

NEPTUNE TOWNSHIP RENT LEVELING BOARD

Minutes – AUGUST 9, 2018

Mrs. Johnson called the meeting to order at 6:08 pm and requested the Secretary to call the roll. The following members were present: Ruth Johnson, Connie Holmes, James Manning, Jeff Klein and Naomi Riley. Absent: Morrell Massicot, Catherine McAphee

Mrs. Johnson stated adequate notice of this meeting as required by P.L. Chapter 231 has been provided by notice in the Coaster, which was posted on the bulletin board of the Municipal Complex and filing a said notice with the Municipal Clerk.

Mrs. Johnson announced that the Consumer Price Index [June's price index was 274.170, area prices up 0.1 percent over the month and 2.0 percent over the year].

APPROVAL OF MINUTES

Mr. Manning offered a motion, moved and seconded by Mrs. Riley to approve the minutes of the meeting for June 24, 2018; all that were eligible to vote were in favor.

RESOLUTIONS

There were none

DISCUSSION ITEMS – HEARING – JUMPING BROOK APTS- CAPITAL IMPROVEMENTS – P3

Paul Schneider of the law firm of Giordano, Halleran & Ciesla was present on behalf of JB Neptune Holding's, LLC; also present was Adam Gluck, operations manager and partner.

Mr. Anthony stated we were continuing with the application for Jumping Brook that started on May 3, 2018 for capital improvements. He discussed the procedures that would take place to establish capital improvements and surcharges and what has transpired thus far.

Mr. Anthony stated he wanted to discuss more in detail items that were either conditional or put on hold. He stated the roof and gutter replacements were put on hold because they needed an engineer's report on the useful life of the roofs. They also needed a list of open permits on roofs that weren't completed and those that were replaced. The concern was some did not have to be replaced.

Mr. Klein stated there were six roofs that needed to be replaced and tenants brought up that roofs were not replaced that long ago and he needed to verify what the bills say.

Mr. Gluck presented a spreadsheet indicating what was done by them and what was done by the previous owner. He stated a total of 12 roofs were replaced previously but the gutters and fascia were not touched.

Mr. Klein questioned out of 29 roofs did he do 17.

Mr. Gluck confirmed that he did and that the gutters were addressed as well.

Mr. Klein stated there were grey areas because there are no third party invoices. He stated they would have to cross reference the bills. He questioned the permit process.

Mr. Anthony stated he thought there was a recent change as far as the permit process.

Mr. Manning stated he did not think that you need a permit to replace gutters.

Mr. Gluck stated their contractors are obligated to facilitate all permits necessary for any job. They paid for the permits but they are not involved in the process.

Mr. Klein stated he was a little taken back with the facia number. He questioned whether it was all facia as strictly related to the gutters or whether some of the facia was part of the signage or cosmetics.

Mr. Gluck confirmed that it was just for the gutters.

Mr. Anthony stated he was looking at the bill from Roofing Masters who did the facia and he read the figures from the bill. He stated if they have proof of the cost and there was no fraud and they paid and the price is legitimate the Board cannot challenge it even if it seems as though they paid too much for the facia. He stated the question in his mind was three fold, was the work done, was it a capital improvement and was it a legitimate cost.

Mr. Manning stated based on documents received he felt they covered everything and they indicated they did not replace every single roof.

Mrs. Holmes stated the exhibit did not tell her much.

Mr. Schneider stated it tells you where the plywood was used.

Ms. Holmes questioned the size of the roofs.

Mr. Gluck stated they were large roofs.

Mrs. Holmes stated details were very important

Mrs. Johnson questioned whether everything was uniform and correct. Therefore the price would be the same per board. All of this was done from the time that they took over and not by the prior owner

Mr. Gluck confirmed that it was done by them.

Mr. Klein questioned whether everything on the spread sheet was completed because he only found bills for eight of them.

Mrs. Johnson stated she needed documentation to correlate the bills to the work that has been done.

Mr. Gluck stated the work was finished over a year ago.

Mr. Manning stated he thought the Board had enough proof.

Mr. Anthony stated he felt like he had all of the documents.

Mr. Schneider asked if the Board could vote on it pending proof of a correlation which would include the spread sheet and actual bills.

Mr. Anthony suggested approving subject to the applicant proving a correlation between spread sheet and actual bill for each item on the spread sheet. He stated he would consider this as a conditional approval.

Mr. Manning offered to approve the roofing and associated work as a capital improvement pending correlation of spread sheet and matching invoices, moved and seconded by Mr. Klein. All were in favor.

Upgrade of Boilers/Hot water System

Mr. Anthony stated according to his notes the upgrade of the boilers & hot water system was a conditional approval subject to a report pertaining to the hot water heaters.

Mr. Klein stated there were residents who testified that the old unit was better than the new one and the lack of individual control was a problem.

Mr. Gluck stated it was the hot water and the heat. He stated he had a detail sheet of what was replaced. He had a letter from the plumber stating the hot water heaters were not efficient. He stated there were three original boilers and one was replaced.

Mrs. Riley questioned prior to their purchase were the tenants able to control their own heat.

