

Borough of Palisades Park
275 Broad Avenue
County of Bergen
State of New Jersey

Sine Die Meeting
of the Mayor & Council
January 5, 2026

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MAYOR CHONG PAUL KIM CALLED THE MEETING TO ORDER AT 6:00PM.

STATEMENT:

This is the Sine Die and Reorganization Meeting of the Mayor and Council, and notice was given as follows:

1. Notice was filed December 22, 2025, with The Record & Newark Star Ledger, both official newspapers of the Borough.
2. Notice was posted on the Bulletin Board at the Borough Hall and the Borough website at <https://palisadesparknj.org/>
3. Copy is preserved in the Clerk's Office.

PLEDGE OF ALLEGIANCE & MOMENT OF SILENCE LED BY COUNCILMAN KWAK.

• **SINE DIE MEETING**

Borough Attorney Allan Roth advised statute for borough government stated once a council person was elected, and qualified they were to sit at the dais. Allan Roth stated Councilman Kwak and Councilman Donohue were sworn in the Friday prior therefore qualified to sit at the dais. Allan Roth stated they would be handling that night's meeting two-fold. The Sine Die Meeting would open, and then close. Following that meeting the governing body would go over borough business and then open the reorganization meeting. Allan Roth stated at that time, there would be a ceremonial oath of office for the two new councilmembers. Allan Roth stated the reason for the sine die meeting was because they needed to close – Mayor Kim interjected and asked if he could continue.

Mayor Kim stated as they gathered for the end of year sine die meeting, they were there for one important purpose to revisit the emergency appropriation resolution to ensure the borough entered 2026 on stable financial grounds. Mayor Kim stated this was not a routine vote and affected their ability to meet legal obligations, manage ongoing litigation, and protect the quality of life for the residents. Mayor Kim continued that because of the nature of the resolution, he wanted to remind everyone that as mayor he could not vote on the matter nor break the time. Mayor Kim stated the responsibility rested entirely on the council. Mayor Kim stated with that being said, when the resolution first came before the governing body, two council members chose to abstain and because of that the resolution did not pass. Mayor Kim stated abstaining was legally permissible but on important matters, it prevented the borough from receiving the clear direction it needed. Mayor Kim stated the residents relied on their elected officials to make difficult decisions even when the decisions were uncomfortable. Mayor Kim continued in moments like that, abstaining was not fulfilling the councils duty to safeguard the future of the town. Mayor Kim stated to understand why that nights vote was so crucial, they first had to look at a broader pattern. Mayor Kim stated the year prior, during the court mandated affordable housing settlements, the same two council members abstained repeatedly. Mayor Kim stated these two council members did not want to vote on developments, but the rest of the council did to protect the town from further builders remedies lawsuits. Had the settlements not passed, Palisades Park would have faced penalties, additional lawsuits, and the loss of local control of developments. Mayor Kim stated that because the majority of the council voted, they avoided more damaging outcomes such as future builders remedy, and out of control developments. Mayor Kim stated that night they faced another moment where inaction carried consequences. Mayor Kim stated the emergency appropriation did not appear suddenly and was a result of ongoing and past lawsuits, some inherited, some long standing, and the extraordinary legal expenses to defend the borough. Every month the council approved expenditures on the claims list, which reflected the real work being done to protect the town. Mayor Kim stated when total costs exceeded current budget, state law required an emergency appropriation. Mayor Kim stated that was why the resolution was before the council. Mayor Kim wanted to acknowledge the council members that took the time to fully understand the situation. Mayor Kim recognized Councilman Kim, Councilman Shin, and Councilwoman Lee, who met with the professionals and asked questions. Mayor Kim stated these council members made the effort to learn the details. Mayor Kim stated he appreciated their willingness to engage, and at the same time he wanted to note that Councilwoman Won-Yoon and Councilman Min, the two abstaining members, did not meet with the experts before the first vote nor afterwards. Mayor Kim stated as members of the finance committee, they possessed valuable insight and access that could benefit the entire governing body if they chose to share it. Mayor Kim stated he respected that these council members abstained because they believed there were issues with the process or administrative efficiency. Mayor Kim stated this reflected care to due process, but due process also required taking steps to understand what occurred and how the emergency appropriation arose. Mayor Kim that was why he ensured that newly appointed and returning council members had the opportunity to hear directly from the professionals, ask any questions council may have, and clearly understand why the emergency appropriation was incredibly necessary. Mayor Kim stated the council should also ask what the repercussions were if the resolution didn't pass. Mayor Kim stated once the experts finished, it was the choice of the council to either acknowledge the legal and financial realities to pass the resolution so the borough could meet its obligations and have the opportunity to balance the 2026 budget, or leave the borough vulnerable financially, legally, and operationally. Mayor Kim stated this would lead the borough into the new year

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unable to provide the level of public service the residents expected. Mayor Kim stated to Councilwoman Won-Yoon, Councilman Min, and the newly appointed council members, he wanted to speak sincerely. Mayor Kim stated these decisions were not easy, and came with political pressure, public scrutiny, and personal discomfort. Mayor Kim stated leadership required stepping into difficult moments with clarity and courage. Mayor Kim stated the vote was not about blame, past disagreements, or politics, but was about ensuring the residents didn't suffer the consequences of inaction. Mayor Kim stated if the resolution didn't pass, the borough would face strained services, budget instability, and increased vulnerability to litigation. Mayor Kim stated this was not because of lack of information but was because they didn't act when they had the chance. Mayor Kim stated he did not want 2026 to begin with uncertainty, or hardships for residents. Mayor Kim wanted to move forward with stability, transparency, and unity. Mayor Kim respectfully asked that each council member listen carefully, ask any questions they had, and then cast a vote that reflected their commitment to the people of Palisades Park. Mayor Kim stated this wasn't for him, or politics but was for the residents that trusted the governing body to protect their homes. Mayor Kim stated they would start with an explanation from the borough attorney.

Allan Roth stated they first had to complete the roll call.

Mayor Kim asked Allan Roth to lead the informative session presentation after the roll call.

ROLL CALL

Mayor Kim	Present
Councilman Donohue	Present
Councilman Kwak	Present
Councilwoman Lee	Present
Councilman Min	Present
Councilman Shin	Present
Councilwoman Won-Yoon	Present

Borough Attorney Allan Roth	Present
Borough Administrator Roberta Stern	Present

PROFESSIONAL PRESENTATION

Borough Attorney Allan Roth stated he explained a little bit about the law and why the governing body was there. Allan Roth stated they would hear from Chief Financial Officer Roy Riggitano about the overall budget, and he had a couple of issues he wanted to address regarding the legal end of why the borough was where they were. Allan Roth stated they were there for a closed-out meeting to work with the council to try and get a resolution passed for emergency appropriation. Allan Roth stated an emergency appropriation had to be done at the reorganization meeting. Allan Roth explained if the council could not pass the emergency appropriation, the borough would have to take the money owed and put that amount inside the cap. Allan Roth stated if the council did pass the emergency appropriation, the amount would be put outside the cap. Allan Roth explained if the money was put inside the cap they would be reducing the operational budget by approximately \$775,000. Allan Roth stated he knew there were some questions regarding line-item transfers. Allan Roth explained that line-item transfers could not be done by law prior to November which was a regulation of the Local Finance Board. Allan Roth stated even if they were short money in June or July in a particular line item, there was nothing they would be able to do regarding transferring until at least November. Allan Roth stated by the time November came, there would be December bills which would compound to where they were at that point in time. Allan Roth stated when they did the line-item transfers in the December meeting, that was to cover as best as they could, November and December out of the 2025 operational budget. Allan Roth stated Roy Riggitano would explain more on how the budget was prepared, why the borough was short for the year of 2025, and why they had to pass the emergency appropriation resolution. Allan Roth stated they would hear a couple of times the emphasis regarding if they didn't pass it how it would affect the operational budget for 2026 including the services they provided to residents.

