

NEPTUNE TOWNSHIP RENT LEVELING BOARD
REGULAR MEETING
August 6, 2026

APPROVAL OF MINUTES:

Approving the Minutes of August 6, 2026 Meeting:

Offered by:	<u>Mr. Manning</u>	Seconded by:	<u>Ms. Riley</u>
Wendel	Naomi	James	Eileen
Teresa			
Vote:	Thomas <u>YaY</u>	Riley <u>YaY</u>	Manning <u>Yay</u>
		Conyers <u>Yay</u>	Bell <u>Abstain</u>

CONSUMER PRICE INDEX:

In June, the Consumer Price Index stood at 360.529, which was a decrease of a point four percent (0.4%) over the month, and an increase of three-point five percent (3.5%) over the year.

VACANCY DECONTROL

Nothing to report

DISCUSSION ITEM(S)

Mr. Lotosky: somehow the people have 145 on the building it is 147. It's 9 units there's no commercial. It's just an apartment building. It is a rectangular 3 story building, 3 apartments on each floor, and they're all approximately the same size about 400 square foot. Here's what I broke down. The basis of the building it's just pretty much a basic building. What I did was go through and to figure out. That's the building the basic expenses for recent expenses. I actually keep them put them at you know as minimum as I could for the things that I do repairs. I wrote a sheet certain things. I just purchased the building this year January so there's no tax return on it yet we're just starting. The water and sewer the property taxes. The property taxes went up about 10% so they're more than what's on the original list. The insurance actually cut down \$1,000. Electricity and gas was up about 18%. Repairs I basically figured them out. There's no way to judge repairs what's going to come and what's going on but I put in a list in that sheet that package minimum so I believe it was 3 or \$400.00 a unit based on all the units. Maintenance and management fee \$50.50 dollars a unit per month to manage all our properties. Payroll is basically just a small portion of the payroll that I showed you which is for other properties as well in the packet. Accounting fees one for each particular for building this one is approximately what they said would be. The mortgage is on there as well. 5% of the gross annual income as of right now. The Vacancy rate of 4% of the tenant other expenses was the reserve the pest control, the lawn and the snow removal which was about \$5000, anyway the total expenses are 164,405 dollars. There's operating income right now of \$131,352 loss operating loss of \$33,053 and presence and purchase right now. I'm subsidizing the difference with other buildings that I have because I have four other ones in town. It's helping subsidized until I figured how to get this straightened out. I put out two proposals this one here is to raise the rents and it's minimal to basically break even not even to make a profit and subtract the numbers. It's like a \$340 increase there was one that you'll see that I don't think for an increase that somebody moved out when I closed on the building it moved out and you can see the rent there is \$2,450 that's pretty much what departments would get \$2,450 for that apartment. and you can see the rest of the rents are between 14 thirty 750 dollars \$994.00 nine 75,066 nine 56975 but I just want to point that out that that is. I have another building on the same street on Main and it's through

rent control section through Section 8 and that's \$1,850 an apartment. Section 8 and you know they don't be the highest people anyway so at 340 per unit for all the other units it's still not high. At 1,770 I know that I also figured it out with where it says you should be able to make a 40% 40% of the gross income I did this one with like 20% of the gross income to actually make something on the building. You can still see that those rents are still not outrageous 1850 and 1250 and 1550 1550 1550.

Mr. Thomas: asked is it all studios because there are 400 square feet?

Mr. Lotosky: replied no they are one bedrooms. I put 400 some are a little higher some are a little lower to get in there and walk around. Basically, some are listed and say studio on their lease but it is it's the same room except some have no doorway and it's like a big like 2 wide opening as opposed to putting it at the door so that's kind of how they have it listed the only one that's smaller is the one that was 750 and that that was a little smaller.

Mr. Thomas: asked when was this constructed?

Mr. Lotosky: replied I believe it was 1950's

Mr. Cohen: asked do any of these 9-unit owners holders have written leases?

