

UNION COUNTY BOARD OF CHOSEN FREEHOLDERS

THURSDAY, MARCH 1, 2012
AGENDA SETTING MEETING MINUTES

CALL TO ORDER

Chairman Alexander Mirabella called the meeting to order at 7:07 PM.

Attendee Name	Title	Status	Arrived
Angel G. Estrada	Freeholder	Late	7:13 PM
Christopher Hudak	Freeholder	Present	
Mohamed S. Jalloh	Freeholder	Late	7:08 PM
Bette Jane Kowalski	Freeholder	Present	
Deborah P. Scanlon	Freeholder	Present	
Daniel P. Sullivan	Freeholder	Present	
Vernell Wright	Freeholder	Present	
Linda Carter	Vice Chairman	Present	
Alexander Mirabella	Chairman	Present	

Also present were County Manager Alfred J. Faella, County Counsel Robert E. Barry, Esq. and Clerk of the Board James E. Pellettiere.

PRAYER AND SALUTE TO THE FLAG

The Prayer and Salute to the Flag were lead by the Clerk of the Board.

STATEMENT OF COMPLIANCE WITH THE OPEN PUBLIC MEETINGS ACT

The statement of compliance with the Open Public Meetings Act was read by the Clerk of the Board.

PRESENTATION TO THE BOARD

JFK Health Systems Presentation relative to Muhlenberg Property located in Plainfield.

Mr. Brian Hague, Vice President - MWW Public Affairs.

Steven Weiss, Director of Public Relations/Marketing

Chairman Mirabella thanked Vice Chairman Carter for her advocacy with Muhlenberg Hospital.

Chairman Mirabella introduced Adam Beder, Vice President of Legislative Affairs. He stated that the Muhlenberg Hospital property has been for sale for four years at the time the hospital closed. He said there has not been a single offer to purchase the property. They have looked at several land use options, such as luxury rental apartments, and light commercial development. They plan to continue the Muhlenberg School of Nursing. He stated that they are hoping to get the property back on the tax records, and to provide jobs and an economic benefit to the City of Plainfield.

The presentation is attached.

Chairman Mirabella asked if these ideas have been discussed with the Mayor of City and other

elected officials, if so, asked about their reaction.

Adam stated that there was a stakeholder meeting with elected officials, they spoke to the Courier News and had many meetings with different groups and plan to schedule more meetings. He stated that he interpreted that the elected officials are pleased with their ideas.

Vice Chairman Carter stated that they have received many calls and letters about Muhlenberg Hospital. She stated that its closing has had a major impact on residents of Plainfield and its surrounding areas. She said she will continue to be an advocate for a full service hospital, but she understands the current needs and economics of today.

Chairman Mirabella thanked the representatives of JFK Health for sharing their plans and vision and said he hopes to see it happen.

APPROVAL OF COMMUNICATIONS

Note and File

1. Oath of Office: Advisory Board on the Status of Minorities: - Felicie Desroches, Sylvia Fonesca and Hazel Walker.
2. Oath of Office: Commission on the Status of Women - Jennifer Erdos, Diane Murray and Carolyn Vollero.
3. Oath of Office: Cultural and Heritage Advisory Board - Conrad Person.
4. Oath of Office: Local Advisory Committee on Alcoholism & Drug Abuse - Carol Berger.
5. Oath of Office: Motion Picture & TV Advisory Board - George Castro.
6. Oath of Office: Shade Tree Advisory Board - Richard Hagopian.
7. Oath of Office: Union County Air Traffic & Noise Advisory Board – John B. Nicholas.
8. Oath of Office: Union County Emergency Management Council - Michael Prasad and Christopher Scaturro.
9. Oath of Office: Union County Fire Services Advisory Board - Joseph Houck, Paul Malool, Joseph Moschello and Christopher Scaturro.
10. Oath of Office: Clerk of the Board of Chosen Freeholders - James Pelletiere.

DEPARTMENT OF ADMINISTRATIVE SERVICES

Matthew N. DiRado, Esq., Acting Director / Director, Division of Personnel

1. Amending Resolution Number 2012-92 to reflect a name change to Union County's Dental Insurance policy with Delta Dental and Flagship Health Systems. **(Chairman Alexander Mirabella)**

Freeholder Estrada asked if Delta Dental is changing its name in reference to item #1.

Acting Director DiRado explained that they are not changing their name. It is only to incorporate the word "Flagship" to the Delta name. The purpose of item #1 is to bill out the portion of Flagship Healthcare.

2. Amending Resolution Number 2011-982 to reflect the 2012 account number only. **(Chairman Alexander Mirabella)**
3. Approving the qualified list of property holders that have met the standards of evaluation necessary to lease commercial space for the operation of the County of Union Division of Motor Vehicles. **(Chairman Alexander Mirabella)**
4. Authorizing the County Manager to designate the following vehicle as a surplus vehicle, no longer needed for County purposes, and authorizes the County Manager to dispose of the vehicle in accordance with N.J.S.A. 40A:11-36: 2006 Dodge Durango **(Chairman Alexander Mirabella)**
5. Authorizing the County Manager to donate the following vehicle: a 2006 Dodge Durango to the Borough of Fanwood as it is no longer needed for County purposes pursuant to N.J.S.A.40A:11-36(2) **(Chairman Alexander Mirabella)**

Chairman Mirabella asked about the vehicles in items #4 and #5.