Mayor Kim asked Allan Roth to explain why the emergency appropriation came about to the governing body at the last minute.

Allan Roth stated by rule, it had to come by at the end of the year.

Mayor Kim asked when they knew about this.

Allan Roth replied in December when Roy Riggitano did the budget. Allan Roth stated the only thing was that this was put up for a vote and there were three votes received. Allan Roth stated there was a misconception that the three votes were a majority of the quorum which they were not. Allan Roth continued to make it a majority vote it would have to be two thirds vote of the entire governing body,

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which meant they needed four votes and could not pass with three. Allan Roth emphasized this meant they needed four yes votes not including any abstentions. Allan Roth stated if it did not pass, Roy Riggitano would explain what the Department of Community Affairs would require for 2026.

Roy Riggitano stated the budget process was quite lengthy and would speak as clearly and simply as he could. Roy Riggitano stated back in March, the mayor and council had prepared a budget and adopted it in May. Roy Riggitano stated up to that point, they had various line items that they knew about and budgeted properly for. Roy Riggitano stated as the months went on, he noticed that they were most likely going to have a problem toward the end of the year. Roy Riggitano stated he had emails substantiating all the problems that went back to July, and every month afterwards. Roy Riggitano stated he had defended by the borough that day had lawsuits from previous employees, and vendors that had to be defended by the mayor and Council. Roy Riggitano explained, those defending lawsuits costed money, as legal line items, and legal bills. Roy Riggitano stated they budgeted \$450,000 in legal, but they had spent 1.1 Million dollars as of that point in time with additional bills that had to get paid. Roy Riggitano stated as good as he was as a CFO, no one could have imagined from July 2025 through December 2025 that legal bills would be in the realm of 1.1 Million dollars. Roy Riggitano stated the judgements themselves were close to \$600,000. Roy Riggitano stated there was no way they could have known this would happen.

Allan Roth stated he was going to interrupt because Roy Riggitano had started speaking of the legal bills. Allan Roth stated the borough had insurance for these lawsuits as part of the JIF. The boroughs contract with the JIF stated there was a deductible, meaning a certain amount of money had to be paid in order for the insurance to kick in. Allan Roth stated the borough representative of the JIF, Ezio Altumura was present and provided documentation. Allan Roth stated he went as far back as 2018 because there was a lawsuit resolved in 2025 that stemmed from the year 2018. Allan Roth stated they were not expecting to resolve this in 2025. Allan Roth stated the deductible in 2018 was \$20,000 with a \$20,000 co-insurance. Allan Roth stated this meant not only did the borough have to pay a \$20,000 deductible but also had to pay a piece of the overall settlement which was 20%. In 2018, there were three claims filed then came to fruition in 2025. Allan Roth stated those lawsuits that were filed in 2018 could go back to 2016 or earlier. Allan Roth stated in 2019 the borough had a \$20,000 deductible with a 20% copay and another three lawsuits. Allan Roth stated in 2020 the borough had a \$20,000 deductible, and a 20% copay with another two lawsuits filed. In 2022 there was one lawsuit filed. In 2023 there were thirteen lawsuits filed, and in 2024 there were eight lawsuits filed. Allan Roth stated they had settled the Pavlick case, Messing case, and Carnovale case for more than \$800,000. Allan Roth stated to the council that they didn't have a choice whether or not they were going to resolve the lawsuits. Allan Roth explained that a JIF representative would advise if they were going to settle, but if the borough didn't agree with it after the council voted on it, then the insurance would only put up a certain amount of money, and the borough would be responsible for funding the rest including any judgments. Allan Roth stated that was the reason the borough had these bills. Allan Roth stated in 2025 the deductible was no longer \$20,000 but was \$200,000. Allan Roth stated in 2024 the boroughs deductible was \$150,000. Allan Roth stated the borough was paying for every claim made, and there were people filing lawsuits just for the sake of filing lawsuits. Allan Roth stated no matter what, the borough had to defend every single lawsuit for the protection of the municipality, residents, taxpayers, and the council. Allan Roth stated in 2023 the deductible was \$75,000. Allan Roth explained this was the money that they had to pay up front. Allan Roth stated the borough for decades, and decades did not do what they needed to do. Allan Roth stated to be fair, most towns did not do what they needed to do either regarding affordable housing cases. Allan Roth stated it was common to see towns being sued in the newspapers regarding affordable housing issues. Allan Roth explained that most towns had larger cases, and a special adjudicator who as appointed by the court to help resolve the cases and move the affordable housing cases. Allan Roth stated the borough had to pay for that as well, without knowing what the bills would amount to. Allan Roth stated he believed the borough had eight fair share housing cases going on at that moment that they had to pay the special adjudicator, and legal representation. Allan Roth stated these were the bills that they were talking about and invited Roy Riggitano to go over the line items. Allan Roth asked if he was correct that the amount didn't come out of one line item.

Roy Riggitano confirmed Allan Roth was correct. Roy Riggitano stated come November, it was the first time the Mayor and Council, and CFO could act if they had a shortfall in one of the line items. Roy Riggitano stated in November they had the money to budget in the tune of 1.9 Million dollars that they did transfer. Roy Riggitano stated he thought they would be okay, and he knew they would have some sort of short fall but not \$775,000. Roy Riggitano stated come December, a bunch of lawsuits had been filed court ordered, bills had to be paid, and by the 20th of December they had a really bad emergency. Roy Riggitano stated he had been in the business for over 30 years, and it was the first he had ever seen this happen, and it was very abnormal to see a shortfall like this in a municipal budget. Roy Riggitano stated it was no fault of one individual, but they had to remedy the issue. Roy Riggitano explained if the resolution passed, the borough would still have to raise taxes the following year. Roy Riggitano stated if it passed, it would be outside of the cap meaning the mayor and council could continue service for the welfare and health of the taxpayers. Roy Riggitano stated if the resolution was not passed, it would be devastating. Roy Riggitano stated if it wasn't passed the borough would still have to raise taxes

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approximately \$150 a house in 2026. Roy Riggitano stated more importantly, not passing the resolution would devastate the budget where they wouldn't be able to properly budget enough money for certain line items like life safety, and welfare. Roy Riggitano stated it would be no blood from the clerk, CFO and attorney. Roy Riggitano stated they were pleading with the council to vote yes. Roy Riggitano stated the council were going to have to pay the bills anyways, and they were the ones who really paid the bills. Roy Riggitano repeated it wasn't the finance department that paid the bills or who were sued, but it was the council. Roy Riggitano stated they were being sued, not personally, but from all the different wrongdoings that adjudicated, and needed to be paid. Roy Riggitano stated again that was how they got to where they were at that point in time.