Mr. Lotosky: replied they had existing leases that expired February this year and when I went to send out the new leases, this is how I came to find out about you all then March sent out new increases and somebody had said something or whatever and then when we called and we found out oh we got to go through this process hence this is what I've been working on and trying to straighten out so I have never raised it since we took it over.

Mr. Cohen: asked so everyone is on a month to month lease?

Mr. Lotosky: replied yes it is month to month once it was finished in February. It does say in the leases that for some it states that you know after a month that once it goes a month to month that either the landlord or the tenant can cancel the lease within with 30 days notice.. I'm not looking to cancel or toss anybody on the street that's not who I am. I've been doing this a long time and I'm pretty good to most people that I deal with and so I'm just trying to make something that I can actually run the building and I have to keep subsidizing it.

Mr. Manning: asked are all 9 units all occupied right now?

Mr. Lotosky: replied yes one that wasn't right after I closed on it within the end of February they moved out and that's the one that I painted whatever cleaned up and basically put a new bathroom floor on and change the ceiling fan 2,450 and that's what the going rate is for that one so I'm not trying to gather anybody. I'm not trying to say I need 2,450 for all these apartments. I would love to but I know that's unrealistic and I'm not trying to throw people on the street. I just want to be able to run the building.

Ms. Riley: asked what you're saying is you want to increase each tenants rent each by \$340?

Mr. Lotosky: replied that's the breakeven one. The one that would get me a profit I believe would be \$19,095.

Mr. Manning: asked and right now, the current rent is what everyone's paying?

Mr. Lotosky: replied yes and plus this isn't including all utilities. On top of that the landlord paid electricity, the garbage guys, the guy who takes out the garbage, the guy who made the snowman, made a special guy who comes through you know and pay everybody so that's why you know when I put this together, I mean I didn't make anything these are just basic and I don't really do a lot. They're all people that work for me so they're regular are not bringing a big contractors or things like that. I spoke to pest control and I didn't put anything into reserves or anything like that which every building has a reserve. If you know normally between 4 and 500 dollars on an apartment per year I didn't put that in at all I just want to get it to work.

Mr. Manning: asked have you had any conversations with your tenants?

Mr. Lotosky: replied we sent out that first one which was the minimum one and a few people said something then we said all right we don't want to cause trouble I came down I saw lovely Ms. April and she explained to me what you got to do and how to do it and whatever okay I said we don't want to

have any problems and when I came here last time I was pretty open about it you know I just say this is what I'm doing I don't want to have a problem.

Mr. Cohen: asked if there is a notice posted in your building about this hearing so the tenants know about this.

Mr. Lotosky: replied I don't know if the people who work for me posted anything.

Mr. Cohen: stated that according to the ordinance that a notice has to get posted in the building

Mr. Manning: stated that the tenants have an opportunity to be here tonight.

Mr. Cohen: read a section from 4.30-4 from the ordinance Neptune Township Rent control which you get a copy either from April or just by going online on the rent control law. My point to you is number 1 and it's really for the board you know it seems to me as a matter of fairness under your awareness that you should obtain from this applicant proof that he did in fact comply with your notice posting and your mailing requirements by letting the tenants know that this proceeding was going to occur today August 6, 2026 at least 15 days prior to this and be able to tell you where it confirming fact that he posted it and a conspicuous place at least 15 days prior to this hearing that he mailed regular and certified mail to the tenants and also can give you a certification it does say you know. If you want to accept the verbals notification you know I guess that's up to you but it's supposed to provide really a certification from the housing construction department doesn't really say verbal certification the way I read it is that he's supposed to get you as part as precondition for this hearing something from the building construction department.

Mr. Lotosky: stated that it might be in that packet. I don't mean that you also might be in there someone that works for me that all that you find a DCA all that kind of stuff into the package.

Mr. Manning: stated I'm just wondering to you're the fact that you sent to us to all the forms that that are required to be presented to the tenants in there these are all your copies that that are blank so it's part of your application you gave us so that's supposed to provide five days' notice before the hearing.

Mr. Lotosky: stated well this was in my estimation was to I thought from the last time that to come and put all these numbers and put all this together and you wanted this sure yeah that is true and without me doing this for 40% which would be higher than these numbers that put something together.