Acting Director DiRado explained that the vehicle mentioned in those items are the same vehicle. It is a 2006 Dodge Durango that was used by the Union County Police Department. It needs to be deemed as surplus first, as mentioned in item #4 before being donated. This has always been the process.

6. Renewing the Third Party Administrators plan with Insurance Design Administrators (IDA) for 167 contractual employees at \$5.00 per employee and \$8,030.00 for claims reimbursement for a total contract amount not to exceed \$18,050 from January 1, 2012 through December 31, 2012. **(Chairman Alexander Mirabella)**

DEPARTMENT OF CORRECTIONS

Brian Riordan, Director

Resolution requests have not been submitted at this time.

DEPARTMENT OF ENGINEERING, PUBLIC WORKS AND FACILITIES

Joseph Graziano, Director

1. Concurring with the Township of Scotch Plains and authorizing the County Manager to enter into an Agreement between the New Jersey Transit Corporation and the Township of Scotch

Plains (Municipal Sponsor) and the County of Union (County Co-Sponsor) to install a bus shelter in the Township of Scotch Plains on North Avenue, eastbound, (a County Road) at Promenade Avenue, far side. **(Chairman Alexander Mirabella)**

2. Amending Resolution Numbers 2009-619 and 2010-89, a contract (through public bidding process) with Rencor, Inc., Somerville, New Jersey approving Change Order No. 1 (final) for the Replacement of Monroe Street Bridge, Rahway, New Jersey. This Change Order will reduce the original contract amount by \$352,000.75. **(Chairman Alexander Mirabella)**

Freeholder Sullivan asked how the contract is being reduced in reference to item #2. Director Graziano stated that this was the contingency amount of the project, and we anticipated it would be needed for relocation costs, which did not happen.

DEPARTMENT OF FINANCE

Bibi Taylor, Director

1. Bond Ordinance to amend the following Bond Ordinances previously adopted by the Board of Chosen Freeholders of the County of Union, State of New Jersey (1) Bond Ordinance Number 671-2008 (2) Bond Ordinance Number 708-2010 and (3) Bond Ordinance Number 601-2004.
2. Amendment to the 2012 Temporary Budget per CH. 96 P.L. 1951 (N.J.S.A. 40A:4-20). **(Freeholder Daniel P. Sullivan)**

DEPARTMENT OF HUMAN SERVICES

Frank Guzzo, Director

Director Guzzo stated that he will have an additional Resolution for the next Freeholder Meeting to transfer funds within the spending plan for Temporary Assistance for Needy Families in the amount not to exceed \$100,000.

1. Authorizing the County Manager to award the proposed contract obtained through advertised public bidding in accordance with the Local Public Contracts Law, NJSA 40A:11-1 et seq; Department of Human Services: Metro Flag Co., for the purpose of providing 60,480 American Flags for Veterans Graves in Union County, for a 24 month period in the total amount not to exceed \$49,593.60. **(Freeholder Bette Jane Kowalski)**

Freeholder Sullivan stated that many residents are unaware that this is an important service the County provides, and said the County provides flags for Veterans who are buried throughout Union County.

Director Guzzo stated that item #1 is for 60,000 flags and is part of the bid process.

Chairman Mirabella stated that the purpose is well worth the money.

Freeholder Estrada asked if the flags are made in the United States.

Director Guzzo replied yes, in Dover Township, New Jersey.

Director Yuska interjected and stated that there was a low bidder from Canada, but the flags were made in China. The contract specifications were called for the flags to be made in the United States.

2. Authorizing the County Manager to enter into contract with the U.S. Department of Housing & Urban Development (HUD) and accept 2011 McKinney-Vento Act Homeless Assistance

competitive grant award funds in the total amount of \$3,386,103 for a one (1) year period.
(Freeholder Bette Jane Kowalski)

3. Amending Resolution Number 2011-1104 to distinguish the subaccounts of grants funding the Supportive Housing Program (SUP) contract under the Department of Housing and Urban Development. **(Freeholder Bette Jane Kowalski)**

DEPARTMENT OF PARKS AND COMMUNITY RENEWAL

Ronald Zuber, Director

1. Authorizing the County Manager to award the proposed contract obtained through advertised public bidding in accordance with the Local Public Contracts Law, NJSA 40A:11-1 et seq; Department of Parks and Community Renewal: Aquatic Technologies, Inc., Branchville, New Jersey, for the purpose of providing a Lake Management Program, for a period of 24 months from the date of signing of the contract, with an option for one 24 month period, in the amount of \$47,594.00. **(Freeholder Daniel P. Sullivan)**

Freeholder Jalloh asked for an explanation of item #1. Director Zuber stated it is a two year contract for the treatment of 18 lakes. The treatment begins in early spring. The vendor is accompanied by a representative from the Parks Department to make sure the lake is treated.

Freeholder Jalloh asked what is used for to treat the lakes, and if it is done annually. Director Zuber replied it is a chemical base to try to get rid of algae, and it is done annually.