Mayor Kim asked Roy Riggitano to explain what the repercussions would be if the council did not pass the resolution.

Roy Riggitano stated his professional opinion was if the resolution was not passed, the borough would have to lay off employees. Roy Riggitano stated the council would be devastating the town of essential services because in cap, before they started the budget for 2026, they would be in a deficit of \$775,00.

Allan Roth asked Roy Riggitano to explain the difference between in and out of cap.

Roy Riggitano stated there were two parts to the budget. In cap meant the operations that the Mayor and Council had control over to function the borough such as raising taxes on property. Roy Riggitano explained these essential services included trash removal, fire, health, and DPW which were all in cap. Roy Riggitano explained out of cap items were items such as bonding, town payments, and pension payments due to the state of NJ. Roy Riggitano stated he didn't want to get caught up in wording it that it was state mandated but everything out of cap gave some relief. Roy Riggitano stated they had to get the emergency passed.

Allan Roth stated he was going to give hypothetical numbers as an example. Allan Roth stated in normal circumstances in order for the borough to operate the budget they needed a million dollars. If the council didn't pass the appropriation, they were going to have to take that million-dollar figure and subtract \$775,000. Allan Roth repeated again these were just hypothetical figures. Allan Roth stated if that happened, the borough would be operating on a \$250,000 budget for the year. Allan Roth stated it was really 20 million dollars, but they would be losing ten percent of the operating budget if the resolution didn't pass. Allan Roth stated the borough would be starting off the year 10% in the hole which didn't include any expenditures, insurance increase, wage increases, and collective bargaining agreements that they had to honor. Allan Roth stated all of those things, had to be contemplated with that \$775,000 if the resolution did not pass.

Roy Riggitano stated his final note was regarding trash removal being in the deficit as well. Roy Riggitano explained normally, in normal times of Palisades Park, they had money in transfers in November and December that would cover those shortfalls. Roy Riggitano stated that they tried with 2.5 Million Dollars in transfers and still came up shorts. Roy Riggitano stated they did give a good shot at trying to reduce this emergency. Roy Riggitano stated the week prior, they had another lawsuit that was fired by another employee, and they had a court order payment of \$73,000 that had to be paid on the COAH bills. Roy Riggitano stated any idea of potentially reducing the emergency were thrown out of the window after they received those two new additional lawsuits.

Mayor Kim asked Roy Riggitano when he found out that they would be under water for the DPW budget.

Roy Riggitano stated it wasn't the DPW, and the DPW actually did very well.

Mayor Kim stated he was talking about how Roy Riggitano had to take out \$250,000 from the DPW for transfers.

Roy Riggitano stated that was because they had to transfer line items. Roy Riggitano stated the DPW did very well with managing overtime, and watching how the money was spent, meaning there was money left in their budget to transfer.

Mayor Kim stated Roy Riggitano just mentioned the budget was reduced.

Roy Riggitano replied no, he was talking about trash removal.

Allan Roth stated trash removal had nothing to do with the DPW. Allan Roth explained to keep the tax burden lower, Roy Riggitano did not fund as much as he would have liked to for trash removal.

Mayor Kim asked Roy Riggitano why he didn't fund as much.

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Roy Riggitano stated they did not have council approval. Roy Riggitano explained on April 8th the finance committee met, and Roy Riggitano had explained that they were using too much surplus and the burden should have been redirected towards taxpayers and taxpayers money. Roy Riggitano stated at that time the taxes were about \$350 a house. Mayor Kim began to ask another question, but Roy Riggitano interjected and stated they did not have the vote to get it passed to put more money in the budget and reduce the surplus.

Mayor Kim asked if Roy Riggitano was saying that he met with the finance committee and they convinced him to reduce the budget that he should have increased leading to one of the reasons the borough was under budget.

Roy Riggitano stated that was part of it, but they didn't want to increase taxes.

Mayor Kim asked Roy Riggitano to declare that there were no extra charges, and expenses compared to the previous year.

Roy Riggitano confirmed everything was about the same and because the budget was tight, they didn't have transfers from November and December to cover those costs.

Allan Roth stated so everyone was aware the borough had a contract for waste removal and had to pay tipping fees in addition to that contract. Allan Roth explained that everyone had to pay this extra fee, and when they went to the dump the hauler wasn't going to pay for it but would charge the borough by the ton. Allan Roth stated at the end of the year they didn't know what the tipping fees would be, and there was no way for the CFO to estimate how the fees. Allan Roth stated he had to put that in.

Councilman Shin stated first of all, there was no additional charges when the borough had a contract with the garbage company. Every year, the borough paid the exact amount reflected in the contract for \$195,000. Councilman Shin stated that year from January to June, they had paid \$185,000 and from July to December they paid \$192,000. Councilman Shin stated that totaled out to be 2.3 Million Dollars, but their budget was 1.96 Million Dollars.

Roy Riggitano stated he was correct.

Councilman Shin stated it was only expected that they had a deficit in the garbage removal unless they transferred the money from other accounts.

Roy Riggitano stated this was that the money would have been there to do something.

Councilman Shin stated the budget for 1.96 Million Dollars was not realistic and asked why they had a fixed amount that was paid for twelve months.

Roy Riggitano replied that Councilman Shin should speak with his fellow councilmembers who did not give the vote to adopt a budget at \$400 a house instead of \$350 a house.

Mayor Kim asked if Roy Riggitano was saying at that moment the finance committee had asked him to lower it because they wanted to lower taxes.

Roy Riggitano confirmed that was correct and he had the emails to prove it.

Councilman Min stated Councilman Shin was right. The borough had a yearly contract with Westphal for 1.96 Million Dollars. Councilman Min stated they had made the transfer appropriations back in March for \$300,000. Councilman Min stated excluding that, they had already spent 2.3 Million Dollars up until then including the \$300,000.

Roy Riggitano stated that was correct.

Councilman Min stated they were in a twelve-month billing cycle but missing the month of December.

Roy Riggitano stated it was because the borough was short, being the reason they were at that meeting.

Councilman Min stated hi question was the same. The contract was based off of the year prior budget as well, and the contract was for the same amount as 2024. Councilman Min stated they knew for a fact, the year before they had spent 2.4 Million Dollars almost 2.5 Million Dollars. Councilman Min asked why they were under budget starting from the beginning.

Roy Riggitano stated it was because Councilman Min didn't want to raise taxes. Roy Riggitano asked if Councilman Min thought that Roy Riggitano didn't know they had to raise the taxes to \$400 a household.

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Roy Riggitano stated Councilman Min wanted to keep it at less than \$400 a household. Roy Riggitano stated it wasn't him, but it was Councilman Min.

Mayor Kim stated a majority of the council didn't even know what was going on.

Roy Riggitano stated the finance committee did.

Mayor Kim asked how Roy Riggitano knew that and asked him if he had proof.

Roy Riggitano stated he did have proof, from April 8th.

