from a garage and lives in that garage," Karasick said.

As for his strategy in court, Karasick said, "The burden

## REFERENDUM

from cover

will be on the challenger. Our role is to demonstrate that none of the alleged irregularities are sufficiently egregious to overturn the election."

According to Joe Sciano, Chief of Staff at the Hudson Board of Elections, much will depend on the judge who hears the case. "They must prove to the judge that there are enough irregularities, and the judge must agree with them. What they (the committee) are looking for are infractions

and illegalities and although they may not be serious (allegations), they will try to obtain enough of them to convince the judge," Sciano said.

According to Sciano, the case will first be heard by Assignment Judge Arthur D'Italia, if he chooses to accept it.

Last Friday morning, two commissioners of the County Board of Elections had voted to certify the election and the board was awaiting the signature of one commissioner to make certification final. The Committee to Save Hoboken and Carbone have 10 days from the date of certification in which to challenge the result.

Carbone termed the chances that the election will be overturned as "excellent." If we go to court we have seven ways to Sunday (to overturn the election). It's amazing — the number of irregularities, from late poll openings to dead people voting," he said.

Mayor Patrick Pasculli offered this statement regarding the efforts of the Committee to Save Hoboken: "All of my time and energy is being devoted to the financial crisis of the city and to getting waterfront development back on track. I and the city can't afford to be side tracked or diverted in anyway at this point."

Referendum continued on page 4

# Municipal employees' vote invalidated

Decision to contribute to group contesting referendum thwarted

By Alex Ladd

An election held last Wednesday in the lobby of City Hall to determine if funds from the Hoboken municipal workers' union treasury should be contributed to a group attempting to overturn July 10's waterfront referendum was invalidated amid accusations that union members were not properly notified of the vote.

Union President James Fisher agreed to invalidate the vote until a later date after a heated argument with union secretary Mary Lou McGrath and union member Joe Grossi.

At a recent union meeting, Fisher suggested that municipal employees donate money to help finance the Committee to Save Hoboken's campaign to overturn the results of the referendum which defeated the city's multi-million dollar agreement with the Port Authority. The committee is made up of police and fire officials and city residents. Employees at the meeting were told that the legal fees of John Carbone, who has been hired by the committee, would amount to about \$40,000. The ballot gave union employees the option of having the union donate \$5,000, \$2,500 or no money at all to the committee.

Fisher's argument with McGrath and Grossi during Wednesday's election erupted over the absence of ballots in municipal employees' paychecks notifying them of the election. Fisher wanted to proceed with the election, but McGrath and Grossi did not. Fisher was quoted in last Wednesday's Jersey Journal as stating in a closed door union meeting that the ballots would be attached to the paychecks of the 180 union members.

According to Fisher, he did not receive the ballots from the printer until about 10:40 a.m. Wednesday. When he attempted to have them included in the paychecks — at about 11:00 — he was told by the city comptroller that the checks

had already been distributed. According to McGrath, though, Fisher did not approach payroll personnel with his request until about noon.

"It was in the papers that he told everyone it was going to be done this way," said McGrath. "People can't live without their paychecks. By placing a ballot with the paychecks, everyone is notified."

Fisher claimed that workers were properly notified at the

**"I stand by my position that there was ample notification. Notices were placed in every work place and yesterday we had an open meeting. I don't see this as unfair. This is not clandestine, we're in the lobby of city hall!" Fisher stated.**

previous night's meeting and by way of notices posted last Thursday at the time clocks of different city departments.

"I stand by my position that there was ample notification. Notices were placed in every work place and yesterday we had an open meeting. I don't see this as unfair. This is not clandestine, we're in the lobby of city hall!" Fisher stated.

Grossi, who was at City Hall, took exception to Fisher's claims.

"I have a right to know about it if they are going to take my money," Grossi said. "There are people in garages and

on the streets. Are they supposed to guess there is an election? If 180 people received notices I would have no qualms about it (the election)."

Grossi pointed out that workers who were sick or unable to attend Tuesday's meeting probably didn't know about the vote.

Shortly after noon Wednesday, McGrath informed Fisher, who was sitting before the ballot box, that she had spoken with all of the other officers of the union who agreed that the election should be nullified. But Fisher was not willing to concede and wanted to proceed with the election. On hearing McGrath's news, though, other union members who were tending the ballot box walked out. Faced with a situation of an unattended ballot box and news that the other union officers were in favor of calling a new vote, Fisher conceded.

"Due to the fact that ballots were not attached to checks as stated in the local press, we'll have to have another election," Fisher said.

Fisher stated that time was one reason he wanted an election validated as soon as possible.

"I think that this creates problems with the Committee to Save Hoboken. They only have certain amount of days to overturn the election. That's the reason that this must be done quickly. I don't see this as underhanded... The core issue for me is that this is a chance to save jobs by overturning the election."

According to Fisher, he will meet tomorrow with other union officers and respect their majority opinion as to when another election should be held.

"From what I've been hearing, that will most likely be when paychecks are issued again," he said.

# Pasculli meets with waterfront coalition

Don't rule out Port Authority, mayor advises

By Alex Ladd

A meeting was held at City Hall on Tuesday between Mayor Patrick Pasculli and representatives of the Coalition for a Better Waterfront to discuss the future of Hoboken's waterfront development. The meeting was necessitated by July 10's referendum election, where voters rejected the city's waterfront development project

**"The P.A. was discussed and (the coalition members) are initially fixed in that position (that the P.A. be excluded). I have to take the position that it's too important to exclude any one particular element in light of the city's fiscal crisis," Pasculli said.**

with the Port Authority (P.A.). The issue of whether the P.A. should be involved in future waterfront negotiations remains controversial and unresolved.

"I thought the meeting went very well," Pasculli said. "Hopefully we will be better able to understand each other. We didn't get into specific or technical elements. We wanted to get to better know each other."

Coalition member Ron Hine agreed with Pasculli.

"The meeting was very friendly and cooperative. We are off to a good start. I don't think either side took a hard line. Both sides were agreeable to other options. There were fundamental differences of opinion, though," Hine stated.

Among those fundamental differences is the issue of the P.A. The coalition presented the mayor with a list of principles for waterfront planning. One of the principles listed was that the P.A. be excluded from future negotiations for the waterfront.

"The coalition is confident that insisting on these principles for proper planning will expedite the process and ensure that long-term benefits are not sacrificed for short-term solution," the coalition stated in a press release. "In light of the voter's rejection of the best deal the city could obtain

from the P.A., the P.A. must not be further considered as a participant in Hoboken's waterfront development."

Pasculli, though, says that he will not rule out the P.A. in future negotiations.

"The P.A. was discussed and (the coalition members) are initially fixed in that position (that the P.A. be excluded). I have to take the position that it's too important to exclude any one particular element in light of the city's fiscal crisis," Pasculli said. "I also emphasized that as mayor, I can't allow the community to experience a crisis for an indefinite period

# State, county scrutinize job search by Hoboken

Continued from Page 1

said that the appointment would be a setback for the school district as it struggles to get out of Level 3 monitoring.

Duroy, 39, acknowledged yesterday that his elementary school was one in the district that did not pass all the basic skills tests. Grades three and six are tested in math, language and writing.

However, he said that Connors School has "made the greatest gains in the last three years, we have come the farthest."

Trustee Claire DePalma says the school board should also look outside the district. A state official agrees.

"The district needs the most qualified candidate. In order to do that, they have to have a recruitment procedure

that should include looking at external candidates as well," yesterday said Pamela Castellanos, spokeswoman for the state Department of Education.

"If they limit the scope of their search, (the public) cannot be assured that they have the best candidate. It doesn't mean that they can't hire from within but they have to look beyond the district," she said.

Castellanos is assigned to the Office of County and Regional Services, which oversees the school districts in Level 3, a state monitoring program and the last step before a state takeover.

"Considering that they are at Level 3, I am sure that the county will look closely at what is being done," Castellanos said.

## Coffee plant to grind to a halt



Maxwell House's Hoboken plant

The landmark Maxwell House coffee plant in Hoboken, a fixture on the Hudson River waterfront for more than 50 years and the city's largest private employer, will close in 18 months, parent company General Foods said. Six hundred people will be put out of work as the plant winds down its coffee bean-roasting operations. A decline in coffee consumption meant either the Hoboken plant or one in Jacksonville, Fla., must close. After soliciting money-saving proposals from both plants, Maxwell House said Florida was less costly.

# State, county watch Hoboken job search

Poor scores fuel concern over choice of schools head

By Jo-Ann Moriarty  
Journal staff writer

State and county education officials say they will be watching to see how the Hoboken Board of Education proceeds in selecting a new superintendent of schools.

The school board should form a search committee and interview candidates for the job from outside the school district as well as from within the district if they wish to have the confidence of the public, officials warn.

Hoboken is being monitored by the state because the test scores for basic skills fell below state standards four years ago.

"They should form a search committee, set criteria for selection — what attributes, qualifications and experience are needed to benefit Hoboken," said Louis C. Accolla, Hudson County superintendent of schools. "This would give the community

confidence in the district if they used community representatives and faculty staff in the development for a process for a search," he said.