Mr. Manning: stated just to be clear it doesn't say have to be 40%

Mr. Lotosky: stated no but no more like to have the most. I'm guessing we probably both thought for coming here for necessary things this discussion saying which can I do

Mr. Manning: stated that the ordinance is clear as a we want to make sure like we wouldn't have investors come in Neptune if there wasn't a fair return on that's right so trying to balance but it's also going from \$1000 to have 1600 that's a huge increase when the cost of living is three 3 - 4%. how long have you owned the property?

Mr. Lotosky: replied since January 23rd. In March we sent out rent increases that would have been for an April-May I believe and that's when somebody said something. OWe came down here and I think that's when we started and when it came to the last meeting that's when you guys told me about all this stuff that this was the better way to go so then we put all this stuff together.

Mr. Manning: mentioned that a One-year requirement someone has to own a property for a year before they apply for a hardship but in the application, it does say does supporting document pertain to the 12-month period these dates should be the 12 months preceding the filing of the application so all the that's actually on the document. These dates should be for the 12-month proceeding the following date of this application. I'm just making sure based on our ordinance is there one-year requirement. It says right there the prior 12 months actual expenses and I know we had a hearing for department complex and our former attorney was big about that because it couldn't be expenses for the future and the expenses that occurred over the past 12 months or capital improvements would.

Mr. Lotosky: commented I could show you the insurance I can put down higher number and get a bigger policy. I was able to get it about getting \$2000 less when I put down my number what it was for the last

year the same thing with you know much less going out there for a safe thing that the utilities are you know going back so the snow is snow. Pesticides in the chart be the same every time or something like that so they're pretty accurate. I just want to make sure you know I try. My point is what I'm trying to figure out I mean if I ask I don't want to come again and then I'm going to say all right well then I want this one which is at least I make \$19,000 at the end of the year and it gives me some leeway for roofing. Roof goes through, the boiler goes.

Ms. Riley: asks before we go any further, without proper notification to the tenants, no posting no certified copies sent to the tenants, should we even still be here with this case going forward?

Mr. Cohen: replied a good argument could be made that we probably should have stopped the minute we heard that there's a question as to whether the tenants receive notice because you're having a hearing in essence with what we call ex parte in the legal world meaning you've got a potentially adversarial proceeding because if Mr. Lotosky gets what he's asking for, that means that there are nine people who may feel aggrieved in some manner with someone or more of them missing the opportunity to be here and to hear what Mr. Lotosky saying and be able to get tested or to provide countervailing evidence so I think before you go further my legal recommendation would be to perhaps if the question should with Mr. Lotosky is whether you can demonstrate that the proper legal notification required by your ordinance was done and if not you know I think my legal recommendation would be to terminate the proceeding because if in fact he took some action today and a member of the tenant group later learned of it, and said hey I didn't have an opportunity to contest it probably the whole thing would be undone anyway if they were to appeal it on that basis.

Mr. Lotosky: mentioned what I'm looking for is what we can last time is direction I need to know what can I do and if we don't if I had to come back again I don't even know which one to submit I'm going to submit higher one I'm trying to do the right thing here and get it an idea of what you guys feel is acceptable I don't have problems doing whatever and jumping through more hoops but I would like to try to at least give me an idea am I spinning my wheels because it's a lot of work.

Ms. Riley: stated we have rules and regulations that we have to abide by and one of the main ones is that the tenants have to be notified about this hearing because they have a right to be heard as well. So, without them being notified and present, or not present because they weren't notified, it's only in the long run it could only cause you more issues.

Mr. Lotosky: asked so nobody can come in and ask for a direction of what is acceptable to you guys? that's really what I'm asking.

Mr. Manning: replied that's part of the hearing so we can't prejudge.

Mr. Lotosky: I asked for the highest one. Can I go back and I do the right number and I put in one 2400 because that's the going rate?

Mr. Manning: stated we can't tell you until the hearing is over. It is a totality of the presentation. It's a totality of the information. It's a totality of it.