2. Authorizing the County Manager through the Office of Cultural and Heritage Affairs to execute any and all agreements for the FY 2012 Union County Arts Grant Program in the amount of \$57,320. **(Freeholder Daniel P. Sullivan)**
3. Amending Resolution Number 2012-255 to reflect a change in account number only. **(Freeholder Daniel P. Sullivan)**
4. Amending Resolution Number 2012-256 to include an additional account number. **(Freeholder Daniel P. Sullivan)**
5. Rescinding Resolution Number 2012-165. **(Freeholder Daniel P. Sullivan)**
6. Rescinding Resolution Number 2012-166. **(Freeholder Daniel P. Sullivan)**
7. Supporting Assembly Bill A2168 and Senate Bill S1566 establishing the New Jersey Residential Foreclosure Transformation Act. **(Freeholder Daniel P. Sullivan)**

Freeholder Hudak asked about item #7. Deputy Director Rountree explained that it is a piece of legislature that is supported by Senator Lesniak and Assemblyman Green. It is to set up a sub-agency with the NJ Housing and Mortgage Finance Agencies (HMFA) to purchase, rehabilitate and to sell properties. She said the funds will come from realtor transfer fees and possibly federal funding.

Chairman Mirabella stated that there may be a Resolution at the next Freeholder Meeting for the Foreclosure Task Force.

County Manager Faella stated that the County has been assisting with foreclosures, and this is an extension of that.

8. Supporting in concept the Sustainable Raritan River Initiative to promote efforts to restore and protect the river in accordance with the Sustainable Raritan River Action Plan. **(Freeholder Bette Jane Kowalski)**

DEPARTMENT OF PUBLIC SAFETY

Andrew Moran, Director

Resolution requests have not been submitted at this time.

RUNNELLS SPECIALIZED HOSPITAL

Joan Wheeler, Administrator

Chairman Mirabella asked if items #1 and #2 are only six month contracts to allow sufficient time for the Competitive Contract process to take place.

Ms. Wheeler replied, yes.

1. Authorizing the County Manager to enter into a contract with Freedom Home Healthcare, Hackensack, New Jersey to provide Social Work consultation and continuing education programs to be presented at Runnells Hospital in 2012 in an amount not to exceed \$2,400.00. **(Freeholder Vernell Wright)**
2. Authorizing the County Manager to extend the contract with Always Caring Medical Transport, Dunellen, New Jersey for essential ambulance services at Runnells Specialized Hospital for a contract commencing on April 15, 2012 and not to exceed six (6) months in the amount not to exceed \$60,000.00. **(Freeholder Vernell Wright)**

Freeholder Scanlon asked if the patients are billed for ambulance services. Ms. Wheeler replied yes, if it is appropriate to bill them. She said it depends upon ambulance type.

OFFICE OF THE COUNTY COUNSEL

Robert E. Barry, Esq., County Counsel

1. Amending Resolution Number 2012-116 to reflect a law firm name and address change to Antonelli Minchello, P.C., 1000 Stuyvesant Avenue, Suite 1, Union, New Jersey, 07083. **(Chairman Alexander Mirabella)**
2. Amending Resolution Number 2012-120 reducing the appropriation from \$37,000.00 to \$18,000.00. **(Chairman Alexander Mirabella)**
3. Amending Resolution Number 2012-122 to reflect an additional appropriation of \$7,500.00. **(Chairman Alexander Mirabella)**

OFFICE OF THE COUNTY MANAGER

Alfred J. Faella, County Manager

Resolution requests have not been submitted at this time.

FREEHOLDER SPONSORED RESOLUTIONS

Freeholder Wright asked why there is a name change from Christopher's Program to Youth Violence Advisory Board.

Director Guzzo stated that he will have an answer for her prior to the next Freeholder Meeting.

1. Proclaiming March 2012 as "Problem Gambling Awareness Month" in Union County to encourage all residents to help spread the message that there is help for problem gamblers through treatment as well as support for those who are in treatment or recovery and their families. **(Freeholder Bette Jane Kowalski)**
2. Proclaiming March 2012 as "Women's History Month" in the County of Union. **(Kowalski, Scanlon, Carter, Wright)**
3. Appointing Tony Hall to the Union County Transportation Advisory Board to represent the City of Rahway; Renee Banks to represent the City of Linden, Hugh Welsh to represent the Township of Cranford, Robert W. Messler (Delegate) and Michael Disko, Jr. (Alternate) to represent the Borough of Mountainside and Rosemary Bariexca (Delegate) and Ludwig Anton Evers (Alternate) to represent the City of Summit/ Each term commencing on January 1, 2012 and end on December 31, 2012. **(Freeholder Daniel P. Sullivan)**
4. Appointing Marissa Mansueto and Marlyse Benson to the Advisory Board for the Prevention of Youth Violence for a term commencing June 1, 2011 through May 31, 2012. **(Freeholder Vernell Wright)**
5. Amending Resolution Number 2011-42 to reflect a change in name from Christopher's Program to the Advisory Board for the Prevention of Youth Violence. **(Freeholder Vernell Wright)**
6. Congratulating Soroptimist International of the Greater Westfield Area as they celebrate their 30th Anniversary and host their Annual Awards Dinner on Wednesday, March 7, 2012. **(Vice Chairman Linda Carter)**
7. Proclaiming the week of April 22, 2012 through April 28, 2012 "Crime Victims' Rights Week" in Union County and that Union County honor crime victims and those who serve them during this week and throughout the year. **(Chairman Alexander Mirabella)**
8. Expressing the Board's deepest sympathy to the family of Shirley N. Green Porter, in this their time of sorrow. **(Chairman Mirabella and the Entire Board)**
9. Congratulating William Dugan on being named the 2012 Union County St. Patrick's Day Parade Grand Marshal. **(Chairman Mirabella and the Entire Board)**
10. Congratulating Michael J. Panella on being named the 2012 Union County St. Patrick's Day Parade Chairman. **(Chairman Mirabella and the Entire Board)**
11. Congratulating the Elizabeth, New Jersey Firemen's Federal Credit Union for sponsoring the Play Ball For Miracles Charity Softball Tournament to be held at Warinanco Park in an effort to raise money for children with special needs. **(Chairman Alexander Mirabella)**