Mr. Gluck stated no.

Mr. Klein stated if it's a capital improvement to the benefit of the tenant they should be able to control their own temperature in their unit because everyone has different needs.

Mr. Gluck stated the building was originally built without that capability. He stated 75% of the people do not have the authority to control their own heat. They are looking into replacing the three remaining boilers.

Mr. Anthony stated a capital improvement is more of an objective analysis. He looks at it as, "did you need to replace the boilers and does it provide enough heat to meet the legal requirements and that should be enough to establish to establish if it is a capital improvement.

Mr. Manning stated he would like to control his own heat but the landlord has the right to decide.

Mrs. Riley questioned whether this would affect all of the units because some sides pay their own electric and some don't.

Mr. Gluck stated it would only affect the west side which had 104 units.

Mr. Manning stated this needed to be discussed further.

Mr. Schneider went over the exhibits for the hot water heaters and boilers. He stated he was seeking approval to replace the boilers in buildings 2, 5, and 9.

Mr. Klein stated he was starting to wonder if this was the definition of a capital improvement.

Mr. Anthony stated the problem is not that it's a capital improvement but how to apportion it out.

Mr. Schneider submitted a letter regarding replacement of the water heater after 7 years.

Mr. Anthony stated when we get to surcharge we must ask who it applies to. He also stated we can approve a conditional improvement until the work is completed then they would have to come back to us to approve the surcharge. We can say there's a special surcharge on one side and not the other.

Mr. Manning questioned what happened to the old boilers.

Mr. Gluck stated the vendor took them and he had no idea what he did with them.

Mr. Anthony stated a motion that the boilers are a capital improvement without conditions would have to be done and they would have to determine who the surcharge would apply to whether it's only a portion of the complex or the entire complex.

Mrs. Holmes questioned whether you could have more than one surcharge in a year.

Mr. Klein stated approval was good for two years and they have two years to complete.

Mr. Anthony stated he needed two motions, one would be the hot water heaters would be approved as a capital improvement as complete and the only question is whether the surcharge will apply to the entire complex or only to the west side and the boilers are that they are approved subject to completion and the question is whether they apply to the west side or the entire complex. Mr. Klein stated he felt that both should only apply to the west side.

Mr. Klein offered a motion, moved and seconded by Mrs. Johnson that the hot water heater is a capital improvement and the surcharges would be applied to the west side only. Mrs. Holmes aye, Manning, aye, Johnson, aye; Klein aye; Riley, aye.

Mrs. Riley offered a motion, moved and seconded by Mrs. Johnson that the boiler is a capital improvement subject to completion and the surcharges would be applied to the west side only. Mrs. Holmes aye, Manning, aye, Johnson, aye; Klein aye; Riley, aye.

Mr. Anthony stated only capital improvements that have not been completed are the boilers and balconies. He recapped the actions for the other capital improvements.

Brick Cleaning – not a capital improvement

Breezing Upgrade – this is a capital improvement

Management Office – not a capital improvement

Pool Area, Decorations, Furniture –not a capital improvement

Exterior Lighting Upgrade – this is a capital improvement

Landscaping – not a capital improvement

Mold Prevention and Remediation – not a capital improvement

Parking lot – this is a capital improvement

Security Cameras - this is a capital improvement

Signage – not a capital improvement

Electrical Service Upgrade – not a capital improvement

Phase II Renovations to Gym – not a capital improvement

Balcony Renovations this is a capital improvement

PUBLIC COMMENTS

Elza Inna, Apt 53, stated when she was looking into moving into Jumping Brook she was given an option as to which side she wanted to live on and she chose the west side because she would not have to pay for the gas. She stated they cannot control the heat in the apartment.

Mr. Manning stated she would not have to pay for the gas only the surcharge.

Mr. Klein questioned whether they were going to have sensors indicating the temperature and will it be according to the state level.

Mr. Gluck stated they've never had an issue.

Mr. Klein again asked if there was a way that the tenant will know what the temperature is in the apartment and to know that it is working.

Mrs. Riley stated according to her notes the only way to tell if it's temperature regulated is through them.

Mr. Klein suggested he have something that has checks and balances.

Mr. Anthony stated it would be to his benefit to make sure the heat is at the legal temperature of 68 degrees.

Mrs. Inna (mother) stated it's going to be a problem because some people will be hot and some will be cold and you may have a fire.

Mr. Anthony stated he would prepare a formalized resolution and they will have to provide correlation of bills and spreadsheet for roofing.

Mr. Manning requested an up to date spread sheet.

Mr. Gluck asked if he could discuss the landscaping.

Mr. Anthony stated he could appeal that with the Township Committee.

Ms. Inna asked if the Board could explain how the surcharge would work.

Mr. Anthony stated it would be a monthly charge spread over a certain amount of time.

Mr. Klein questioned the percentage.

Mr. Schneider stated base rent and surcharge could not go over 15%

Mr. Anthony stated he would not be available for the October 11th meeting.

Mrs. Johnson offered a motion to adjourn the meeting at 7:55pm, moved and seconded by Mrs. Riley. All were in favor.

Pamela D. Howard
Secretary