Councilman Min began to ask a question, but Mayor Kim interjected. Councilman Min asked for Mayor Kim to let him finish. Councilman Min stated for legal expenses they budgeted \$450,000 for 2025. Councilman Min stated they had actually adopted the budget in May 2025. For the budget line items, the council had appropriated \$450,000 for the year. Councilman Min stated from May to September they had already exceeded \$400,000 just in legal fees. Councilman Min stated starting from the October bills, they had already paid over \$200,000 in bills for one month for legal expenses. Councilman Min asked why they were talking about this at the end of the year when they knew for a fact that the money was already exhausted.

Roy Riggitano stated if Councilman Min would have read his emails from July 11th and July 12th he would have known that they had problems in the budget.

Councilman Min stated everyone in the finance department expected the council to vote on a certain thing three days before. Councilman Min stated as they could see, it took roughly 30 minutes just to explain what was going on.

Roy Riggitano stated he was at the borough during the week, and Councilman Min didn't want to go and speak with him therefore he couldn't help him. Roy Riggitano stated this was all spoken about with the other council members.

Councilman Min stated it was always like this.

Roy Riggitano replied that it wasn't.

Councilman Min stated Roy Riggitano was putting the pressure onto the council at the very last moment.

Roy Riggitano stated Councilman Min liked to grandstand and belittle people which was what he liked to do.

Mayor Kim stated as he mentioned in his speech, this was not a blame game, and the council had the duty to obtain information to have enough knowledge to decide on resolutions. Mayor Kim stated he wasn't blaming anyone at that time, and they were in a deep situation. Mayor Kim stated everyone heard the repercussions of what would happen if the resolution didn't pass. Mayor Kim stated there seemed to be discrepancies but that was beyond them at that point in time. Mayor Kim asked if anyone else had any comments or questions.

Councilwoman Won-Yoon asked why they were only talking about only \$775,000 and asked if this was because it was the limit for emergency appropriations. Councilwoman Won-Yoon asked what the total amount was in the deficit.

Roy Riggitano stated it could be higher, but once they hit a number the mayor, clerk, and CFO would have to go down to Trenton and plead their case.

Councilwoman Won-Yoon repeated the number could be even higher.

Roy Riggitano replied absolutely.

Councilwoman Won-Yoon asked how they going to handle the rest of the deficit after the \$775,000.

Roy Riggitano stated after the \$775,000, they would hopefully pass the resolution and look at the 2026 budget and probably budget every dollar that had to be raised in taxes the following year after hearing the council disapproval of keeping the rate low.

Councilwoman Won-Yoon asked if Roy Riggitano had a rough estimate of the total deficit.

Roy Riggitano stated he did not.

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Councilman Donohue asked if a claim was made, and they felt the case was frivolous with no legitimacy, if the JIF would still come in and demand the borough would have to settle.

Roberta Stern stated no.

Allan Roth stated the simple answer was yes, and they provided a letter of representation. Allan Roth stated when a case was filed, the borough had to send it to the JIF. The JIF would then send a letter back stating yes they would represent the borough, or no they would not represent the borough. Allan Roth stated if there was coverage, they would send a three-to-four-page letter of representation outlining all of the things they did. One of the clauses in the letter of representation is if the borough didn't work with them, they could stop representing the borough on the case. Allan Roth stated attorneys call it a "hower clause" because they were going to try and hower the borough down. Allan Roth stated it wasn't written as an actual clause but that was what the borough called it because the JIF would beat them down because no one wanted to take a chance at paying a judgement, hence having insurance. Allan Roth stated for the older people in the crowd, when Tom King had to sign the income tax law for the first time he held his nose. Allan Roth stated he would tell him all the time that he knew he didn't like it and he'd have to hold his nose to settle it, but it made economic sense. Allan Roth stated the borough was an interesting business, because it was a service business, and at the end of the day, they had to make business decisions.

Councilman Kwak stated he had a few questions. Councilman Kwak asked what the remaining number of lawsuits were for the year 2026. Allan Roth stated he didn't know.

Roy Riggitano stated at least eight.

Allan Roth replied they had more than that.

Roy Riggitano stated actually nine because they had just had another one filed the week before.

Allan Roth replied there were at least that many plus 12 at the Planning Board which did not include the COAH cases. Allan Roth stated the affordable housing cases were separate.

Mayor Kim asked if it was the Zoning Board instead of Planning Board that had the lawsuits.

Allan Roth stated he believed there were 12 lawsuits open on the Board of Adjustments.

Mayor Kim asked if they were all from the former Borough Administrator.

Allan Roth stated among others yes.

Councilman Kwak asked if Roy Riggitano had stated if they did pass the resolution, they already had a mandated \$150 tax increase per household.

Roy Riggitano stated that was correct, and the council, excluding Councilman Kwak, had approved the bills.

Councilman Kwak asked for the communities knowledge if they were not to pass the resolution, what would be the shortfall in terms of average household increase.

Allan Roth stated he could not look at it that way and had to look at how many services they would have to cut. Allan Roth stated they would still have to raise taxes, and the \$775,000 would cause the taxes to be raised anyways. Allan Roth stated for example, they could say the DPW street repaving line item was going to lose \$150,000. Allan Roth stated this meant they would not be able to repave streets. Allan Roth used another example regarding snow removal overtime and stated that was how Councilman Kwak had to look at it.

Mayor Kim asked if the state or any other organization that managed the borough deficit would come down on them and restrict their expenditures. Mayor Kim asked if there were any legal fees or penalties.

Roy Riggitano replied probably not, if it got passed. Roy Riggitano stated he presented it to the division of local government services with an understanding that it was approved when in reality it wasn't. Roy Riggitano stated when he found out from the division that it wasn't approved, the chief director asked them him why the council wouldn't approve it in which he replied he could not answer and did not know why. Roy Riggitano stated they wanted to raise the taxes no matter what.

Mayor Kim stated he was a little confused along with the rest of the council. Mayor Kim stated Roy Riggitano had to reiterate the explanation. Mayor Kim stated that Roy Riggitano had mentioned in and

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out of cap and mentioned the difference regarding if this wasn't put in one of the caps that the borough would lose their ability to manage the budget for 2026.

Roy Riggitano confirmed that was correct.

Mayor Kim asked how.

Roy Riggitano explained it was because they wouldn't have the money to keep the contracts in place.

Mayor Kim asked what Roy Riggitano would be able to do if the governing body did pass the resolution.

Roy Riggitano stated it wasn't him, but the governing body would be able to govern properly regarding essential services of Palisades Park.

Councilman Kwak asked his final question for the communities information. Councilman Kwak asked what programs or initiatives were currently in place to cover the shortfall if they did pass the resolution. Councilman Kwak asked what money they had coming into the borough to help cover the shortfall.

Roy Riggitano replied at that time, there was an email sent three separate times regarding surplus. Roy Riggitano stated he didn't have it at that time but would provide it later on. Roy Riggitano stated without having developments, the reduction in surplus was coming from Zoom, building, and parking meters. Roy Riggitano stated these reduced the surplus because the borough also didn't have revenue coming in. Roy Riggitano stated this was no fault of certain individuals, but the borough did not have the revenue. Roy Riggitano stated they were trying at that point to slow down the bleeding as best as they could by passing the resolution which would drive some buffer so that the council could manage the budget, and not himself. Roy Riggitano stated the governing body was supposed to govern and not micromanage the finance department which he had seen happening.

Councilwoman Lee stated she thought Roy Riggitano had mentioned the operational budget was at a 3% cap every year.