12. Congratulating Kerry Schardien-Ricci on being named the 2012 Union County St. Patrick's Day Parade Adjutant. **(Chairman Mirabella and the Entire Board)**

EXECUTIVE SESSION

To the extent known, the following items will be discussed in executive session:

1. Attorney Client privilege relative to contract negotiations with various collective bargaining units.

County Counsel Barry stated that pursuant to provisions of the Open Public Meetings Act a public body may enter into Executive Session for the purpose of discussing certain enumerated subjects. This Board will now enter Executive Session for the purpose of discussing attorney/client privilege relative to contract negotiations with various collective bargaining units.

The minutes of the Executive Session shall be separated from the minutes of the Open Public Session. The minutes of the Executive Session, redacted as appropriate and necessary, shall be available in approximately 30 days. The Clerk of the Board shall retain the original minutes until such time as the confidential limitations have been removed, at which time they shall be made available.

Upon the Board's return, it will not take formal action on the matters discussed as it is an Agenda setting meeting.

Upon a majority vote of the members present, the Board may now retire to Executive Session.

Motion to enter Executive Session.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Christopher Hudak, Freeholder; **SECONDER:** Linda Carter, Vice Chairman; **AYES:** Freeholder Estrada, Freeholder Hudak, Freeholder Jalloh, Freeholder Kowalski, Freeholder Scanlon, Freeholder Sullivan, Freeholder Wright, Vice Chairman Carter, Chairman Mirabella;

Motion to return from Executive Session.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Linda Carter, Vice Chairman; **SECONDER:** Christopher Hudak, Freeholder; **AYES:** Freeholder Hudak, Freeholder Jalloh, Freeholder Kowalski, Freeholder Scanlon, Freeholder Sullivan, Freeholder Wright, Vice Chairman Carter, Chairman Mirabella; **ABSENT:** Freeholder Estrada;

ADJOURNMENT

Motion to adjourn the meeting at 8:21 PM.

RESULT: ADOPTED [UNANIMOUS]; MOVER: Christopher Hudak, Freeholder; **SECONDER:** Linda Carter, Vice Chairman; **AYES:** Freeholder Hudak, Freeholder Jalloh, Freeholder Kowalski, Freeholder Scanlon, Freeholder Sullivan, Freeholder Wright, Vice Chairman Carter, Chairman Mirabella; **ABSENT:** Freeholder Estrada;

2012 UNION COUNTY BOARD OF CHOSEN FREEHOLDERS' MEETING SCHEDULE

Please note that meetings are regularly held on Thursday evenings. Agenda Setting Sessions and Regular Meetings are held at 7:00pm in the Freeholders' Meeting Room, Administration Building, 10 Elizabethtown Plaza, 6th Floor, Elizabeth, New Jersey, unless otherwise specified. In the event an Agenda Setting Session and Regular Meeting are held on the same night, the Agenda Setting Session will commence at 7:00pm and the Regular Meeting will commence as soon as possible after the Agenda Setting Session.

Persons requiring a sign language interpreter should contact the Office of the Clerk of the Board at 908-527-4140.

REORGANIZATION MEETING - SUNDAY, JANUARY 8, 2012 at 12:00pm

Assignment Judge Karen M. Cassidy's Courtroom, 2 Broad Street, Elizabeth, NJ

AGENDA SETTING MEETINGS

REGULAR MEETINGS

January 19, 2012

January 26, 2012

February 2, 2012

February 9, 2012

February 16, 2012

February 23, 2012

March 1, 2012

March 8, 2012

March 15, 2012

March 22, 2012

April 5, 2012

April 19, 2012

April 26, 2012

April 26, 2012

May 3, 2012

May 3, 2012

May 17, 2012

May 31, 2012

June 14 2012

June 14 2012

June 28, 2012

June 28, 2012

July 12, 2012

July 19, 2012

August 9, 2012

August 16, 2012

September 6, 2012

September 13, 2012

September 20, 2012

September 27, 2012

October 4, 2012

October 11, 2012

October 18, 2012

October 18, 2012

November 8, 2012

November 8, 2012

Tues., November 20, 2012


November 29, 2012

December 6, 2012

December 6, 2012

December 20, 2012

December 20, 2012



James E. Pellettiere
Clerk of the Board

JEP:mb



IMPORTANT CONTACTS

For the most up to date information, please visit our comprehensive website,
<http://www.movingmuhlenbergforward.com>

For specific inquires

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Adam
Bedeke
VP of Leg Affairs



Frequently Asked Questions

The Valuation Study

Q: What was the purpose of the study?