Walter Fine, school superintendent, is expected to announce next week he will take a year's leave of absence and officially retire in June.

Fourth Ward Councilman Edwin Duroy, principal of the Connors School in Hoboken, is a frontrunner for the

job. There is disagreement among the school board trustees on the procedure for seeking a permanent appointment. Board President James Farina favors looking within the school district. Although he favors Duroy, he said the appointment should be temporary until other candidates within the system are interviewed.

In Hoboken, the Duroy appoint-

ment is seen as a political payoff because Duroy is influential in the Fourth Ward, where the vote historically has determined mayoral elections.

While some board members acknowledge that perception, they cite Duroy's credentials. He has a doctorate in education, two master's degrees and has been an administrator for 14 years.

A local attorney with school age children, who wished not to be named,

# Jobs targeted for axing

Continued from Page 1  
Twenty-seven demotions were made in the Police and Fire departments.  
Public Works Director Roy Haack said that the budget cuts have decreased the DPW roster

by one-third. There will be no Sunday night garbage collection and there will be a drastic reduction of street sweeping, he said.  
The caucus continues tomorrow at 4 p.m. in City Hall.

## In Our Opinion

# Don't limit search for best

With the likely retirement of its current superintendent of schools, the members of the Hoboken Board of Education will be faced with an extremely important choice: Who will be the successor?

In looking for a permanent successor to Superintendent Walter Fine, the board should not limit itself to current employees of the school system. With the state monitoring the Hoboken system, there have been improvements in the schools in recent years, particularly in test scores of the district's students, but no one should underestimate the challenges the system will face if it is to attain a level of educational excellence.

James Farina, who is both city clerk and a member of the board of education, has indicated he would like the successor to come from the school system. He also said he favors Edwin Duroy to succeed Fine. Duroy is a city councilman and a school principal.

One wonders whether Hoboken politicians view Duroy's service as a councilman as a point in his favor. It should not be considered that way. A system where political connections within the school system and between the school system and elected officials have been too strong wouldn't benefit by another such connection.

But as a principal Duroy deserves to be considered fairly for any interim superintendent's slot and as a candidate for a permanent superintendent's slot.

Farina's remarks in favor of promoting a permanent successor to Fine from within the system pose more of a problem. State Department of Education officials have said, properly, that extending the search beyond the system is important for the Hoboken school district. The school board must make it clear it is not narrowing the field in advance. It should search outside the school system and within it to find not just a qualified applicant for superintendent but the best educator for the extremely important job.

## On Hoboken waterfront

# Council tries for Plan B

Vows unity on new waterfront plans

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — Anxious to revive development plans for the city's southern waterfront, the City Council met last night for a special brainstorming session designed to speed up the planning process.

Council members pledged to put aside their political differences and piece together a proposal to replace the defeated Port Authority of New York and New Jersey project.

"I think the public isn't going to put up with a lot of political shenanigans from us," Councilman Thomas Newman said. "I was fearful of the 'no' vote and where it would take us. Here are are and we have to see if something good can come of it."

In a July 10 special election, voters shot down the city's proposed \$30 million deal with the authority to build a 3.2-million-square-foot, mixed-use development. The margin of defeat was 12 votes.

The vote wreaked financial havoc in the city, which lost \$8 million in lease payments it was expecting from the authority this year.

Shortly after the election, Mayor Patrick Pasculli announced the layoffs of nearly 120 city workers and projected a nearly 60 percent property tax increase.

"The election has created a



PATRICK PASCULLI  
"We have to get moving"

great amount of concern in our community," Pasculli said last night. "We have to get waterfront development moving immediately."

In their new spirit of cooperation, the council members agreed to adopt a master plan for the entire waterfront before finalizing revised plans for the southern waterfront.

Councilman David Roberts said he expects the firm contracted to draw up the master plan to deliver it to the council by next week.

The council also agreed that the redevelopment plan for the southern waterfront should be sent back to the city's Planning Board for further review.

Councilman Joseph Della Fave lauded his council colleagues for promising to work together, but asked that more concrete steps be taken to achieve a consensus on the waterfront issue.

"I would like to see a formally structured steering committee established," Della Fave said. "I think Tom (Newman) and myself should be on it along with the mayor and a couple other council people. We need to tighten this talk of cooperation."

Della Fave said it is also important for the council to establish a timetable for the planning process.



# Group seeks to overturn referendum results

Contends voting irregularities tainted election

Alex Ladd

The battle waged at the ballot box in July 10's referendum which defeated the city's development plan with the Port Authority will likely move into the courtroom, and if a group calling itself the Committee to Save Hoboken has its way, the 12-vote margin of defeat will be overturned. The committee, made up of police and fire union officers and Hoboken residents, has been busily gathering information which it says will sufficiently discredit the referendum results and force a new vote.

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"We've been up at the Board of Elections going over the books since last Friday. We are also interviewing board workers — there are 138 of them — and that's a lengthy process," he said.

According to Meehan, the group will also set up a phone number for voters to call with examples of improprieties. Meehan believes he is "ninety percent sure that the election

will be overturned." Among the irregularities, which Meehan and the committee's attorney John Carbone say they have documented are:

- Improper registration
- Late poll openings
- Politicians that were electioneering within 100 feet of the polls
- Absence of signatures in the voting books.
- Two incidents where names of dead voters were used to vote.
- An incident where a voter voted from an address traced to a garage.

According to Meehan, his group has many other examples of irregularities.

"This is just the tip of the iceberg," he said.

Meehan said his group also plans on challenging 11 absentee ballots that arrived late. According to Meehan, some of the absentee ballots were postmarked July 6.

For Ira Karasick, an attorney for the Coalition for a Better waterfront, the organization which successfully put the referendum to a vote, these charges alone do not amount to much.

"Obviously, I don't condone dead people voting. What it means is that two live people voted in the name of two dead people. We don't condone that. The question is whether these two votes should throw the entire election and the will of the majority," Karasick said.

Karasick cast doubt on other information which the committee has raised.

"By itself, someone who voted from a garage is not acting improperly if in fact he lives in a garage. I am told that there is someone who actually voted from a garage and lives in that garage," Karasick said.

As for his strategy in court, Karasick said, "The burden

Referendum continued on page 4

## REFERENDUM

from cover

will be on the challenger. Our role is to demonstrate that none of the alleged irregularities are sufficiently egregious to overturn the election."

According to Joe Sciano, Chief of Staff at the Hudson Board of Elections, much will depend on the judge who hears the case. "They must prove to the judge that there are enough irregularities, and the judge must agree with them. What they (the committee) are looking for are infractions

and illegalities and although they may not be serious (allegations), they will try to obtain enough of them to convince the judge," Sciano said.

According to Sciano, the case will first be heard by Assignment Judge Arthur D'Italia, if he chooses to accept it. Last Friday morning, two commissioners of the County Board of Elections had voted to certify the election and the board was awaiting the signature of one commissioner to make certification final. The Committee to Save Hoboken and Carbone have 10 days from the date of certification in which to challenge the result.

Carbone termed the chances that the election will be overturned as "excellent." If we go to court we have seven ways to Sunday (to overturn the election). It's amazing — the number of irregularities, from late poll openings to dead people voting," he said.

Mayor Patrick Pasculli offered this statement regarding the efforts of the Committee to Save Hoboken: "All of my time and energy is being devoted to the financial crisis of the city and to getting waterfront development back on track. I and the city can't afford to be side tracked or diverted in anyway at this point."

# Municipal employees' vote invalidated

Decision to contribute to group contesting referendum thwarted

By Alex Ladd

An election held last Wednesday in the lobby of City Hall to determine if funds from the Hoboken municipal workers' union treasury should be contributed to a group attempting to overturn July 10's waterfront referendum was invalidated amid accusations that union members were not properly notified of the vote. Union President James Fisher agreed to invalidate the vote until a later date after a heated argument with union secretary Mary Lou McGrath and union member Joe Grossi.

At a recent union meeting, Fisher suggested that municipal employees donate money to help finance the Committee to Save Hoboken's campaign to overturn the results of the referendum which defeated the city's multi-million dollar agreement with the Port Authority. The committee is made up of police and fire officials and city residents. Employees at the meeting were told that the legal fees of John Carbone, who has been hired by the committee, would amount to about \$40,000. The ballot gave union employees the option of having the union donate \$5,000, \$2,500 or no money at all to the committee.

Fisher's argument with McGrath and Grossi during Wednesday's election erupted over the absence of ballots in municipal employees' paychecks notifying them of the election. Fisher wanted to proceed with the election, but McGrath and Grossi did not. Fisher was quoted in last Wednesday's Jersey Journal as stating in a closed door union meeting that the ballots would be attached to the paychecks of the 180 union members.

According to Fisher, he did not receive the ballots from the printer until about 10:40 a.m. Wednesday. When he attempted to have them included in the paychecks — at about 11:00 — he was told by the city comptroller that the checks

had already been distributed. According to McGrath, though, Fisher did not approach payroll personnel with his request until about noon.