Roy Riggitano confirmed that was correct.

Councilwoman Lee stated then the \$775,000 budget expenses were within the cap.

Roy Riggitano stated roughly the boroughs cap was between five to ten million dollars, but the problem was all of the money would come out if they didn't pass the resolution. Roy Riggitano stated it would be a penalty for not passing the resolution.

Councilwoman Lee stated if the 3% cap was absorbed by the \$775,000 of expenses that would regularly be used for operation of the borough.

Roy Riggitano stated Councilwoman Lee was spot on.

Councilwoman Lee stated another negative consequence that was mentioned at a separate meeting was that the resolution would become material finding the following year so whenever the borough submitted their financial statements, or even grants, it would be looked upon adversarial.

Roy Riggitano stated that was correct because the borough didn't follow the rules of the law.

Mayor Kim stated the borough wouldn't be able to apply for grants.

Good Afternoon Cherylee,

Roy Riggitano stated it would be material finding, and it would not be good.

Councilwoman Lee asked if this would affect the boroughs ability to receive funding from the state.

Roy Riggitano replied grant applications would not be looked up favorably.

Mayor Kim asked the auditor to make a statement.

Robert Van Sweden from Garbarini stated he was the borough RMA.

Allan Roth clarified the RMA was the boroughs auditor.

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Robert Van Sweden stated he didn't want to regurgitate everything the CFO had went over but he agreed with him 100%. The bills had been paid for 2025 and there was no going back. Robert Van Sweden stated as mentioned, this would become material audit finding if it wasn't corrected and it would affect any grant applications in the future.

Mayor Kim thanked Roberta Van Sweden and asked if council members had any questions.

Councilwoman Won-Yoon stated it seemed like they were focused on the negative results which she understood. Councilwoman Won-Yoon asked what guaranteed the borough wouldn't be in this same situation in the future. Councilwoman Won-Yoon stated the way they processed at that point in time was that they didn't proactively check if the finances fell in budget, or over budget. Councilwoman Won-Yoon continued that this wasn't the only case and brought up legal fees as an example. Councilwoman Won-Yoon stated she raised an issue back in September regarding exceeding the cap for legal fees. Councilwoman Won-Yoon stated they had actually raised that cap after she raised the issue. Then, in November Councilwoman Won-Yoon noticed on the bills list that the cap was exceeded again. Councilwoman Won-Yoon stated there were two vendors that had been paid, and the cap was again exceeded and for December they couldn't pay. Councilwoman Won-Yoon stated the biggest concern was that there was no real process in checking to make sure the borough was still in budget or exceeding it. Councilwoman Won-Yoon reiterated that this was the biggest concern to her, and she believed unless they had to learn a lesson and fix it, she wasn't to sure if the borough was doing the right process.

Allan Roth stated this was a borough run on committees. Allan Roth stated her committee should have been reporting these things to the council every month and if they didn't have a report then the rest of the council may have not known. Allan Roth stated when she met with the CFO through their committee, or anyone through each council members committee, those were the professionals. Allan Roth stated he was considered a professional, Kenny Bruno from DPW was considered a professional, Roy Riggitano was considered a professional, etc. Allan Roth stated these are the people the borough hired to help run the town on a day-to-day basis. Allan Roth stated once they had the information it was the councils obligation to bring any issues back to the rest of the council, which was a way to check for any inconsistencies or issues.

Mayor Kim apologized for interrupting and stated he needed to reiterate Councilwoman Won-Yoon's question. Mayor Kim stated Councilwoman Won-Yoon and Councilman Min had been apart of the finance committee for 2024 and 2025. Mayor Kim stated Councilwoman Won-Yoon just testified in front of everyone that in September, she realized that the cap was going to be exceeded. Mayor Kim stated Councilwoman Won-Yoon stated she had told everyone and asked who she told.

Councilwoman Won-Yoon stated she told the council. Councilwoman Won-Yoon asked Mayor Kim if he remembered that she had pointed out the two vendors that wound up not being paid. Then in October, they had more than two resolutions expanding the cap.

Mayor Kim asked if Councilwoman Won-Yoon stated she had warned that they were going to go out of cap and they would be in trouble. Mayor Kim stated he did not remember that.

Councilman Min began to speak but Mayor Kim interjected and stated they would get back to him.

Councilwoman Won-Yoon stated she did let everyone know and it led to the council not accepting the two vendors that and to be paid. Councilwoman Won-Yoon stated she believed one of these vendors was Allan Roth's firm, and the following month there were a bunch of resolutions passed to expand the cap. Councilwoman Won-Yoon stated they already knew by then that they were going to go over the cap.

Roberta Stern stated it was a different cap.

Mayor Kim stated what Councilwoman Won-Yoon was talking about was the cap of professionals, and if they exceeded that cap, that didn't really tell where the boroughs financial budget cap was.

Councilman Min attempted to speak but Mayor Kim stated he was out of line and askes Councilwoman Won-Yoon to continue.

Councilwoman Won-Yoon stated in general, they did not have a process to monitor what the borough was spending, or how to make sure they weren't exceeding the cap.

Mayor Kim asked why they didn't have that in place. Mayor Kim asked why the professionals, staff, and CFO couldn't provide a report.

Roy Riggitano stated he sent an email out in July that Mayor Kim could read. Roy Riggitano stated Mayor Kim was told in July that they were going to have problems with the budget. Roy Riggitano stated

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no one knew that they were going to receive so many lawsuits after April, May, and June, or in December they were going to receive even more lawsuits and a \$73,000 bill for a forensic audit. Roy Riggitano stated he didn't know it until the week prior therefore there was no way to determine what settlements would come out of 2026. Roy Riggitano stated after hearing everything that night, he could assure that they would put enough money in the budget for the line items.

Councilwoman Won-Yoon stated every month if they had a chart to list what was spent, and on what – Roberta Stern interjected and stated that wasn't how it worked. Councilwoman Won-Yoon asked if that was possible.

Allan Roth began to answer but Mayor Kim interjected and asked Roberta Stern to explain.

Roberta Stern stated in a lot of places which were not done at the borough, a blanket was put in the finance from day one. Roberta Stern stated Councilwoman Won-Yoon was talking about the cap on expenses for individual resolutions and professionals, not the budget cap that Councilwoman Lee was talking about. Roberta Stern stated that was never done at the borough and the process that Councilwoman Won-Yoon cared so much about was helpful. Roberta Stern stated when the resolutions were passed and there was a cap, a blanket was created in the finance system. As that money was spent, they could see the difference. Roberta Stern stated finance could see three months later that if the cap was \$100,000 and they were currently at \$95,000 they would have to provide an explanation. Roberta Stern stated that had never done at the borough before and they were doing that going forward. Roberta Stern stated if Councilwoman Won-Yoon was so concerned about what was going to happen going forward, that was what was going to happen going forward.

Councilwoman Won-Yoon stated the cap for professional service fees was just one example and she was trying to generalize that the reason here was a deficit in the budget was because they didn't proactively monitor the finances.

Roberta Stern stated it had nothing to do with monitoring, and they could not monitor a lawsuit. Roberta Stern stated they could not monitor when the judge slammed the borough with a court mandated forensic accounting bill, there was no way to possibly know about that.