- The purpose of this study was to determine economically viable recommendations of potential redevelopment uses of the JFK-Muhlenberg campus
- Based on an in-depth analysis, the study recommends the best-use of the property for the city and its residents

Q. What was the best recommended land use for the JFK-Muhlenberg campus?

- The study recommends offering the campus to a developer for a mixed-use complex comprised of market-based, luxury rental housing with amenities and light commercial development to accommodate new residents

Q: Does the study outline any alternatives to a mixed-use residential property?

- While the study considered other development options it concluded with certainty that market-based, luxury rental housing with amenities and light commercial development comprise the best use of the property

Q: How was the conclusion determined?

- Several consultants examined the subject property and investigated and analyzed relevant economic, demographic, and real estate market conditions in the area

Q. Who conducted the valuation study?

- The study was completed by the Otteau Valuation Group Inc , Richard B Reading Associates, and Urban Health Institute

- The Otteau Valuation Group provides a wide array of services to developers and builders with respect to market analysis, project feasibility, demographic trends, project valuation and municipal project approval proceedings
- Richard B Reading Associates analyzes the economic, demographic and fiscal impacts the development or redevelopment of a property can have on a local community and its infrastructures
- The Urban Health Institute reviewed New Jersey and national trends that affect the need for hospital beds, reviewed the area previously served by Muhlenberg Regional Medical Center (MRMC), which ended inpatient care in 2008, and analyzed the regulatory, economic, and facility requirements for the establishment of a new hospital

Q: Why should the consultant's information be deemed credible?

- The Otteau Valuation Group is a widely-respected company that analyzes the residential market and advises brokerages as to their options for the best use of that property
- The firm's principal, Jeffrey Otteau, has more than three decades experience in real estate consultation and valuation
- Otteau Valuation clients include Fortune 500 companies, major financial institutions, municipal governments, major New Jersey and national law firms and a vast array of other blue chip clients including the McDonald's Corporation, Bausch & Lomb, ADP, Nestle, Inc and Public Service Energy & Gas
- The strength of the firm's client roster speaks directly to its ability to deliver effective real estate recommendations based on real estate data and market needs
- Richard B Reading Associates has conducted numerous fiscal impact analysis studies for the redevelopment of municipal properties
- Urban Health Institute (UHI), a not-for-profit group with 40 years of health planning experience in New Jersey and the tri-state area, was engaged by JFK Health System to evaluate the feasibility of reestablishing an inpatient hospital in Plainfield, New Jersey due to the company's success in conducting needs assessments of other hospitals throughout the state

Q What criteria were examined to come to this conclusion?

- The Otteau Valuation Group studied the physical property as well as the characteristics of the community and the State of New Jersey.
- Richard B Reading Associates studied the fiscal impact of mixed-use development using the Otteau Valuation Group proposal and applying multipliers accepted by the Center for Urban Policy Research
- Urban Health Institute reviewed the most current regulatory, economic, and facility requirements for the establishment of a new hospital
- Critical criteria included relevant economic, demographic and real estate market conditions as well as the city, school, and county current tax rates

Q: Where can the public review the reports?

- The reports are available on the Muhlenberg Moving Forward website at www.muhlenbergmovingforward.com
- JFK Health System will be meeting with key government and community stakeholders throughout the process and will gladly answer any and all questions about the study and its conclusions

Q: Who else has been notified about this report's findings?

- JFK Health System has notified Plainfield officials, public policy stakeholders, business and community leaders about this document

The Property

Q: Why is development necessary for JFK Health System for this property?

- Presently, JFK Health System loses \$2.5 million per year operating the Muhlenberg Campus, most of which is associated with heating, cooling and maintaining the main hospital building. While JFK Health System remains committed to operating an SED in Plainfield, it cannot do so in the face of these continuing financial losses.
- Disposition of this property would allow JFK Health System to continue delivering quality emergency care in Plainfield and allow uninterrupted operation of its nursing school.
- Additionally, JFK Health System could continue to maintain a mobile intensive care unit, dialysis center (operated by DiVita) and other healthcare services.

Q: Why can the property no longer sustain a hospital?

- The Urban Health Institute determined that "there is no viable future for a new hospital in Plainfield."
- UHI concluded:
- The community and its citizens appear to be well-served in terms of health care access.
- Use of inpatient services in the State and in the local service area has markedly declined and is expected to continue declining.
- Low inpatient census levels at other hospitals in the service area suggest the local market can accommodate substantial increases in inpatient need before a new hospital could be justified.
- The existing hospital facility would need to be replaced at great expense before being suitable for inpatient use, making the business case for a new hospital very difficult.

Q: Does the recommended land use fit Plainfield's Master Plan?