"It was in the papers that he told everyone it was going to be done this way," said McGrath. "People can't live without their paychecks. By placing a ballot with the paychecks, everyone is notified."

Fisher claimed that workers were properly notified at the

"I stand by my position that there was ample notification. Notices were placed in every work place and yesterday we had an open meeting. I don't see this as unfair. This is not clandestine, we're in the lobby of city hall!" Fisher stated.

previous night's meeting and by way of notices posted last Thursday at the time clocks of different city departments.

"I stand by my position that there was ample notification. Notices were placed in every work place and yesterday we had an open meeting. I don't see this as unfair. This is not clandestine, we're in the lobby of city hall!" Fisher stated.

Grossi, who was at City Hall, took exception to Fisher's claims.

"I have a right to know about it if they are going to take my money," Grossi said. "There are people in garages and

on the streets. Are they supposed to guess there is an election? If 180 people received notices I would have no qualms about it (the election)."

Grossi pointed out that workers who were sick or unable to attend Tuesday's meeting probably didn't know about the vote.

Shortly after noon Wednesday, McGrath informed Fisher, who was sitting before the ballot box, that she had spoken with all of the other officers of the union who agreed that the election should be nullified. But Fisher was not willing to concede and wanted to proceed with the election. On hearing McGrath's news, though, other union members who were tending the ballot box walked out. Faced with a situation of an unattended ballot box and news that the other officers were in favor of calling a new vote, Fisher conceded.

"Due to the fact that ballots were not attached to checks as stated in the local press, we'll have to have another election," Fisher said.

Fisher stated that time was one reason he wanted an election invalidated as soon as possible.

"I think that this creates problems with the Committee to Save Hoboken. They only have certain amount of days to overturn the election. That's the reason that this must be done quickly. I don't see this as underhanded... The core issue for me is that this is a chance to save jobs by overturning the election."

According to Fisher, he will meet tomorrow with other union officers and respect their majority opinion as to when another election should be held.

"From what I've been hearing, that will most likely be when paychecks are issued again," he said.

# Pasculli meets with waterfront coalition

Don't rule out Port Authority, mayor advises

By Alex Ladd

A meeting was held at City Hall on Tuesday between Mayor Patrick Pasculli and representatives of the Coalition for a Better Waterfront to discuss the future of Hoboken's waterfront development. The meeting was necessitated by July 10's referendum election, where voters rejected the city's waterfront development project

"The P.A. was discussed and (the coalition members) are initially fixed in that position (that the P.A. be excluded). I have to take the position that it's too important to exclude any one particular element in light of the city's fiscal crisis," Pasculli said.

with the Port Authority (P.A.). The issue of whether the P.A. should be involved in future waterfront negotiations remains controversial and unresolved.

"I thought the meeting went very well," Pasculli said. "Hopefully we will be better able to understand each other. We didn't get into specific or technical elements. We wanted to get to better know each other."

Coalition member Ron Hine agreed with Pasculli.

"The meeting was very friendly and cooperative. We are off to a good start. I don't think either side took a hard line. Both sides were agreeable to other options. There were fundamental differences of opinion, though," Hine stated.

Among those fundamental differences is the issue of the P.A. The coalition presented the mayor with a list of principles for waterfront planning. One of the principles listed was that the P.A. be excluded from future negotiations for the waterfront.

"The coalition is confident that insisting on these principles for proper planning will expedite the process and ensure that long-term benefits are not sacrificed for short-term solution," the coalition stated in a press release. "In light of the voter's rejection of the best deal the city could obtain

from the P.A., the P.A. must not be further considered as a participant in Hoboken's waterfront development."

Pasculli, though, says that he will not rule out the P.A. in future negotiations.

"The P.A. was discussed and (the coalition members) are initially fixed in that position (that the P.A. be excluded). I have to take the position that it's too important to exclude any one particular element in light of the city's fiscal crisis," Pasculli said. "I also emphasized that as mayor, I can't allow the community to experience a crisis for an indefinite period

# State, county scrutinize job search by Hoboken

Continued from Page 1

said that the appointment would be a setback for the school district as it struggles to get out of Level 3 monitoring.

Duroy, 39, acknowledged yesterday that his elementary school was one in the district that did not pass all the basic skills tests. Grades three and six are tested in math, language and writing.

However, he said that Connors School has "made the greatest gains in the last three years, we have come the farthest."

Trustee Claire DePalma says the school board should also look outside the district. A state official agrees.

"The district needs the most qualified candidate. In order to do that, they have to have a recruitment procedure

that should include looking at external candidates as well," yesterday said Pamela Castellanos, spokeswoman for the state Department of Education.

"If they limit the scope of their search, (the public) cannot be assured that they have the best candidate. It doesn't mean that they can't hire from within but they have to look beyond the district," she said.

Castellanos is assigned to the Office of County and Regional Services, which oversees the school districts in Level 3, a state monitoring program and the last step before a state takeover.

"Considering that they are at Level 3, I am sure that the county will look closely at what is being done," Castellanos said.

# State, county watch Hoboken job search

By Jo-Ann Moriarty  
Journal staff writer

State and county education officials say they will be watching to see how the Hoboken Board of Education proceeds in selecting a new superintendent of schools.

The school board should form a search committee and interview candidates for the job from outside the school district as well as from within the district if they wish to have the confidence of the public, officials warn.

Poor scores fuel concern over choice of schools head

Hoboken is being monitored by the state because the test scores for basic skills fell below state standards four years ago.

"They should form a search committee, set criteria for selection — what attributes, qualifications and experience are needed to benefit Hoboken," said Louis C. Accella, Hudson County superintendent of schools.

"This would give the community

confidence in the district if they used community representatives and faculty staff in the development for a process for a search," he said.

Walter Fine, school superintendent, is expected to announce next week he will take a year's leave of absence and officially retire in June.

Fourth Ward Councilman Edwin Duroy, principal of the Connors School in Hoboken, is a frontrunner for the

job. There is disagreement among the school board trustees on the procedure for seeking a permanent appointment. Board President James Farina favors looking within the school district. Although he favors Duroy, he said the appointment should be temporary until other candidates within the system are interviewed.

In Hoboken, the Duroy appoint-

ment is seen as a political payoff because Duroy is influential in the Fourth Ward, where the vote historically has determined mayoral elections.

While some board members acknowledge that perception, they cite Duroy's credentials. He has a doctorate in education, two master's degrees and has been an administrator for 14 years.

A local attorney with school age children, who wished not to be named,

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# Jobs targeted for axing

Continued from Page 1

Twenty-seven demotions were made in the Police and Fire departments.

Public Works Director Roy Haack said that the budget cuts have decreased the DPW roster

by one-third. There will be no Sunday night garbage collection and there will be a drastic reduction of street sweeping, he said.

The caucus continues tomorrow at 4 p.m. in City Hall.

## In Our Opinion

# Don't limit search for best

With the likely retirement of its current superintendent of schools, the members of the Hoboken Board of Education will be faced with an extremely important choice: Who will be the successor?

In looking for a permanent successor to Superintendent Walter Fine, the board should not limit itself to current employees of the school system. With the state monitoring the Hoboken system, there have been improvements in the schools in recent years, particularly in test scores of the district's students, but no one should underestimate the challenges the system will face if it is to attain a level of educational excellence.

James Farina, who is both city clerk and a member of the board of education, has indicated he would like the successor to come from the school system. He also said he favors Edwin Duroy to succeed Fine. Duroy is a city councilman and a school principal.

One wonders whether Hoboken politicians view Duroy's service as a councilman as a point in his favor. It should not be considered that way. A system where political connections within the school system and between the school system and elected officials have been too strong wouldn't benefit by another such connection.

But as a principal Duroy deserves to be considered fairly for any interim superintendent's slot and as a candidate for a permanent superintendent's slot.

Farina's remarks in favor of promoting a permanent successor to Fine from within the system pose more of a problem. State Department of Education officials have said, properly, that extending the search beyond the system is important for the Hoboken school district. The school board must make it clear it is not narrowing the field in advance. It should search outside the school system and within it to find not just a qualified applicant for superintendent but the best educator for the extremely important job.

## On Hoboken waterfront

# Council tries for Plan B

Vows unity on new waterfront plans

DISPATCH 8-2-90

By EDWARD K. SHANAHAN

The Hudson Dispatch

HOBOKEN — Anxious to revive development plans for the city's southern waterfront, the City Council met last night for a special brainstorming session designed to speed up the planning process.

Council members pledged to put aside their political differences and piece together a proposal to replace the defeated Port Authority of New York and New Jersey project.

"I think the public isn't going to put up with a lot of political shenanigans from us," Councilman Thomas Newman said. "I was fearful of the 'no' vote and where it would take us. Here are are and we have to see if something good can come of it."

In a July 10 special election, voters shot down the city's proposed \$30 million deal with the authority to build a 3.2-million-square-foot, mixed-use development. The margin of defeat was 12 votes.

The vote wreaked financial havoc in the city, which lost \$8 million in lease payments it was expecting from the authority this year.

Shortly after the election, Mayor Patrick Pasculli announced the layoffs of nearly 120 city workers and projected a nearly 60 percent property tax increase.