Councilman Min stated as Roy Riggitano had mentioned, they couldn't expect an amount for legal expenses, but what about trash removal that was an expectable expenditure.

Roy Riggitano stated he would reiterate that the budget for the trash removal was too low. Roy Riggitano stated he wanted to increase taxes, but he couldn't get the vote to increase each household to \$400-\$425. Roy Riggitano stated the council as a collective wanted \$350 a house, otherwise the \$400,000 would have been in budget.

Councilwoman Won-Yoon asked if they should have expected the deficit from the very beginning.

Roy Riggotano replied no, because they had already moved 2.5 Million dollars back in November and December. Roy Riggitano stated it was only in December that they knew positively the gravity of the legal fees and settlement fees.

Councilman Min stated the contract for the trash was already there and the money was already in place.

Roy Riggitano stated the budget didn't have enough money.

Councilman Min stated that meant by October, they had already exhausted two million dollars for the trash.

Roy Riggitano stated he already had transfers ready to go but other things happened.

Councilman Min stated they had never made any transfers to the trash to pay it off.

Allan Roth stated it wasn't a line-item transfer like that. Allan Roth stated at the end of the day line items one through six weren't transferred, and it didn't work that way. Allan Roth stated basically, although Roy Riggitano stated the contract for trash removal would be around 2.3 million Dollars, the finance committee did not want to raise household taxes. Allan Roth stated historically, they would have been able to move the money but that year they were not able too because there was no extra breakage. Allan Roth stated they didn't have this extra money lying around because the COAH cases that should have been taken care of ten years prior were being handled in 2024 and 2025. Allan Roth stated they were paying a forensic accountant that charged whatever the courts demanded them to charge which came out to \$73,000. Allan Roth stated this was not an expenditure that they had any contemplation on.

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Councilman Min asked if they were on a yearly contract for trash removal. Councilman Min asked for the details.

Councilman Shin stated it was a five-year contract through 2027. Councilman Shin stated he regretted not having an advanced monitoring system that checked every month the progress of the expenditures of funds. Councilman Shin stated they should have known about this in November or December and were just now complaining about it. Councilman Shin stated they needed a monitoring system not just between the CFO and council finance committee to check the expenditures. Councilman Shin began to speak – Mayor Kim interjected – Councilman Shin asked him to please let him finish what he had to say. Councilman Shin stated he had been living in the town for 30 years, and he heard that there is a group trying to bring chaos into the town. Councilman Shin stated there were things they couldn't control like when someone brought a lawsuit to the borough, the borough had to use unlimited funds to fight against. Councilman Shin stated he didn't think this was a time to blame one another, but it was time they came together to try and fight the groups that wanted to spoil the town. A round of applause was heard.

Mayor Kim asked if there were any other questions.

Councilwoman Won-Yoon stated she was concerned about how they could avoid this situation in the future, whether it was a system or process to monitor.

Mayor Kim stated Councilwoman Won-Yoon was repeating the same thing and they were running out of time. Mayor Kim stated other towns had safety measures that the staff, CFO, attorney, or borough administrator monitored the expenses that they poured out on a monthly basis.

Roy Riggitano stated that was correct and he did that every month anyways after July when the budget was adopted. Roy Riggitano stated as far as the following year was concerned, he had never in his career had so many lawsuits pending that were going to be settled. Roy Riggitano stated the council would have to decide how much they wanted to raise the taxes to the following year to cover the shortage.

Mayor Kim stated Roy Riggitano was going off topic. Mayor Kim asked if Roy Riggitano was stating that he had sent out monthly reports after July.

Roy Riggitano stated no not that year because they had moved to a separate software system which everyone knew about.

Roberta Stern stated they moved from Munidex to Edmunds which took over two and a half months.

Roy Riggitano stated come July 1st, they would receive a monthly report on what was spent and what was budgeted.

Mayor Kim stated he wanted everyone to understand that he agreed with everyone and what was spoken about was true. Mayor Kim stated however, he specifically agreed with Councilman Shin because he assumed this was created by people that had authority over the borough and councilmembers including himself at one point and lost it. Mayor Kim stated he was going to testify to everyone, and not name any names, but that person had told him straight to his face that he would bleed the borough the moment he left. Mayor Kim stated this was the problem they were having at that time, and none of the council could stop incoming lawsuits because anyone could sue anyone. Mayor Kim stated the problem was that this old, not proper, management and leadership from the former administration they had to deal with together. Mayor Kim stated Councilman Shin was right, and they had to work together and defend themselves so that sooner than later this would all disappear. Mayor Kim stated things like this took time and money. Mayor Kim stated he was surprised as the rest of the council was asking why they spent so much money, but he believed they did it for the right reasons which were due process procedures. Mayor Kim stated he really honored due process procedure because they didn't have that before. Mayor Kim stated the ultimate decision that council members had to make was whether or not they were going to pass the resolution. Mayor Kim asked if there were any more questions. Mayor Kim requested a motion to close and open to the public.

Councilman Shin made a motion which was seconded by Councilman Kwak. All joined in favor, none opposed.

PUBLIC PARTICIPATION

Mayor Kim reminded the public that they had three minutes each to speak.

Rosemarie Lonis stated she had to read off her phone. Rosemarie Lonis stated this decision was not about personal, political, differences but was about what protected the town and residents. Rosemarie Lonis stated the responsibility before the governing body was to minimize harm and risk to residents and

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taxpayers. Rosemarie Lonis asked that the governing body focused on the impact of this decision. Rosemarie Lonis stated residents needed leadership that put their wellbeing first. Rosemarie Lonis asked the governing body to please pass the resolution and act in the best interest of the community because the residents should come first.

Paul Albanese stated he was a bit confused regarding the issue with the garbage fees. Paul Albanese asked how long the town had been recycling.

Mayor Kim stated a long time.

Paul Albanese continued that he remembered being at a council meeting and hearing something regarding recycling and he was confused about what he was hearing at that time. Paul Albanese stated he was told by that council that they were getting money back by the town for what was recycled and asked if that was true.

Roy Riggitano stated yes, that was correct they were getting money back.

Paul Albanese asked why that wasn't mentioned earlier and asked if recycling was a part of trash.

Roy Riggitano stated it wasn't what they were talking about on the deficit.

Paul Albanese asked how much the borough got back on recycling.

Tax Collector Michael Apicella stated for recycling, the borough got back roughly six thousand dollars a year.

Paul Albanese stated everything they were doing, they were doing it for only six thousand dollars.

Michael Apicella stated it went by tonnage, and going rate such as recycling metals, and bottles but it wasn't actually a lot.

Paul Albanese stated that in the past, the governing body had made it sound like that would help the borough.

Roberta Stern stated in all fairness, it used to be helpful because years ago they were getting more money back per item. The price for plastic was good, and the price for metal was good which at that point in time had dissipated. Roberta Stern stated that in the town she lived in they had the same thing, and it was a good idea but unfortunately because foreign countries got involved, and they weren't buying so much, the money was less. Roberta Stern stated at the end of the day it was healthier, and it was good for the borough.

Paul Albanese stated of course the borough should recycle and he understood that.

Roberta Stern stated the difference was that it was much better years ago and the prices had went down from year to year.