- Presently, the property is zoned for Professional Office, which permits housing, but at 12 dwellings per acre. The zoning change would be aimed at an average project density of 60 units per acre. Since the best use for the property is luxury rental housing and light commercial development, JFK Health System plans to seek a zoning change.

Community Benefits

Q: How much tax revenue will new housing and commercial development generate?

- Redeveloping the property could increase property tax revenue for the city, school system, and county by \$2.4 million annually.

Q: What is the expected impact of development to Plainfield's school system?

- There should be minimal impact to the Plainfield school system because individuals seeking luxury housing are usually comprised of
- Gen Y adults (born between 1977 and 1994) who want to live in inner-ring, suburban and downtown-urban locations offering easy access to mass transportation, employment centers and retail services within walking distance
- Older age, empty-nest couples who are interested in the lifestyle amenities and/or the lower housing costs associated with higher density, multi-family housing
- These groups do not typically live with children
- Reading Associates concluded that based on 600 rental units, approximately 50 new students would enroll in Plainfield's public schools
- Based on the assessed valuation of the property, school tax revenue would yield an additional \$653,730 per year, while costs for 50 new students would be approximately \$144,000 per year. Tax revenue from the new units will completely offset this amount.

Q: How many jobs would be created by the new development?

- Based on current market analysis and the scope of the project, the redevelopment could lead to the creation of over 700 jobs during the construction phase
- Once completed, more than 40 permanent jobs could be created based upon the needs of the tenants occupying the commercial property

Q: Overall, what are the economic benefits of this project?

- The completed project could generate \$2.4 million in tax revenue for the city, county, and school district.

- Plainfield should expect to enjoy a bump in economic activity related to construction and from the infusion of new residents with over \$ \$36 million in disposable income, with the retail component likely to generate \$33.9 million in annual consumption expenditures
- The project also should create 720 construction jobs and 43 permanent jobs

Healthcare in the Community

Q. Will JFK Health System continue to operate a satellite emergency department?

- Yes, if this project is approved
- Relocation of the SED and disposition of the Muhlenberg property would allow JFK to operate a satellite emergency department in a more efficient and sustainable way

Q Where will the new satellite emergency department be located?

- Emergency services would transfer from the former hospital property to the nearby Kenyon House
- The move would lower costs while providing no changes in deliverable services
- The close proximity of the new facility would have no effect on patients utilizing emergency care services

Q How will this redevelopment affect the nursing school?

- The redevelopment would not affect the nursing school
- The nursing school would remain open during the redevelopment of the former Muhlenberg property

Q. How will it affect other services presently offered at the site?

- The same services would be offered during and after development
- JFK Health System would continue to operate an emergency satellite department, mobile intensive care unit, dialysis center and nursing school

Q If you get the approvals that you are asking for from the City, State, etc, how long will you keep the SED open?

- One of our goals with this project is to develop a model for providing care in Plainfield that is sustainable. As care patterns change, we already know that inpatient demand has dropped consistently in NJ and nationwide, but demand for emergency care is likely to increase. JFK Health System will invest in excess of \$2 million to retrofit Kenyon House into a state of the art satellite emergency department in Plainfield. I would not make this investment if I did not believe that it would be viable and sustainable for many years to come.

Redevelopment

Q: Has JFK Health System spoken with developers about the site?

- Not yet. We will engage developers once we have secured land use approval for the project.

Q: What are the next steps?

- After a full presentation of the study to community leaders, JFK Health System will apply for a zoning change with the City of Plainfield in order to make the property more attractive to potential developers and seek approvals necessary to relocate the SED to Kenyon House.

Q: What is the Process and Timeline for completing this project?

- Our first step is to present this proposal to the community and seek feedback.
- Then, this Spring we will submit an application to the Planning Board to relocate the SED and other clinical services from the Main Hospital to Kenyon House, located on the corner of Park and Randolph Road. Once the planning board approves the project, it will be submitted to the State for approval.
- Later this spring or early summer, we will submit an application to the zoning board for approval to redevelop the hospital buildings.
- Once these approvals are completed, we will issue an RFP for developers to purchase the hospital parcel of the campus for redevelopment.
- These events are timed to ensure that we can complete the SED relocation and identify a developer for the hospital parcel before the DHSS CN conditions expire in August 2013.

Q: How will JFK conduct its RFP process?

- That process has not been determined yet, but we do intend to develop a fair and open process that complies with State and Federal standards for the sale of non-profit assets.

Q: What happens if the community rejects your proposal?

- One of our main goals in proposing this project is to provide a sustainable model for providing healthcare in the greater Plainfield Community. If we cannot transition to a more efficient model for the services that are provided in the main hospital building, and make meaningful progress toward disposition of the hospital buildings by the end of this year, then the SED and clinical services provided in the hospital buildings are at risk of closing when the CN expires in 2013.

Q: Do large-scale, high-density mixed-income rental developments negatively impact nearby single-family property values?