"The election has created a



PATRICK PASCULLI  
"We have to get moving"

great amount of concern in our community," Pasculli said last night. "We have to get waterfront development moving immediately."

In their new spirit of cooperation, the council members agreed to adopt a master plan for the entire waterfront before finalizing revised plans for the southern waterfront.

Councilman David Roberts said he expects the firm contracted to draw up the master plan to deliver it to the council by next week.

The council also agreed that the redevelopment plan for the southern waterfront should be sent back to the city's Planning Board for further review.

Councilman Joseph Della Fave lauded his council colleagues for promising to work together, but asked that more concrete steps be taken to achieve a consensus on the waterfront issue.

"I would like to see a formally structured steering committee established," Della Fave said. "I think Tom (Newman) and myself should be on it along with the mayor and a couple other council people. We need to tighten this talk of cooperation."

Della Fave said it is also important for the council to establish a timetable for the planning process.



# Hoboken city council tries to agree

By Robert Hardt Jr.  
Journal staff writer

Hoboken City Council members last night pledged to settle their differences over the defeated waterfront development plan and to start work on a compromise solution for the area.

The council unanimously voted to refer the defeated plan to the city Planning Board and also to hold public hearings about the project's size, density, height and "other relevant factors."

Council President E. Norman Wilson said he will appoint a four-man steering committee today that will begin considering alternatives to the Port Authority's development

plan for the Hoboken waterfront. In a citywide referendum on July 10, the \$30 million Port Authority plan was defeated by 12 votes.

After the referendum failed, Mayor Patrick Pasculli, who had supported the plan, said the city was in fiscal crisis and that taxes would have to be raised drastically.

Council members yesterday said that new proposals for the waterfront should be explored.

"I do not want to close the door on the Port Authority but I want to keep the door open for others in terms of development strategy," said Joseph Della Fave, councilman for the Second Ward.

Mayor Pasculli was concili-

atory to the council members who had opposed him and the plan.

"I think a lot of good things have been said tonight," he said, only getting testy when Della Fave said Hoboken had been "bamboozled" by the Port Authority.

"We certainly weren't bamboozled," he said. "I stand by the plan but I'm not locked in."

Community activists who led the fight against the development were pessimistic about last night's developments.

"They are still looking at a plan which the voters defeated and giving it more consideration," said Lance Morrow, member of the Coalition for a Better Waterfront. "Don't pay attention to what they say, pay attention to what they do."

"Saying 'We want the public,' but then not seriously considering other plans is oxymoronic," said another coalition member, Patrick Smith.

"You don't push through a 100-year plan based on a three-month fiscal crisis," he said.

# State talking tough on school funds

Continued from Page 1

education, will also help the districts plan and execute programs.

Every district's programs will be tailored to its needs, Ellis said. "We don't want a cookie-cutter approach."

Strategies that have proved successful in many school systems and that Ellis said would be likely choices for the 30 urban districts include pre-kindergarten; smaller class sizes in early elementary grades; an extended school day, through afterschool programs, Saturday classes or summer school; a focus on teaching core skills to elementary school students; peer tutoring and community service; alternative education programs for students at risk of dropping out or failing; and programs to involve parents more in their children's education.

The new programs will go into effect in the fall of 1991, when the extra state money arrives, Ellis said.

As commissioner, Ellis has the right to approve or reject districts' plans for spending

## State education aid and local school tax rates

State aid in millions of dollars and local school tax rates estimated in dollars per \$100 of assessed property value

City	1990-91		1991-92		1996-97	
	Aid \$M	Tax \$	Aid \$M	Tax \$	Aid \$M	Tax \$
Bayonne	17.6	1.05	25.3	1.20	37.6	
E. Newark	1	.84	1.6	.75	2.4	
Guttenberg	1.5	.74	1.7	1.16	2.6	
Harrison	3.9	.91	6.3	.84	9.4	
Hoboken	9.4	1.44	13.2	1.24	19.4	
Jersey City	114.4	1.09	155.8	1.07	230.9	
Keany	9	1.09	12.7	.90	18.9	
N. Bergen	10.1	1.10	19	1.03	28.1	
Secaucus	2.3	.50	2.5	.50	1.6	
Union City	33.5	1.05	47.3	1.08	70.5	
Weehawken	2.6	.81	3.1	.97	4.6	
W. New York	21.5	1.05	33.4	1.08	49.7	
COUNTY	227.4	—	322.4	—	476.1	

Source: N.J. Department of Education  
Estimates are based on projected enrollments. Actual school tax rates may vary because the estimates are based on taxation at full value and do not take into account local provisions such as abatements.

their extra money.

"I will need to be satisfied that these plans do provide for demonstrably improved pro-

grams for students, or I will not approve them," Ellis said.

Districts' success will be measured through concrete in-

dicators such as test scores and drop-out rates, and those that consistently fail to measure up could be candidates for state takeover, Ellis said. Jersey City's schools were taken over last fall, after the state declared them "educationally bankrupt."

Ellis conceded that it will be a tall order to implement substantial new programs in 30 troubled districts while keeping up with the rest of the education department's responsibilities — all with a staff from which the governor has cut more than a dozen positions.

The new school funding law focuses especially on the urban districts whose level of funding the state Supreme Court declared unconstitutional in its recent Abbott vs. Burke decision. But Ellis said he would not neglect the state's other 500 districts.

"The goal is to create world-class schools for all of our children," Ellis said. "The dilemma that we face is that many of our urban districts have been a disaster zone educationally."

# Hudson schools gain \$94.9M in state aid

By Deborah Yaffe  
Journal staff writer

Hudson County stands to gain \$94.9 million in state school aid next year, and all but one Hudson County school district will see its state education aid increase over the next seven years, according to state Department of Education estimates.

Hudson County districts will get \$227.4 million in school aid this year, rising to \$322.4 million next year. (See chart above.)

By 1996-97, according to state estimates based on pro-

jected enrollments, Hudson districts will be getting \$476.1 million.

The sole loser is Secaucus, which the state believes is wealthy enough to support its own schools without extra help. Although Secaucus will continue to get state money for programs such as special education and bilingual education, its total aid will start shrinking in 1992-93.

State tax figures don't exactly reflect the numbers that homeowners see on their tax bills, because the state figures are calculated according to special formulas that assume

all property is taxed at its full value. That may not be true in communities that grant tax abatements to developers.

State school aid estimates are also provisional, depending on projected enrollments that could well turn out to be off target.

Hudson County's other districts are generally big winners under the new education act.

Jersey City, the county's biggest district with 27,000 students, will get \$155.8 million in aid next year, up from \$114.4 million this year. The state estimates that local taxes could fall slightly, from \$1.09 per \$100

to \$1.07 per \$100. By 1996-97, Jersey City's aid will rise to \$230.9 million, the state estimates.

Other Hudson districts follow similar patterns, although not all can expect a tax decrease, according to state figures. But figures for individual districts are less reliable than the overall pattern, says Assistant Education Commissioner for Finance Robert Swisler.

Overall, with an extra billion dollars being pumped into the state's education system, "there's a high, high, high likelihood of tax reduction," Swisler said.

# 24 janitors racked up \$48,960 in overtime for moving desks

By Jo-Ann Moriarty  
Journal staff writer

Overtime costs for 24 Hoboken janitors who are preparing Hoboken High School for asbestos removal came to \$48,960 for 12 days of work, according to payroll records at the Board of Education.

Twenty-four janitors were paid for six to eight hours of work each day during the week and up to 16 hours of overtime on Saturdays and 16 hours of double time on Sundays, said Anthony Curko yesterday. Curko, the district business administrator, approved the overtime.

Patrick Pantoliano, director of custodial services, submitted an overtime bill for \$3,100 for 132 hours of overtime pay between July 11 and July 22, records show. Of that amount, 98 hours were overtime, 34 hours double time.

His wife, Geraldine, is vice president of the Board of Education. Mrs. Pantoliano said yesterday that the in-house work saved the school system money.

"They worked like dogs. They deserve every penny of it," Mrs. Pantoliano said. "I think we should commend them for it."

Mrs. Pantoliano, chairman of the building and ground committee, wrote a report to the school board blasting the high school faculty for leaving the school for the summer recess as though "they were returning to work the

next day."

About 2,000 chairs with attached desks were moved, workers said.

Board President James Farina said "the bottom line is that the school board saved money." He estimated that private movers would have charged upwards of \$300,000. "The amount of money spent was well invested," Farina said.

Dennis Doneman, the janitors' union representative, received 132 hours of overtime during the same period. His pay totaled \$3,077.

Another worker, Charlie Kolmer, was paid \$2,892 for working 188 hours of overtime and double time during the 12-day period.

The workers were needed to pack classroom and library furniture and move it three floors to the first-floor gymnasium, he said.

Curko said that the work probably saved the school system \$600,000. The bid to remove the asbestos from 1,008 square feet of tiles at the high school was awarded at \$631,000, he said.

"By moving the furniture and doing our own work, we probably cut the bid by half," Curko said. "To spend \$49,000, we saved \$600,000," Curko said.