Mayor Kim asked Paul Albanese to continue.

Paul Albanese stated that was all he had to ask, and he had heard a bunch of numbers regarding trash but didn't hear anything about recycling. Paul Albanese stated years ago when residents were told the town was going to participate in the recycling they were told they were going to get back a lot of money from it.

Neris Papoters stated this was the result of what the town had before and was the left over. Neris Papoters stated there were many things that the new governing body had to handle. Neris Papoters asked where the accounting person was and stated that at every meeting she was told by Roy Riggitano that everything was going to be fine, but when she came to the meeting now there was an issue. Neris Papoters stated this was because there were a lot of leftover issues from David Lorenzo and she could say that because she was a resident. Neris Papoters stated they were still carrying this over, and if they continued with these kinds of people, the taxpayers would have to keep paying. Neris Papoters stated they had more garbage because of the amount of illegal residents. Neris Papoters stated all they had to do as the council was vote yes. Neris Papoters stated when it came to lawsuits, they were still raising employees positions after they sued the borough. Neris Papoters asked what they were doing as an administration, and stated she wanted to put in a lawsuit being a taxpayer in this condition. Neris Papoters stated she wanted to sue the person that was doing the accounting the borough because her money as a taxpayer was going to waste. Neris Papoters stated the council had a responsibility to do the right thing and vote on the resolution so that they could move past. Neris Papoters stated they didn't have the right people in administration and until they

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fixed that they would continue to have these issues. Neris Papoters stated they shouldn't make voting decisions based on who liked one another. Neris Papoters stated they were council members, and residents voted for them to make the right decisions. Neris Papoters stated she was right every time when she said David Lorenzo was ruing the town, and he still was because all of his people were still working for the borough.

Andrew Meehan stated he was a resident from Hackensack but was a concerned citizen. Andrew Meehan stated for general knowledge, if they were a member of the general public, anyone from any town could speak. Andrew Meehan stated something he heard from Councilwoman Won-Yoon he 100% agreed with. Andrew Meehan stated that when the council and mayor decided that night, it established a precedence. Andrew Meehan stated Councilwoman Won-Yoon was trying to warn everyone about what would happen the following year. Andrew Meehan warned about if they were going to come to a resolution were the budget was one million or two million dollars over budget. Andrew Meehan stated the council would find themselves at another special resolution meeting to pay off the budgets and decide to place in or out of cap. Andrew Meehan stated one thing the CFO said that he wanted everyone to think about was that he didn't see this happen for over 30 years in the town. Andrew Meehan repeated that for over thirty years the budget was balanced, and residents should have thought about that. Andrew Meehan stated the people that made the decision and passed the budget remained in power, and all of the governing body voted making all of them responsible for what happened. Andrew Meehan stated the only way to hold people accountable was through the election. Andrew Meehan stated there were people on the council that deserved to be there, and Councilwoman Won-Yoon went against the establishment risking everything including her character. Andrew Meehan stated he hoped everyone supported Councilwoman Won-Yoon because they needed someone who went against the establishment to make sure the other side did not have their say. Andrew Meehan stated he knew he spoke loudly, but he was trying to emphasize some things talked about in case anyone missed anything. Andrew Meehan stated there were a lot of things spoken about by the CFO that were monthly issues. Andrew Meehan stated they were being directed to simply pass the resolution, but he didn't like that because it was just to gain leverage. Andrew Meehan stated there should be a slower process to make these decisions and if people on the council, as well as the mayor had a responsibility to make sure this was the right decision. Andrew Meehan stated they believed it was the right decision, and if residents voted for this mayor and council, they also voted for the \$775,000 shortfall.

Mayor Kim stated Andrew Meehan had went over his three minutes and he was confusing the crowd. Mayor Kim stated they didn't create the lawsuits, and they were there to reform. Mayor Kim stated it Andrew Meehan was present to advocate for Councilwoman Won-Yoon for reelection, then God bless him because he wasted his time. Mayor Kim stated Councilwoman Won-Yoon was not against the establishment but was trying to make sure the establishment was run properly.

Andrew Meehan stated he agreed, and apologized.

A Korean resident came up and asked if he could speak in Korean. Mayor Kim stated he could, but Allan Roth stated they didn't have a translator.

Dae Suk Oh stated they were going in the right direction, and these lawsuits shouldn't happen in the first place. Dae Suk Oh stated the court was already sentencing so the borough didn't have a choice for certain things. Dae Suk Oh stated the trash budget had too much involved and should have been passed. Dae Suk Oh stated the communication in the past was a problem but it was getting better. Dae Suk Oh stated as a resident they didn't want chaos. Dae Suk Oh stated the residents elected the governing body to serve the community better and better. They expected the governing body to do the right thing.

Justin Jeon stated he had a question regarding the lawsuits that might come to fruition in the future. Justin Jeon asked how they could accurately predict when these lawsuits would go away when the party they were faced against had an unlimited budget. Justin Jeon asked how soon a system could be set in place to properly inform council members on the financial liability.

Mayor Kim stated those were two very good questions that he wanted to answer. Mayor Kim stated they were reforming and were against the former administration that ran the borough. Once they were done and over with, they expected the new people to reduce the lawsuits. Mayor Kim stated they did this with the Police Department and created a proper and legal way of promotions. Mayor Kim stated there were a lot of lawsuits from the Police department, and they had been accredited for the first time in Palisades Park thanks to the new chief and captain. Mayor Kim stated this meant this showed they were away from the bad stigma of the Police Department and were excelling. Mayor kim stated accreditation was very hard to receive and only 37% of New Jersey Police Departments were accredited. Mayor Kim stated as they reformed properly and had the proper staff and support they believed in the future they would reduce it and use proper procedure such as what Councilwoman Won-Yoon had stated. Mayor Kim stated this was a public business and public employment which meant they were public servants. Mayor Kim stated no one who wanted to take care of themselves and feed their stomachs should be there anymore. Mayor

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Kim stated Allan Roth had said something to him very important and he wanted to make proof of it. Mayor Kim stated it seemed like there were three claims from 2018, and three claims in 2019.

Allan Roth stated these were claims and reports filed.