- The Center for Real Estate at MIT studied the relationship over time, and found that large, dense, multi-family rental developments do not negatively impact the sales price of nearby single-family homes

Historic Preservation

Q. What will become of the Muhlenberg Hospital buildings that some people have suggested may have historic significance?

- While Plainfield must always move forward, JFK wants to help the community honor its past
- JFK recognizes Muhlenberg's contribution to Plainfield and pledges to preserve that tradition by continuing to offer emergency and outpatient healthcare in the community
- Unfortunately, the preservation of the Muhlenberg hospital buildings is not financially tenable – and it could impact JFK's ability to continue to offer health care services on the campus
- We welcome any reasonable suggestions from the community on how to document the Muhlenberg Campus' past in Plainfield



Raymond F. Fredericks

President and Chief Executive Officer

Tel (732) 632-1503

Fax (732) 632-1549

Dear JFK-Muhlenberg Campus Stakeholder.

A year ago, when I accepted the position of President & CEO of JFK Health System, one of my first priorities was to create a sustainable model to meet our commitment to providing health care to benefit the greater Plainfield community at the JFK-Muhlenberg Campus. The campus has been for sale for more than four years with no buyers. At this time, JFK Health System loses approximately \$2.5 million yearly on operations at the Muhlenberg Campus, most of which are costs associated with heating, cooling, securing and maintaining the main hospital buildings. This model is inefficient and unsustainable, especially when the money could better be used to provide healthcare to those in need. Moreover, it does not permit the campus to live up to its full potential for the community.

With these facts in mind, we identified a number of key principals for a new Muhlenberg Campus operating model. It must focus on servicing the community's healthcare needs, it must reduce the untenable financial burden on JFK Health System, and it must provide a path to preserving the Satellite Emergency Department and other safety-net programs on the campus, which serve over 16,000 patients annually.

In order to determine the most efficient way to proceed, JFK commissioned a study by the Otteau Valuation Group, Richard B. Reading Associates, and the Urban Health Institute of New Jersey (UHI). These companies represent a cross-section of widely respected real estate and urban health care experts that analyze the markets using current economic data and industry analysis. In turn, their study helped advise JFK as to our options for the best use of the Muhlenberg Campus.

The study provided us with a number of conclusions. First, it confirmed that an acute care hospital is not a viable option at this campus, nor will it be in the foreseeable future. Second, the study showed a lack of demand for single family housing, medical offices/medical malls, and large scale office buildings, but that economic and demographic changes in New Jersey and Union County have resulted in a shortage of rental housing, which is likely to intensify going forward. Given these facts, the valuation study showed that the best use of the Muhlenberg Campus would be the development of luxury rental apartments with amenities supporting light commercial retail across the street on Park Avenue.

In keeping with my commitment of community service to the people of Plainfield, this recommendation of luxury apartments and light retail units is the course of action that will provide the most economic

benefits to Plainfield in the form of tax ratables, temporary and permanent jobs, and an economic infusion into the local economy. Based on the Reading Associates analysis, a redeveloped Muhlenberg Campus could generate over \$2.3 million in additional annual real estate tax revenue alone, while adding only about 51 students to Plainfield's public schools.

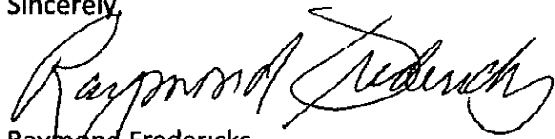
The economics of the issue mean little, however, if cost savings come at the expense of the health and well-being of the residents of the greater Plainfield community. As such, this proposal will allow JFK Health System to continue to provide healthcare services on the campus, including a newly renovated Satellite Emergency Department, Mobile Intensive Care Unit, lab and imaging services, dialysis (operated by DiVita) and the School of Nursing and Allied Health Careers.

For this strategy to be successful, the City of Plainfield needs to support several land use changes. Once these variances and approvals are granted, we can immediately begin construction to relocate the Emergency Department and other clinical services to the Kenyon House, and infuse much needed dollars into the Plainfield economy.

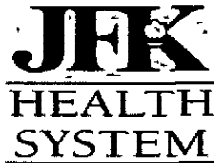
Since the closure of the hospital in 2008, JFK has remained consistent in its commitment to provide healthcare to the residents of Plainfield and the surrounding communities. From our emergency services, dialysis, imaging and lab services, to our MICU, the Muhlenberg Campus continues to stand as an important health resource to residents in need. We propose to continue offering these services on the Muhlenberg Campus for years to come, but we need to do so under a sustainable model. We hope that you will consider supporting this project, and ask that you log onto muhlenbergmovingforward.com or contact me at (732) 632-1503 to learn more.

Thank you for your consideration.

Sincerely,



Raymond Fredericks
President & CEO
JFK Health System



Moving Plainfield Forward: Redeveloping the Muhlenberg Campus

Goals and objectives

Since closing acute care operations at Muhlenberg Regional Medical Center in 2008, JFK Health System (JFK) has been committed to redeveloping the property in a manner that is beneficial to both the City of Plainfield and to JFK. While reopening the hospital as an acute care facility is economically unfeasible, the 17 acre site remains prime property that would be of interest to developers under the right conditions. Such redevelopment could provide important economic and community benefits to Plainfield, while allowing JFK to continue health care services to the community at the site.