The men worked from 4 p.m. to midnight during the week and from 8 a.m. to midnight

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# 24 janitors got \$48G to move school desks

Continued from Page 1

on weekends, he said. The overtime was worked after the men finished their regular weekly hours of 7 a.m. to 4 p.m., he said.

Curko did confirm the overtime total but refused to show the payroll records to The Jersey Journal, which later obtained a copy of the payroll for janitors.

Curko said that school ended June 30 and the men began cleaning and sweeping the high school of debris the first week of

July. The overtime work began the following week.

The preparation work wasn't begun sooner because the school system was unsure about the ability to finance the procedure, he said. The voters rejected a \$1.2 million bond in April. The federal government awarded a \$748,000 grant in May.

The asbestos company began work July 23, although it began bringing in its equipment July 19, he said. The work

# Taxpayers foot failed S&Ls' bill

By Bill Campbell  
Journal staff writer

The reasons for the collapse of Elysian Federal Savings Bank in 1987 have not been fully revealed, but the failed Hoboken thrift has at least one thing in common with the hundreds of other failed S&Ls: the taxpayers will foot the bill.

Taxpayers will pay \$33.5 million to bailout Elysian, a drop in the bucket compared to the \$500 billion to \$1 trillion that will be needed to shut down all insolvent S&Ls over the next ten years, according to government estimates.

The Resolution Trust Corp. by June 30 had seized 454 failed thrifts, "resolving" 207 of them. It plans to resolve an additional 130 by the end of the year — 77 in the July-September quarter and 53 in the October-December period — leaving it with 117 institutions.

However, the agency's chief, L. William Seidman, cautioned that the cleanup would not be even half finished. Officials expect at least 250 more failures and possibly as many as 450.

Under mounting political pressure to speed the pace of the thrift cleanup, the Resolution Trust Corp. announced a "clearance sale" Wednesday, aimed at unloading \$50 billion in assets from failed S&Ls.

Seidman called it an ambitious goal that, if met, would "move the process along in a really expeditious way."

Alleged fraud is another common thread between Elysian and the national savings and loan crisis with the indictment yesterday of Ernest Badaracco Jr., the thrift's former chief executive.

The U.S. Justice Department charged Badaracco with ten counts of fraud and extortion stemming from his dual roles as bank president and partner in electrical contracting

companies.

Badaracco faces 200 years in prison and \$10 million in fines for forcing developers whose projects were funded by Elysian to use his electrical companies, according to U.S. Attorney Michael Chertoff.

But those stiff charges don't make Elysian unique. The Resolution Trust Corp., established by Congress last year to manage the thrift bailout, said it has referred about half of the 454 S&Ls seized by the government to the Justice Department for suspected criminal misconduct.

James Dudine, the RTC's chief investigator, said Wednesday his agency estimates that 80 percent of those cases involve fraud and insider dealing and warrant "major criminal investigations."

One of the most prominent cases involves President George Bush's son, Neil, a director of Silverado Banking, Savings and Loan Association, a Denver-based thrift that failed in December 1988 at a cost to taxpayers of \$1 billion.

Bush has been accused of conflict of interest as a savings and loan director by approving multi-million dollar loans to business associates. That probe continues as he continues to dispute key points raised by regulators in the case.

Federal officials are considering lawsuits to recover misspent funds from the officers and directors of some 1,300 failed banks and savings institutions, Seidman has said.

Suits already have been filed against 500 institutions, he said. Approximately \$100 million was recovered last year and more than \$200 million in the first half of this year, he said.

"That is in excess of \$1 million per day in recoveries" in 1990, he said.

The Associated Press contributed to this story.

# Hoboken School board told look outside city

Continued from Page 1

as a private consultant after the district fell into Level 3 monitoring when tests scores for basic skills fell below state standards.

"There is a growing confidence in the public school system," Corcoran said, adding

that "there is a risk that the growing confidence would be jeopardized" if school board members limit their scope for a new schools head.

But Eddie Garcia, elected in April, said yesterday that he agreed with Farina in limiting the search. "I believe in staying

within the system unless otherwise they can prove that we don't have qualified people in the system. I am going to stick to those guns," he said.

Otto Hottendorf joined Trustee Claire DePalma's position that the board should name Francis McGorty, now as-

sistant superintendent, as acting superintendent and conduct a thorough search.

Hottendorf maintained that by law McGorty automatically becomes the acting superintendent until Fine formally retires and a successor has been selected.

# Schools asked to widen search

State official says board must look outside city for new superintendent

By Jo-Ann Moriarty  
Journal staff writer

Hoboken will not be certified if the Board of Education refuses to search for a new superintendent outside the district, a top-ranking state official said yesterday.

"We expect the board to open up the process and certainly look beyond Hoboken," said Walter McCarroll, assistant commissioner of education.

Failure to do that would mean Hoboken, now under state monitoring, "won't be certified," McCarroll said.

At issue is finding a replacement for Walter Fine, superintendent of schools, who plans to take a leave of absence in September and officially retire in June.

James Farina, president of the Board of Education, is pushing the appointment of Fourth Ward Councilman Edwin Duroy, the principal of Connors elementary school.

Farina has told The Jersey Journal that he wants to appoint Duroy acting superintendent and conduct a search within the school district for a permanent appointment.

Although Duroy holds a doctorate in education and two master's degrees, his appointment may be perceived as a political payback because he is influential in the Fourth Ward whose vote historically is needed in Hoboken to win the mayoralty.

"This isn't a job that has property rights attached to it," McCarroll said. "The board has the final decision but we can insist that an open process be followed," he said.

"We would be very distressed over a political appointment. It is basic common sense (to open the process). They can't put the schools at

risk," McCarroll said. "The right thing in this case is an open selection process." McCarroll said. "We can't have business as usual."

Tom Corcoran, the governor's policy advisor on education, said that for the sake of public confidence, the school board needs to open up its search for a successor to Fine.

Failure to do so would give "substance to the claims" the appointment was political, Corcoran said. "It would be a disservice to the person you hire, who may indeed be the best candidate," he added.

Corcoran worked with the Hoboken Board of Education

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# N.J. talks tough about school aid

Urban districts to be held accountable for the massive infusions of state aid

By Deborah Yaffe  
Journal staff writer

State Commissioner of Education John Ellis yesterday unveiled a system of support and supervision designed to hold poor urban districts, including five in Hudson County, accountable for the massive infusion of state money they will start getting next year.

"The dollars must be spent wisely. The dollars must go to students. The dollars must go for programs that we think have a responsible chance of success," Ellis said at a press conference following his presentation to the state Board of Education in Trenton. "We intend to be tough-minded about that."

Thirty urban districts, including Harrison, Hoboken, Jersey City, Union City and West New York, have been singled out for special help under the new education funding law, the Quality Education Act of 1990.

The law establishes a minimum foundation of per pupil spending that every district must meet, either through local property taxes alone, if the district is determined to be

wealthy enough, or through a combination of local taxes and state aid.

The 30 "special needs" urban districts — the choices based on socioeconomic data — will get 5 percent more foundation aid than the rest of the state's school districts, starting in the 1991-92 school year.

Jersey City will see its state aid rise by \$53.5 million from 1990-91 to 1991-92, and the other four special needs districts in Hudson will also get big increases in aid.

To make sure the extra money is well spent, Ellis said, districts this fall will form teams of key school employees to identify what the district needs, plan programs to fill those needs, and put those programs into effect.

An external review team composed of Department of Education specialists and representatives of other education, business and community service groups will work with the districts on the planning.

An Urban Assistance Group, which Ellis described as a "brain trust" of state and national specialists in urban

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# Sister Catherine Hurley, in Hoboken for 31 years

Sister Catherine Baptista Hurley, 72, died yesterday at St. Mary Hospital, Hoboken. Born in Roxbury, Mass., she lived in Hoboken for more than 30 years.

She taught at Our Lady of Grace school, Hoboken, for 31 years, and was in residence at their convent.

"She was an energetic and creative teacher who challenged students and helped them see the value of developing their God-given talents," said Sister Maureen Dunne, assistant provincial of the Sisters of Charity, Western Province.

Hurley entered the Sisters of Charity of the St. Elizabeth Convent, Convent Station, in 1935 and professed her vows in 1938. She received a B.S. degree in education from St. Elizabeth College.

Hurley also taught at other parochial schools in Hudson, Bergen and Essex counties, including St. Charles, Newark; St. Philip, Saddle Brook, and all Saints, Jersey City.

J.J. 8-7-90

Surviving are two brothers, Walter and Paul, and two sisters, Kathleen Carroll and Sister Eileen Hurley, S.C.

Mass will be offered at 10:15 a.m. tomorrow at Our Lady of Grace Church, Hoboken. Arrangements are by Earl P. Bosworth Funeral Home, Hoboken.



# Former Elysian CEO indicted

Jersey Journal 8-3-90  
By Bill Campbell  
Journal staff writer

The former chief executive officer of the failed Elysian Federal Savings Bank in Hoboken was indicted yesterday on ten counts of fraud and extortion by a federal grand jury in Newark.

Ernest Badaracco Jr., 59, is accused of extorting \$350,000 from four Hoboken real estate developers who had loans with Elysian.

