Borough of Palisades Park

275 Broad Avenue

County of Bergen

State of New Jersey

Special Meeting

of the Mayor & Council

July 10, 2026

BOROUGH OF PALISADES PARK
SPECIAL MEETING OF MAYOR AND COUNCIL
MEETING MINUTES
JULY 10, 2026, 6:00 PM

STATEMENT

Mayor Chong Paul Kim called the Special Meeting of the Mayor and Council to order. The Borough Clerk confirmed that proper notice of the special meeting had been given in accordance with applicable law: notice was posted on the bulletin board at Borough Hall and on the Borough website at https://palisadesparknj.org/, and a copy was preserved in the Clerk's Office.

PLEDGE OF ALLEGIANCE & MOMENT OF SILENCE

The Pledge of Allegiance and a moment of silence were led by Councilman Shin.

ROLL CALL

Present: Mayor Chong Paul Kim, Councilman Donohue, Councilman Kwak, Councilwoman Lee, Councilman Shin, Borough Attorney

Absent: Councilman Min, Councilwoman Won-Yoon Borough Administrator

RESOLUTION

Resolution 2026-195 — Authorizing the Borough of Palisades Park Tax Collector to Prepare and Mail Estimated Tax Bills in Accordance with P.L. 1994 C. 72 1:08

Councilman Donohue questioned the CFO, asking how the Borough could simultaneously show an increase in total tax levy of approximately $3 million while the tax rate was decreasing from 1.463 to 1.423. CFO Riggitano explained that the rate cannot be reduced under the statutory estimate framework — the Borough is legally constrained to a maximum of 105 percent of the prior year's levy for the purposes of an estimated bill. He noted that the Board of Education received a certified A4F (Annual Financial Figure) representing a $1,008,000 increase, which will substantially affect actual tax bills. He emphasized that the estimated rate of approximately $565 per household on a $1,100,000 average assessed home represents the municipal portion only, and that the estimated bill is a cash flow mechanism, not a final figure: *"This is an estimate only to keep the cash flow going so we could pay bills."*

Councilman Kwak asked a series of detailed questions regarding the discrepancy between the estimated figures used in the resolution and the budgets formally submitted to the Division of Community Affairs (DCA). He observed that the estimated local budget at 105 percent came to approximately $22,397,250, whereas the actual budget submitted to DCA stood at approximately $24,024,205 — a difference of roughly $2.8 million. Similarly, he noted that the school budget as published was approximately $29 million, whereas the estimate used in the resolution reflected only approximately $28,500,000. In total, he calculated that the difference between the estimated figures and the published, submitted budgets amounted to approximately $2.9 million more in taxes that residents would ultimately be expected to pay once all budgets were formally certified.

Borough Attorney confirmed that this discrepancy exists and is inherent to the statutory estimation process. Tax Assessor Apicella clarified the legal constraint: *"Statutorily, I can't go more than 105 percent on this — for the estimate, for this resolution only."* He explained that once the DCA certifies the municipal budget, the school A4F is certified, and the county finalizes its figures, a reconciled fourth-quarter bill will be issued with the final, accurate tax rate. That reconciled bill — expected to go out in September — will reflect the true budgetary numbers for all taxing entities.

CFO Riggitano further explained that the county's levy is estimated to increase by 7 percent, which also exceeds the 5 percent cap permitted under the estimate resolution, meaning the estimate intentionally understates what the county will ultimately require. He stated plainly: *"The school is gonna be a hell of a lot more when we reconcile the bill, which will go out in September. That's when you will see the actual dollars per house."*

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The Borough Attorney then provided broader context for why this resolution was before the council at a special meeting. He noted that the growing trend among New Jersey municipalities is to issue estimated tax bills routinely, typically in May or June, as a common fiscal management practice to maintain cash flow without waiting for all certifications. He explained that Palisades Park had historically not done this — the CFO having served for 28 years without previously issuing an estimated bill — but that going forward, this type of resolution would likely be presented annually, in the regular course of business, without the need for a special meeting.

Councilman Kwak pressed on the practical impact to residents, asking what the Board of Education's $1,800,000 increase over the prior year would mean per household. Tax Assessor Apicella, deferring to the CFO's prior estimates, indicated that the school increase alone would translate to somewhere between $1,200 and $1,400 per household on an average assessed value of $1,100,000. CFO Riggitano confirmed: *"Anywhere between 13 and 14 [hundred dollars] for the school by itself. And we're gonna be at 565 [for the municipal portion]. The school is more than double what we're gonna be."*

Councilman Kwak also sought clarification on the multi-step review process before any final tax rate is established. CFO Riggitano outlined the sequence: the DCA examiner reviews the municipal budget; it then proceeds to the Division of Taxation, which reviews all taxing entities — school, library, county, and open space; the rate then goes to the county tax board; the county tax administrator reviews it; the CFO and auditor both independently verify it. He noted that this six-step review process ensures the accuracy of the final tax bills, and that in the history of this governing body there was only one instance of a rate error — which was caught, corrected, and reissued before any bills were mailed.

Councilwoman Lee asked about the current school budget's voter approval requirements. The Borough Attorney explained the bank cap mechanism, under which a municipality or school district that does not use its full 2 percent allowable budget increase in a given year may "bank" the unused capacity for up to three years, potentially allowing increases above the standard 2 percent cap without triggering a public referendum. The discussion noted this is a distinct process from local municipal budgets and falls under the oversight of the county superintendent of schools rather than a public vote in most circumstances.

Councilman Donohue asked about the financial consequences to the Borough if Resolution 2026-195 were not passed that evening. Tax Assessor Apicella responded directly: *"You're gonna have operational problems and pain in those. Literally, the lights will turn on"* meaning the Borough would face serious cash flow difficulties, potentially impairing its ability to pay ongoing operational bills.