Proposal

Looking forward, if properly redeveloped the Muhlenberg Campus can be a tremendous asset to the larger Plainfield community. What might that redevelopment look like? To help answer that question, JFK commissioned an extensive review and assessment of the property by the Otteau Valuation Group, Richard B. Reading Associates, and the Urban Health Institute to identify the best use of the properties.

Based in part on the recommendations from the study, JFK has determined that market-rate luxury one- and two-bedroom apartment rental housing with accompanying jitney transportation services to the Plainfield NJ Transit station is the most advantageous use for the property. In addition, the adjacent property, previously used as an overflow parking lot, would be developed with commercial retail space.

We will be seeking from Plainfield rezoning of the property to accommodate such uses.

In addition, JFK is committed to continuing health care services on the premises. These could include a satellite emergency room, dialysis labs and a mobile intensive care unit.

Rationale behind the proposal

While its previous use is no longer feasible, the Muhlenberg Campus remains prime real estate in Northern New Jersey. Concurrently, there is increasing demand for luxury rental housing. This is fueled by a number of economic and larger societal trends. For example, Generation Y adults (born between 1977 and 1994) want to live in inner-suburban and downtown-urban locations offering easy access to mass transportation, employment centers and retail services within walking distance. At the same time, older age, empty-nest households are interested in the lifestyle amenities and/or the lower housing costs associated with higher density, multi-family housing.

And while these different segments want rental properties, the availability of such housing in the area is limited. In fact, rental vacancy rates in New Jersey in general and in Union County specifically are declining, and rental prices are increasing. In addition, existing rental stock in Union County is old (average year-built is 1960). As a result, new construction of rental housing will be able to attract rental price premiums and higher occupancy levels.

Redevelopment of the Muhlenberg Campus in this fashion also will deliver important economic benefits to Plainfield including increased tax rates, construction and permanent jobs and an economic boost to the local economy from the infusion of new residents with disposable income.

Current situation

Rezoning of the Muhlenberg Campus is essential because the Urban Health Institute clearly outlines that an acute-care hospital on the premises simply is not economically feasible moving forward. Prior to its closure, Muhlenberg Regional Medical Centers consistently generated multi-million dollar annual operating losses due to chronic underfunding of charity care and government subsidies combined with a disproportionate cost burden of caring for uninsured and undocumented patients. As such, not only was maintaining Muhlenberg as an acute care facility unsustainable, but its continued full-scale operations threatened the financial future of the larger JFK Health System.

Currently, a number of healthcare services are available on the Muhlenberg Campus, including a satellite emergency room, dialysis center and a mobile intensive care unit. JFK also operates the Harold and Dorothy Snyder School of Nursing located on the Campus.

Conclusion

Redevelopment of the Muhlenberg Campus as outlined above will provide important economic benefits to both Plainfield and JFK. At the same time, JFK is committed to continuing to provide access to similar healthcare services as are currently available on the Muhlenberg Campus. This redevelopment program has the potential to create a win-win situation for all interested parties.

JFK MEDICAL CENTER

Your Hospital Your Health

Dear Neighbor,

JFK Health System would like to continue its long tradition of community service to the residents of Plainfield by transforming the former Muhlenberg Regional Medical Center into a vibrant campus for people to live, work, learn and have access to convenient, high-quality outpatient medical care

After more than four years of marketing the property for sale, no entity had made a viable offer to reopen the hospital or purchase the property for other uses. In order to preserve the emergency care of the more than 16,000 residents of Plainfield and surrounding communities on the JFK-Muhlenberg campus, an alternative plan had to be conceived. JFK Health System consulted with some of the most highly respected real estate and healthcare analysts in New Jersey to determine how to transform the JFK-Muhlenberg campus. Utilizing the conclusions of these reports, JFK Health System has developed a vision to sell a portion of the property to a developer to rebuild the site into a vibrant residential and retail complex that would attract baby boomers and young professionals. JFK would retain the rest of the property and build a new, modern satellite emergency department and preserve access to healthcare and health careers education at the existing JFK-Muhlenberg Snyder Schools of Nursing and Allied Health Careers.

The new JFK-Muhlenberg Campus would provide over \$2.4 million in new tax revenue to the city, provide a positive economic impact on the public schools, create new jobs, and most importantly create a sustainable model for JFK Health System to provide emergency care, dialysis, lab and imaging tests, counseling, and health careers education.

This is our vision for the campus. JFK Health System asks for the input of our community to help ensure that our plan to implement this vision balances the needs of our community, neighbors, patients and employees. That is why JFK Health System will conduct a series of community meetings to discuss turning this vision into a reality. The first meetings will be held specifically to address the needs of our neighbors that live within a half-mile of the JFK-Muhlenberg Campus. I respectfully invite you and your neighbors to attend one of these meetings:

- Thursday March 8 at 6 pm in the Lobby of the former Muhlenberg Regional Medical Center,
- Friday March 16 at 6 pm in the Lobby of the former Muhlenberg Regional Medical Center

I look forward to your valuable input as we move forward in this exciting endeavor and urge you to participate in one of these meetings, or log onto www.muhlenbergmovingforward.com and send me your comments, questions and ideas.

Sincerely,



Ray Fredericks
President & CEO
JFK Health System