The indictment charges that Badaracco forced the developers to hire electrical companies in which he had an interest, according to U.S. Attorney

## Federal officials had seized and sold the thrift

Michael Chertoff. If convicted, Badaracco faces 200 years in prison and up to \$10 million in fines.

"This is an egregious example of misconduct by a savings and loan officer," Chertoff said. "The act of shaking down loans and kickbacks is a classic perversion of the obligation of trust a S&L official owes the institution."

Badaracco did not return a message left on an answering machine at his home in Brielle. His attorney, Ger-

ald Miller of Jersey City, was not at his office and unavailable for comment. Badaracco's actions in the indictment were not solely responsible for the thrift's failure, said Chertoff, adding that a separate probe of Elysian's operations is continuing. He would not comment on the ongoing probe or whether other indictments against Badaracco or other directors were imminent.

"We are not alleging that the thrift's failure was a result of these

actions, but they may have been components," he said.

The remains of Elysian Federal were sold by the government to Pamrapo Savings Bank of Bayonne for \$1.2 million on June 30. Elysian was seized by banking regulators in February of 1989.

The Resolution Trust Corp., the federal agency charged with closing failed thrifts, retained \$72.8 million of Elysian's assets, consisting mostly of real estate development loans and

properties the thrift acquired, but is anticipating a loss of about \$33.5 million, officials said.

In essence, taxpayers will foot the \$33.5 million bill. About \$60 billion has been spent so far closing and liquidating 453 failed thrifts nationwide, according to the Federal Deposit Insurance Corp. The General Accounting Office has estimated that between \$500 billion and \$1 trillion will be needed over ten years to close unhealthy thrifts.

Chertoff said the U.S. Government's increased emphasis on rooting

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## Moving firms could have saved money

Continued from Page 1  
niture been returned to its original location.

John Fagel, the regulation compliance manager at the TRG asbestos company — which submitted the lowest bid to remove asbestos-ridden ceiling tiles, said that company would have increased its bid of \$631,000 by four to six percent if workers had to move the furniture.

In dollars and cents, that meant adding \$4,000 to \$5,000 to the bid, he said.

Fagel, though, said that unless he saw the amount of furniture to be moved, it would be difficult to estimate the moving cost.

"I wouldn't say more than \$10,000. But it's hard to say, I've got to see the existing conditions," Fagel said.

Using these numbers supplied by the Hoboken School system, each janitor moved 1.178 items per hour. They were paid approximately \$15 for each item moved.

Allied Van Lines would charge \$35,000 for the job using 24 men and paying them \$20 per hour.

But Atlas Van Lines said no more than 12 to 14 men should be used for an inside school job. The packing and moving should cost \$25,000, according to a company spokesman.

"Someone made out real well on this one," said the spokesman who is familiar with Hoboken High School. "If you have an elevator you can only use a certain number of men."

School officials say they saved the school district \$300,000 by using their janitors instead of professional movers.

Tony Curko, business administrator, said that the decision by the administration to pay overtime instead of having the asbestos company performed the work was based on advice from the private engineer that the in-house work would have cut the asbestos bid in half.

The private engineer assigned to the project, Jim Ferri, did not return telephone calls to the Jersey Journal.

Curko said that there was no time to have the move performed by a private firm. He said that he learned July 9 that the furniture needed to be moved but that there wasn't enough time to advertise the bids.

Fagel agreed with Curko that it is best to move all furniture out of the rooms when workers are removing asbestos from 100,000 square feet of ceiling tiles.

But Fagel said unless each room was stacked with furniture, the bid would not have doubled if the private company moved the furniture.

"It sounds to me like they milked it," Fagel said.

James Farina, president of the Board of Education, insisted that the private work saved the city money and discredited quotes from private moving companies that the work could have been done cheaper.

Farina maintained that the cost would have been upwards of \$300,000.

But the work drew criticism among board members.

Claire DePalma, school board trustee, said that she thought the overtime amount "seems high. I need to talk to Tony on that figure."

Twenty-four janitors were paid six to eight hours each day during the week and up to 16 hours of overtime on Saturdays and 16 hours of double-time on Sundays, Curko said.

The men worked from 4 p.m. to midnight during the week and from 8 a.m. to midnight on weekends, he said. The overtime was worked after the men finished their regular weekly hours of 7 a.m. to 4 p.m., he said.

About six janitors worked at the high school all day and the rest came at 4 p.m.

DePalma said she believed "all the janitors would be pulled to the high school to get the job done."

Workers get double-time on Sundays. Pantoliano's husband, Patrick, is the director of custodial services and he received \$3,100 for 132 hours of overtime during the 12-day period.

Headed Hoboken's Elysian Savings

# Ex-Bank President indicted

## Grand jury indicts Elysian's former CEO

Continued from Page 1

out S&L fraud will result in an additional five agents in Newark being assigned to banking probes. "The S&L problem is not as dramatic here as in the Southwest, but we are investigating bank fraud aggressively. "We may see more fruits of these efforts in the next few weeks or months, or even sooner," he said.

During Badaracco's tenure, Elysian grew from a small institution with \$33 million in assets in the early 1970s to an aggressive thrift with assets of more than \$286 million by the time he resigned in August of 1987 following a board of directors meeting.

Sources familiar with Elysian's operations said the Federal Home Loan Bank Board, now called the Office of Thrift Supervision, asked Badaracco to resign after a routine audit.

Subsequent Elysian managers wrote off bad loans and implemented new accounting standards.

When Elysian was finally

sold, it had assets of \$117 million.

Described by associates as brash and tough-talking, Badaracco and Elysian were credited with playing a major role in Hoboken's real estate renaissance.

"Ernie was the bank and the bank stood for development," a Hoboken developer once said.

The indictment alleges that from February of 1984 through August of 1987, Badaracco used his position to secure business for Badaracco Brothers, Co., Inc. 1067 Electric, and Bad-Mar, Inc., companies in which both the defendant and members of his family had an interest.

Badaracco Bros. and 1067 Electric are both insolvent, according to state records. Cher-

toff said Bad-Mar, based in Hackensack, is still in business. Badaracco filed for personal bankruptcy in March of 1988, listing debts of \$683,500.

The indictment mirrors four civil suits filed by the developers whose properties were mentioned in the federal criminal suit. Prosecutors are expected to ask to hold off the civil suits until the criminal suit is resolved.

The developers are: Alan Richards and Perry Belfiore, Patricia Touhy, and Eli Dressler.

The indictment charges that Badaracco "did knowingly and corruptly solicit, demand, accept and agree for his benefit" and the electrical companies: \$78,300 from Touhy, developer of the Crystal Condos at 530-532 Jefferson St., and

\$40,000 from another of her projects on 14th Street; \$179,000 from Richards and Belfiore, developers of Bridge Court at 223-233 Adams St.; and \$32,000 from Dressler, developer of Court Street Condos at 61 Fifth St.

"I feel vindicated," Belfiore said yesterday. "Now I finally hope people understand that I haven't been crying wolf all along. God bless America."

Richards' and Belfiore's civil suits contend that Badaracco threatened to foreclose on their projects if they didn't hire Badaracco Bros. and 1067 Electric to perform work on the building. They also allege that the two companies employed the same workers and did the same job, but billed the developers twice.

## HOBOKEN

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of the savings bank in 1967.

The younger Badaracco catapulted the institution's assets from \$1 million in 1967 to \$300 million 20 years later and invested heavily in local development. He left Elysian in late 1987 under sudden and mysterious circumstances.

"(Badaracco) lent money at a time when a lot of other banks weren't lending," said local Realtor Robert DeRuggiero. "He built Elysian up by a sizable amount and helped build the city up at the same time."

Councilman Steve Cappiello, who was mayor during much of the city's boom era, said he was surprised by Badaracco's indictment.

"I'd say a lot of people got a lot of help from him," Cappiello said. "There's no doubt he was instrumental in much of the development in town. He was known to drive a hard bargain, but this comes as a bit of a shock."

Sam Shafraan is one person who knows how tough Badaracco could be.

Shafraan and two partners borrowed \$3.7 million from Elysian to buy the Sadie Leinikoff School from the city and convert the 74-year-old building into moderately priced condominiums.

"Ernie was a man of his word," Shafraan said. "But he could make things very difficult for you. Once he had you, he sort of ran things like a dictator."

Shafraan said Badaracco never put pressure on him to use his electrical contracting firm.

In fact, Shafraan said, Badaracco Bros. submitted a bid to do the electrical work at the site, but the bid was rejected in favor of a better offer.

Perry Belfiore, one of four developers Badaracco is alleged to have pressured to use his company, said, "his company was the pits."

Belfiore, who said he was forced to use Badaracco Bros., has a civil suit pending against Badaracco. "This is a relief to me," Belfiore said. "This is a vindication of the position I've maintained for two years."

## BANK

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530-532 Jefferson St. and for condos at 205-207 14th St.

The grand jury charged no developer with wrongdoing.