A motion to adopt Resolution 2026-195 was made by Councilman Donohue Lee and seconded by Councilman Kwak.

Roll Call Vote:

- Councilman Donohue — Yes
- Councilman Kwak — Yes
- Councilwoman Lee — Yes
- Councilman Min — Absent
- Councilman Shin — Yes
- Councilwoman Won-Yoon — Absent

MOTION CARRIED

Resolution 2026-196 — Authorizing Cancellation of 2025 Purchase Orders

Mayor Kim called for an explanation of Resolution 2026-196, and CFO Riggitano provided a detailed account of the background and purpose of the resolution.

Discussion:

CFO Riggitano opened with historical context, explaining that in December of the prior year, he and the Borough's auditor, Paul Gabarini — who together represent approximately 70 years of combined professional experience — appeared before the council to request passage of a special emergency appropriation. That emergency appropriation was intended to address over-expenditures in specific line items, including legal settlement costs and legal bills. The emergency failed to achieve the required two-thirds affirmative vote because two council members abstained — which, under the governing statute, counted as no votes. He characterized the failure of that vote as the root cause of the Borough's current budgetary difficulties: *"Because of that, we're now in a very bad situation."*

CFO Riggitano explained that, in anticipation of potential settlements and continued legal expenditures, he had encumbered $250,000 in the 2025 budget for litigation-related costs. As a further precaution, he also estimated and encumbered $125,000 for legal fees expected through the end of the year. However, the anticipated settlements did not materialize before December 31, and actual legal billings for the period came in at only $33,781 — far below the $125,000 estimate. The result was an unspent encumbrance of approximately $92,000, which, combined with the unspent settlement reserve, produced a total of approximately $340,000 to $375,000 in encumbered funds that were never expended.

CFO Riggitano stated that he executed lawful journal entries in January and March to reflect these cancellations in the Borough's financial system, noting: *"Those journal entries are electronic, cannot be touched."* He confirmed that the entries were timestamped and fully processed through the Borough's administrative system by Tax Assessor Apicella.

The Borough Attorney supplemented the CFO's explanation by clarifying the strategic purpose of the resolution. He explained that while the CFO had the administrative authority to cancel the purchase orders without a formal council vote, passing this resolution would formally affirm those cancellations on the public record, strengthening the Borough's position when it appears before the Local Finance Board in Trenton — expected within two to three weeks. The resolution demonstrates to the DCA that approximately $340,000 in previously encumbered funds were never spent, effectively reducing the apparent size of the prior year's emergency and providing the Borough with additional breathing room within the budget cap for 2026.

The Borough Attorney noted that the two settled legal cases that had been anticipated before year-end ultimately settled in April or May of the current year, meaning those expenditures now properly fall within the 2026 budget rather than the 2025 emergency appropriation — further validating the cancellation of the 2025 encumbrances.

Borough Attorney stated: *"This resolution is as simple as that. It's showing the DCA that we don't have almost $350,000 — it's $340,000 — that we're not having to spend."*

Councilman Kwak asked whether the accounting department requires a resolution to cancel purchase orders of this magnitude. CFO Riggitano clarified that no council resolution is legally required for this action, but that the resolution is being passed because of the politically and administratively sensitive nature of the prior emergency vote failure, and because having the formal resolution in hand will strengthen the Borough's presentation to the Local Finance Board.

CFO Riggitano also noted that the auditing firm of Paul Alercia and Rob Heyg — described as among the top five municipal auditors in New Jersey — had reviewed all documentation, electronic records, and notes associated with these journal entries and had fully concurred with the approach taken.

Councilman Kwak sought to confirm that the canceled encumbrances represented money that was never paid and never owed — not funds that had been spent and needed to be recovered. The Borough Attorney confirmed this clearly: *"We're not paying. We have money on our books that we're not using — so get rid of it."* He clarified that of the total encumbered amount of approximately $375,000, only $33,781 was actually paid, and the balance was never expended.

A motion to adopt Resolution 2026-196 was made by Councilwoman Lee and seconded by Councilman Donohue.

Roll Call Vote:

- Councilman Donohue — Yes
- Councilman Kwak — Yes
- Councilwoman Lee — Yes
- Councilman Min — Absent
- Councilman Shin — Yes

- Councilwoman Won-Yoon — Absent

MOTION CARRIED

CFO Riggitano thanked Councilwoman Lee, Councilman Shin, Councilman Donohue, and Councilman Kwak for making what he considered the right decision for the Borough. He stated that the alternative would have been devastating and would have placed the Borough in an even worse position than it had experienced since January 1. Riggitano, who has served as the Borough's CFO for 32 years, publicly expressed his appreciation for their actions.

PUBLIC PARTICIPATION

Mayor Kim requested a motion to close the Special Meeting and open to the public.

Councilman Donohue made the first motion which was seconded by Councilman Kwak.
Mayor Kim stated to the public that they had three minutes. Mayor Kim requested a motion to close the public participation section and come back to the Special Meeting.

Councilman Kwak made the first motion which was seconded by Councilman Donohue.

All joined in favor.

ADJOURN

Mayor Kim requested a motion to close the Special Meeting and adjourn.

Councilman Kwak made the first motion which was seconded by Councilman Donohue.

All were in favor.

I CERTIFY THIS TO BE A TRUE COPY OF MINUTES APPROVED AT THE MAYOR AND COUNCIL MEETING ON AUGUST 25, 2026

Laura Borchers
Laura Borchers RMC, CMR
Interim Borough Clerk.

BOROUGH OF PALISADES PARK
INCORPORATED
MARCH 22,
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BERGEN COUNTY, NJ