Mayor Kim stated this was an indication of what was going on. Mayor Kim continued in 2020 there were two lawsuits, and in 2021 there was one lawsuit. Mayor Kim guessed everyone to guess when he got elected. Mayor Kim stated he was elected in 2023. Mayor Kim stated in 2022 the borough received eight lawsuits, in 2023 they received thirteen lawsuits, and in 2024 they received eight lawsuits. Mayor Kim stated in 2025 they received two lawsuits. Mayor Kim stated before the former administrator departed ways, he put in double digit lawsuits against the borough. Mayor Kim repeated for everyone to remember he stated to Mayor Kim that he would bleed the borough to death. Mayor Kim repeated this was the truth, so help him God. Mayor Kim stated the problems were in the past and they were in the process of reform to fix things that had been set upon them for so many years. Mayor Kim stated the builders remedy cases, the affordable housing act that hadn't been spoken of for over twenty years including a masterplan that had to be done. Mayor Kim stated he could suspect that it went over negligence and as everyone could see this wasn't about why there was so much money spent. Mayor Kim stated during these tough times they had to come together and work together because they were on the same path to reform. Mayor Kim stated he also wanted to mention as a mayor he had to be impartial. Mayor Kim stated he was almost like a judge, and he couldn't vote only the council. Mayor Kim stated he could present proposals, but the council made the tough decision to pass or not pass the resolutions. Mayor Kim stated he thought they were doing a good job because this was difficult. Mayor Kim stated when the council recommended having a system in place to show what was being spent on a monthly basis, he agreed. Mayor Kim stated they did this the year before like the CFO said. That year they couldn't do it because they were changing the old paper format of finance bookkeeping to digital. Mayor Kim stated even though they received reports on a monthly basis, they couldn't control the lawsuits. Mayor Kim stated if someone sued the borough it was uncontrollable, and if they did get sued they had to defend no matter what. Mayor Kim stated just because they pointed out that they were going over the expenditure, they couldn't do anything about the lawsuits. Mayor Kim stated he believed they would reduce the lawsuits and were down to two that year. Mayor Kim stated he hoped the people and council members understood what they were doing, and reform was difficult and costed a lot of money. Mayor Kim stated they all agreed they were heading in the right direction, and the people saw that as well. Mayor Kim stated the change started the year prior and hoped everyone understood what they were trying to do. Mayor Kim requested a motion to close the public participation portion and return to the Sine Die Meeting.

Councilman Kwak made a motion and Councilman Donohue seconded. All joined in favor, none opposed.

OFF CONSENT AGENDA

RESOLUTION 2025-361 Authorization an Emergency Appropriation N.J.S.A. 40A:4-48

Mayor Kim stated this broke his heart, but for the sake of preventing huge lawsuits of public services that the borough prided themselves off, and for to protect the people, he pleaded. Mayor Kim stated he hoped the council gave the four votes to move forward with the 2026 budget and have the opportunity and liberty to see how they could reduce the expenditures. Mayor Kim stated they would have to sit down with the CFO, and borough administrator to see how this could be done. Mayor Kim stated he thought of many ways to address the expenditures and after meeting with several council members. Mayor Kim stated at the end of the day they were trying to make sure they 2026 taxes would be nominal. Mayor Kim stated that was what they were looking for, a tax increase. Mayor Kim stated as they knew, a majority of municipalities in the state of New Jersey all went through joint health insurance for borough employees. Mayor Kim stated the prior year, it rose 22%, and that year they expected 36.5% increase for all health insurance for employees of the borough. Mayor Kim stated this wasn't their fault, and it was the state health insurance going under. Mayor Kim stated he hoped the new governor and people working above him figured something out for them. Mayor Kim stated he also hoped that Roberta Stern was working really hard to reduce the 36.5% to something else. Mayor Kim stated as everyone could see, they were fighting a terrible fight because they had a lot of lawsuits. Mayor Kim stated there were also people that were sick that they had to take care of. Mayor Kim stated he wanted to ask Allan Roth something before they moved forward. Mayor Kim stated there were eight to thirteen lawsuits since he became mayor. Mayor Kim stated he couldn't be doing that much wrong, and asked Allan Roth to name the lawsuits they settled and for how much.

Allan Roth stated just because lawsuits were filed in 2023, that means the issues started years before. Allan Roth said no one does something to cause a lawsuit on day one and then its filed on day two. Allan Roth stated the thirteen lawsuits that were filed in 2023 could have gone back to 2021 or 2022. Allan Roth stated a lawsuit filed in 2023 just showed when the lawyers filed it, or because of a statute of

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limitations meaning they had a deadline to file. Allan Roth reiterated just because they were filed in 2023 does not mean they occurred in 2023.

Mayor Kim stated Allan Roth had mentioned a lawsuit from previous employee Vincent Carnovale. Mayor Kim asked how much Mr. Carnovale received from that settlement.

Allan Roth replied \$446,973.

Mayor Kim asked for the reason for the settlement, and why the borough was in that situation.

Allan Roth stated the allegation was that he was inappropriately fired back in 2018.

Mayor Kim asked fired by who.

Allan Roth stated the prior borough administrator.

Mayor Kim asked Allan Roth to provide more examples of how the past was haunting them.

Allan Roth stated there were a couple of emotional cases settled from 2023.

Mayor Kim asked about previous council members such as Cynthia Perreria that were no longer with the borough thanks to the people of Palisades Park.

Allan Roth stated that lawsuit was still going on so they were paying legal fees as they went along.

Mayor Kim asked about Cynthia Perreria's son, Mark Messing.

Allan Roth stated that case was filed in 2023, but the allegations occurred prior to 2023. Mayor Kim stated that settled for \$175,816.

Mayor Kim stated Allan Roth was there when it happened and asked why the affordable housing mandate was not disclosed to the governing body even when he was a council member. Mayor Kim stated he hadn't heard any prior borough administration, mayor, or council talking about that the borough was behind on affordable homes and if they didn't handle it they would get in trouble.

Allan Roth stated that was twenty years in the past so he couldn't answer that. Allan Roth stated he knew a couple towns pushed it off over and over again for decades.

Mayor Kim stated no he disagreed because he was a witness and stated no one knew about builders remedy until two years prior when he became mayor. Mayor Kim stated the former borough administrator came to him and stated that they had a problem but by then it was too late. Mayor Kim stated he was trying to tell everyone that he was trying to stop it and under his watch it would never happen.

Allan Roth stated that Mayor Kim had been proactive with the COAH cases, and the borough was going onto the last steps before the next round. Allan Roth stated the borough was on zero back when they started.

Mayor Kim stated the borough had spent thousands of dollars to protect the residents that were concerned about over developments.

Allan Roth stated at that point in time, due to the status of the law and the lawsuits, it was no longer about protecting taxpayers in terms of developments but was about how much they could protect the residents because the ship had already sailed. Allan Roth stated now they were just trying to keep the resolution at an acceptable rate.

Mayor Kim requested a motion to pass resolution 2025-361.

Councilman Kwak made a motion and Councilman Shin seconded. The motion carried on a roll call vote and was recorded as follows:

Councilman Donohue	Councilman Donohue asked what they were voting for. Councilman Donohue stated the repercussions of not passing the resolution were too severe, so he was voting yes.
Councilman Kwak	Councilman Kwak stated he agreed with Councilman Donohue that the consequences were too severe therefore he voted yes
Councilwoman Lee	Yes
Councilman Min	No

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Councilman Shin Yes
Councilwoman Won-Yoon No because what bothered her was the account delegation because there was a financial deficit, but no one took any responsibility.

Borough Clerk Sophia Jang stated Resolution 2025-361 had been carried.

Mayor Kim thanked everyone and promised things would decrease and get better in the future. Mayor Kim stated they had just started the reform about a year and a half prior. Mayor Kim stated he wanted to make sure that himself, the CFO, the borough administrator, and the four councilmembers that voted yes were working hard to not go over the expenditure for the following year. Mayor Kim stated Roy Riggitano now had the ability to make things better for 2026.

Roy Riggitano stated they would have a budget statute starting February 1st.

ADJOURN

Mayor Kim requested a motion to adjourn the Sine Die Meeting and open the Reorganization Meeting.

Councilman Shin made a motion which was seconded by Councilman Kwak. All joined in favor, none opposed.

Attest:



Sophia H. Jang, RMC
Borough Clerk