In exchange for the loans, authorities said, the developers were forced to use three electrical work: Badaracco Brothers & Co. Inc., which was next door to the thrift at Washington and Fourth streets; 1067 Electric Inc. of Fort Lee; and Bad Mar Inc. of Hackensack.

Badaracco and members of his family held a financial interest in all three companies, which fraudulently reaped \$346,500 from the developers in five separate contracts, according to the indictment.

Chertoff called the alleged "bribery arrangement" a "classic perversion of the obligation of trust" that a savings official owes his institution and people who put their money in it.

The FBI investigation of Elysian, which started three years ago, is "most definitely con-

tinuing," he said.

The indictment comes amid mounting political pressure on the U.S. Justice Department to step up the pace of its savings and loan fraud prosecutions. The estimated cost to taxpayers of bailing out failed savings institutions nationwide has grown to more than \$500 billion.

The federal government's takeover of Elysian in February 1989 has cost taxpayers about \$33.5 million, according to the federal Resolution Trust Corp.

The RTC sold Elysian, one of 12 insolvent savings institutions in New Jersey to be seized by the federal government, to Pamrapo Savings Bank of Bayonne on June 29 for \$1.2 million.

Elysian's deposits had dwindled from \$270 million in 1986 to \$117 million in June.

Pamrapo, described by the New Jersey Savings League as a "very, very strong institution," has assumed \$25 million of Elysian's loans, leaving the government to collect on the rest.



Journal photo by John Gastaldo

Hoboken entrepreneur Matthew Muzio of Shirt Shack on Washington Avenue shows off his new anti-Maxwell House T-shirt.

## Last drop leaves coffee workers with bitter taste

By Robert Hardt Jr.  
Journal staff writer

Is the last drop really so good? Matthew Muzio, a Hoboken designer, has created an unfriendly twist on the Maxwell House slogan and come up with a fast-selling T-shirt that says, "The last drop was bitter." If T-shirts best capture the local mood, then Muzio has his finger on the pulse of this waterfront city.

Because of Maxwell House's June 27 decision to close its 50-year-old Hoboken plant by March 1992, many residents no longer view the General Foods subsidiary as a local hero.

Muzio's anti-Maxwell House T-shirts featuring the slogan and a slash through the Maxwell House name have been selling briskly for the last 10 days at his Shirt Shack business on 123 Washington St.

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## Moving firms could teach schools thrift

By Jo-Ann Moriarty  
and Dan Rosenfeld  
Journal staff writers

Hoboken's school board could have saved taxpayers tens of thousands of dollars if it hired a private moving company to cart furniture away from an asbestos removal site in the city's high school, according to moving firms.

Instead, the school board paid overtime to 24 janitors to move furniture out of three floors of Hoboken High School between July 11-22 while asbestos tiles were removed from the building, costing taxpayers \$48,960.

At least two major moving companies said they could have done the same job for

between \$25,000 to \$35,000, and the company that removed the asbestos from the building said it could have done the job for even less money.

The 24 janitors worked a total of 1,536 regular pay hours and 2,710 hours of overtime for a total of 4,246 hours. They had to move 2,000 desk-chairs, 1,000 books, 100 teachers desks and 1,900 boxes for a total of 5,000 items. These items were moved out of areas which must have asbestos tiles removed.

The school board maintains its decision to have janitors move the furniture saved hundreds of thousands of dollars. The janitors have not been paid yet, nor has the fur-

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## Coffee plant closing leaves a bitter taste

Continued from Page 1

"It's great," he says. "I've wholesaled five dozen and retailed three dozen."

Muzio says that he came up with the idea after a man whom he would identify only as "someone affiliated with Maxwell House" came into his store and urged him to make the design. With help from his brother Ed, Muzio thought up the slogan.

"Mostly men have come in and asked for the shirt," says Mary Irwin, an employee. "They come in. They don't want one — they ask for five."

"Seven guys from Maxwell House came in the other day,"

Muzio said. "They're bummed out in a way. I don't want things to go bad for them so I can make a dollar. But in some ways, the shirt helps out by making people feel better."

Maxwell House President Ray Viault announced the factory's closing in June, saying coffee consumption in the United States is down. A layoff schedule at the 600-employee plant is due within the next six weeks. Workers at the plant with at least five years of experience will be retained until March 1992, Viault said at the time. Most of the Maxwell House workers live in Hoboken.



# Bank Shells Out \$1.3 Million

## Shareholders win federal court case

By DAVID REILLY  
The Hudson Dispatch

HOBOKEN — Washington Bancorp Inc. agreed yesterday to pay \$1.3 million to shareholders who accused the bank of giving them "false and misleading" information.

The bank and its subsidiary, Washington Savings Bank, agreed to settle the two-year-old lawsuit in an agreement entered in U.S. District Court in Newark.

The agreement must be approved by a federal judge. Randi Zinberg, a shareholder in the company, filed the suit in November 1988, alleging that the bank violated securities laws when it added \$10 million to its loan-loss reserve, which covers bad loans.

The addition caused the bank to change its quarterly report from showing a \$818,000 profit for the second quarter of 1988 to showing a \$5.29 million loss. Zinberg alleged that the change was a "misstatement of the facts regarding the bank's financial condition."

At the time, financial analysts said that despite the loss, the bank was in excellent financial condition and met federal equity-to-asset ratio requirements. Under the settlement, the bank will pay Zinberg — and perhaps other shareholders — \$1 million, said Thomas Bingham, a spokesman for Washington Bancorp. The bank will also pay about \$300,000 to cover legal and other

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### Civil lawsuits mulled

## Bouncer and firefighter drop bar brawl charges

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — A firefighter and a bouncer involved in a highly publicized brawl at the Down Under pub earlier this year have quietly dropped criminal charges against each other.

But the April 21 incident — in which an off-duty city firefighter says he was beaten by at least one of the club's bouncers — probably will be the focus of two civil lawsuits.

Patrick J. Arre, attorney for Firefighter William Montanez, said yesterday his client is intent on recovering damages for injuries he says he suffered at the hands of Down Under employees, including bouncer Timothy Doherty.

"We will be suing the club and the owner," Arre said. "I'm still conducting an investigation into what happened and once that's concluded, I'll be filing suit."

Montanez, 30, initially contended that Doherty, 27, kicked and pummeled him without provocation in the club's back stairwell. Dozens of firefighters — calling the club "a bucket of blood" — picketed the club a week later.

But Down Under employees said Montanez was

drunk and disorderly.

"A criminal case would have no bearing on a civil suit," Arre said. "It just wasn't to anyone's advantage to pursue this thing in Municipal Court."

Montanez, who suffered multiple bruises and a gash on his head that required stitches, is back on the job as a firefighter, Arre said.

Down Under owner John O'Connor said he was pleased that Doherty and Montanez agreed to drop the charges against one another. But he hinted he might take legal action against the city's Fire Department unions for hurting his business.

"It was an unfortunate incident which obviously the two people agreed was neither one's fault," O'Connor said. "That demonstration really hurt my business for a couple of months. I had to spend a lot of money to get away from the negative publicity."

Andrew Markey, president of International Association of Firefighters Local 1078, said regardless of the charges being dropped, he believes the bouncers went too far in their handling of Montanez.

"I still say nothing justified the beating (Montanez) got," Markey said. "I'll leave that to his attorney."

## Board to consider terms of resignation by Fine

By Robert Hardt Jr.  
Journal staff writer

The Hoboken Board of Education tonight will consider the terms of resignation that Schools Superintendent Walter Fine submitted last week.

Fine, who has held the \$90,000-a-year job for four years, is requesting a paid leave of absence from September through June 1991, at which time he wants to be allowed to retire officially. Fine has worked in the Hoboken school system for 38 years and has not used several paid vacation periods or sick leaves. School officials estimate that honoring Fine's request could cost up to \$100,000.

"He wants a lot of things that are going to cost a lot of money," said board member Otto Hottendorf.

School Board President James Farina says that the time and the money are owed to Fine.

"I don't have any problems with the request. Some board members might," he said. "We'll see."

The board will meet at 6 o'clock tonight and

is expected to go into an executive session to discuss Fine's proposal. The meeting is supposed to be reopened to the public at 7 p.m.

Board Secretary Anthony Curko said he was unsure if Fine's resignation would be discussed publicly tonight.

"We'll see if the board decides to act on it," he said.

If the board accepts Fine's offer, the question of appointing an acting superintendent will also have to be answered. Farina said he wants to appoint Fourth Ward Councilman and Thomas G. Connors School Principal Edwin Duroy for the interim post. Fine and other board members, including board trustee Claire DePalma and Hottendorf, favor naming Fine's deputy, Francis McGorty, the acting superintendent.

If Duroy is named acting superintendent, DePalma said, the board would have to conduct a job search for Duroy's replacement as principal at the Connors Elementary School. DePalma said that the board should table discussion about Fine's resignation until Fine returns

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## Board to consider terms of resignation by Fine

Continued from Page 1

from his vacation in Africa.

Another dispute among board members concerns the job search for Fine's permanent replacement. Farina last week said he favored picking a candidate, perhaps Duroy, from within the district while other board members have said they want a wider search. Yesterday, Farina denied saying he wanted to focus on local candidates and not look at outsiders.

"I never said I wouldn't go that route," he said. "I never said we weren't going to have an open search."

State officials have said that if the search for Fine's replacement is not fair and open, the district's certification could be in danger.

Hoboken's system is cur-

rently being monitored by the state and judged to be at Level 3, one step before a state takeover.

"We're going to get the best possible candidate to get us out of Level 3," Farina said.

Mayor Patrick Pasculli said he welcomed the state's interest in the job search.

Walter McCarroll, assistant commissioner of education for New Jersey, said yesterday the state will monitor Hoboken's decision by looking at the finalists for the job.

"The state will not stand still," he said. "For a job search like this, you usually get down to three or four people who are so equal that you could flip a coin and pick them. If one of these candidates isn't as qualified, we'd know something was wrong," he said.

## Hoboken landlord arrested on warrants about building

By Robert Hardt Jr.  
Journal staff writer

Hoboken police yesterday arrested a landlord, saying his Monroe Street apartment building is a "rat hole" and that there were two warrants out for his arrest.

Daniel Makhoul of Saddle Brook was charged on two counts of failure to appear in court. Both appearances concerned his five-story apartment building at 600 Monroe St. He was released on \$200 bail.

The building has received two scathing inspection reviews by state and local officials within the last two years. State inspectors in November 1988 said that the building needed to be painted and that some rooms were full of garbage. Local inspectors this January ordered that all of the building's windows be replaced, the sidewalk be repaired, debris be removed from the building's back yard and cellar, wiring be fixed, and the

fire escape be painted.

Makhoul, who has owned the building since last December, paid \$430 in fines to the city but never fixed the building, police charge. He failed to appear in municipal court on June 19 to face a complaint that he was war-

rented the building's housing 11 of the building's 18 units, and on June 26 he did not respond to a summons that said raw sewage from the building was spilling onto the sidewalk.

Roy Haack, the director of the Department of Public Works, says in his report to the police that the dwelling is "unsafe for human habitation and all tenants of this building have been relocated."

But several tenants say they have turned down the Red Cross's offer of assistance and plan to stay in the building.

"I don't want to leave this place," said Frances Perez, a 14-year resident. "It's not so bad."

Charlene Borelli, a resi-

dent of the building for the last two months, says that Makhoul has been a good landlord.

"I was burned out of my apartment and he took me in," she said. "When I had problems with paying my rent, he cut it in half."

The biggest problem with the building is its basement, which sometimes fills with water and drains onto the street, they said. Only the building's seven vacant apartments need to be fixed, they said, rejecting the city's evaluation.

"We haven't leaned on our landlord because he's trying his best," Perez said.

Although police were there earlier in the afternoon to inspect the site, there was no signs of disruption at the building.

Two children played wiffleball in front of the entrance while tenants walked in and out. All residents reportedly refused the Red Cross's offer for other lodgings.

## Class suit is settled by thrift

Washington Bancorp sued by shareholders

By Bill Campbell  
Journal staff writer

Washington Bancorp, Inc. of Hoboken has settled for \$1.3 million a class action suit with shareholders who claimed negligence and fraud stemming from the thrift's disclosure of bad loans in 1988.

As a result of the settlement, the company — the parent of Washington Savings Bank — reported a net loss of \$624,000 for the quarter ended June 30, compared to a profit of \$222,000 for the same period last year.

The resolution of the suit will allow the savings bank's management to focus on reducing non-performing assets and other nuts-and-bolts issues, an analyst familiar with the institution said.

In a statement, the bank holding company said it has agreed in principle to settle the suit, which was filed in December of 1988. The settlement is subject to approval by the federal District Court in Newark, the statement said.

The investors sued after Washington Bancorp released its third-quarter earnings in 1988. A net income of \$818,000 for the period was revised weeks later to a \$5.2 million loss, due to bad business loans, the bank said.

The Washington Bancorp added \$10 million in reserves for bad loans after the disclosure and halted commercial lending.

Shareholders, led by Randi Zinberg of Essex Fells, sued, claiming the savings bank misrepresented its financial condition by releasing inaccurate information. Investors who bought stock after the quarterly gain was reported sued for compensation for the value their shares had dropped after the loss was reported.

Washington Savings raised \$22.7 million by issuing 2.3 million shares of common stock in May of 1987. The bank's stock was trading at about \$20 a share when the initial gain for the third quarter of 1988 was reported, but dropped sharply after the revised loss was announced. The stock is now trading at an all-time low of \$4.25 a share.

But Sam Biebee, an analyst with Williams Securities Group of Tampa, Fla., is optimistic about the future of Washington Bancorp. "They needed to get (the settlement) behind them so now they can focus on other things like non-performing assets," he said.

Biebee said Washington Savings Bank, like many other financial institutions in the northeast, is suffering due to the downturn in the real estate

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## Washington Bancorp settles suit

Continued from Page 1

market. "I have a lot of confidence in Washington Bancorp," he said.

He cited a major recent stock purchase by Ted Doll, the bank's president, as an encour-

aging sign. "He has been working personally to get the portfolio back in shape and has made a major purchase. That's a very good sign," Biebee said.

Doll was unavailable to comment on the settlement.

## Tenants remain in squalor

By EDWARD K. SHANAHAN  
The Hudson Dispatch

HOBOKEN — City officials finally caught one of the city's most notorious landlords yesterday, threw him in jail and condemned the violation-racked downtown tenement he owns.

Authorities had sought Daniel Makhoul, 29, since June, when he failed to appear in Municipal Court on two separate occasions: once for allegedly warehousing apartments at 600 Monroe St., and once for allegedly allowing raw sewage to flow into the street at the same location.

Yesterday, with two arrest warrants hanging over his head, Makhoul turned himself in at police headquarters about 2 p.m.

"We cannot allow the residents of the building to live in squalor anymore, or allow the landlord to live outside the law," Mayor Patrick Pasculli said. "Makhoul violated just about every legal and moral code."

The 18-unit building started falling apart long before Makhoul bought it in December,

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## TENANTS

CONTINUED FROM PAGE 1

but has further deteriorated under his ownership, officials said.

Engineer James Caulfield, hired by the city to inspect the building after Makhoul was locked up, deemed the five-story walkup "unfit for human habitation."

"I was a city building inspector from 1970 through 1980," Caulfield said. "I never saw a building this bad."

Caulfield said the building has inadequate plumbing, electrical circuitry and smoke detectors. About an hour after being arrested, Makhoul posted \$200 bail and left police headquarters. He is scheduled to appear in Municipal Court Aug. 23.

A tour through the building revealed a water-soaked basement, vacant apartments with gaping holes in the ceiling, and water dripping from broken pipes. Tenants said they have been without hot water for nearly three months.

But no matter how bad conditions in the building are, the residents are not ready to leave. They don't want to trade squalor for uncertainty.

When American Red Cross representatives arrived yesterday to offer tenants temporary shelter, they were turned away.

"I'd rather stay here than live in the streets," said Rose Quinones, cradling a small child on the cement stoop of 600 Monroe St. "If we go with Red Cross, they put us in a hotel for one night. Then what? The city's got to find us apartments if they're going to put us out of here."

Pasculli said the city will try to repair the Monroe Street building or place its residents in government-subsidized housing.

"Sure, we want to get into better buildings, but all we hear is there's no room," said Frances Perez, Quinones' mother, who has lived in the building for 14 years. "Until they get us something else, we'll stay here. We've been fixing this place up ourselves anyway."

## 6 people paid for no work

By Robert Hardt Jr.  
Journal staff writer

Although they never worked on the polls during the July 10 referendum, six Hoboken residents last week received \$75 checks for supposedly doing so.

The six people, who had been board workers in previous elections, received checks because of a computer error while one woman who actually worked didn't get paid immediately, said City Clerk James Farina.

"It was an honest mistake," he said. "We've sent registered letters to everyone telling them to return the money or not cash the checks."

Farina said he discovered the mix-up after an honest person who received a check asked him what it was for.

One Hoboken woman who received a check said she is mad at Farina.

"It wasn't a mistake," Angelina Fileccia said. "They sent the checks so they can say that they spent a lot of money on the referendum. What a waste of the taxpayers' money."

In the referendum, Hoboken voters narrowly defeated a 3.2-million-square-foot development for the city's southern waterfront.

City Councilman Joseph Della Fave was critical of Farina's office for making the mistake.

"It looks like shoddy book-keeping," he said. "It's bad paperwork on the side of the city clerk."

## City police lauded for DWI arrests

HOBOKEN — The city's police department won the New Jersey Safety Council's Award of Commendation for outstanding enforcement of drunken-driving laws in 1989.

Capt. Carmen LaBruno, acting police chief, said the department's performance is impressive because 82 police departments competed. LaBruno said the department last year made 67 arrests for driving while intoxicated at 13 different checkpoints.

LaBruno lauded Mayor Patrick Pasculli for focusing attention on the enforcement of drunk driving laws.

"Mayor Pasculli has demanded that an aggressive campaign be waged against drunk driving in Hoboken," LaBruno said. "We have complied, and the results are obvious."

—EDWARD K. SHANAHAN.