Mr. Cohen: stated it doesn't take the position on what numbers you put in this is an adjudicated by not a guiding body you know. April our wonderful secretary is there to help people so you go to the desk you ask for questions she's going to try to help you. Just like if you go to town hall there are numerous people that are there to help you but when you actually come to this body, and they have a sunshine law, and they go into public session, they're not a group of people that go around. They're not a group of people whose job is to give advice and guide people. There are a group of people whose job it is to make decisions on contested matters.

Mr. Lotosky: asked I think we're contesting I thought we were trying to come up with something that feasible so that I know what to resubmit.

Mr. Cohen: if I could just explain it from a legal perspective right so if you were to want to go to court right and get before a judge, if you don't file a lawsuit you don't read the rules of court you just show up and say hey judge, I want to know if I'm doing everything correctly the judge is probably going to take

maybe if he's nice or they're nice they'll call you into their chambers listen Mr. Lotosky I really appreciate you know you wanting guidance on this but it's not my ability to hear on documented cases where there haven't been the proper service. There's no adversarial proceeding the other person hasn't received the service you haven't filed the rules of court so by the same by the same token in this case there are. We have a website. We have a secretary. The website has on it the ordinance that was adopted by the Township committee of the Township of Neptune that gives this body the ability to do everything that it does and it sets forth what the protocol is and these are unwaivable things. If this board wanted to deviate from the ordinance from the code, it wouldn't have a right to do it can only do what's within the ordinance. So, what the ordinance says is if a landlord wants to file a hardship application it has to as you would jump through these hoops right. I think another way to put it is if the landlord believes that they should get special treatment in some sense a deviation from what every other landlord in town that falls under this ordinance has to do which is confine its rent increases to the CPI formula that they've got to file an application and in order to file that application you've got need to all the things that it says in the ordinance and you know you're obviously a capable individual and you've been in this business for a while and you've got people who work for you it's not our business to tell you know who are your organization needs. To read this to figure out how to do it the only point is that it has to be done so in this particular case it couldn't be clearer if somebody were to have read from your office this ordinance that the tenants have to get notified of this proceeding we can't move forward without them having been notified of this proceedings.

Mr. Lotosky: stated that he did not know that we were decided that today. He was coming to present his stuff and you guys tell me all right is there something that I can proceed and then send and then you know deal with it that they go to the tenants with I don't want to Hey if I'm wrong like I do this I put out and put out the number of tenants. I know which it could be even higher than those and I put that out and it gets denied I'm going to come back to the next month I'm going to go a little lower.

Mr. Cohen: stated that we're not supposed to give advice or opinions OK. So what I'm saying is you can't without getting this boards permission charge a penny more rent than the formula provides which is not 40%. It's the CPI it is on hardship application. So if you read the ordinance, you would know that in order to you need to have a hearing here and you need to follow the protocol so in other words you are at your own peril as you go out and you raise rent. I will on these residents without knowing what the statute says okay and the statute says that you to get what you're asking for from this board you have to get it from this board you can't just do it but in order to do that you need to have a proper hearing with proper notice which it sounds like you haven't done so whether you want to come back here multiple times or not is almost irrelevant the fact is the board can't hear your application unless you've given proper notice to the tenants and moreover the board OK. You're still sitting here with all due respect you're seemingly wanting information from us but we're not in a decision to give you information if you go to April can help you out as much as she can but for the board itself you know to give any opinions it's now doing that to the detriment of the tenants because the tenants have just as much right to be here as you do except that they don't know that this is happening it sounds like so Mr. Lotosky: stated in all due respect I wasn't looking for an answer or a final answer today and then change everything I was looking at what I was supposed to come here for direction so to say that's what I thought that was my fault I understand that I didn't understand it from the last time I was here that's kind of the impression I got.

Mr. Cohen: stated what we would ask what I would suggest in order to not have problems like this again you know is to take the time out print out our ordinance, print out our rules and regulations. My advice to the board would be if absent demonstration that Mister Lotosky can prove that he's given the proper notification to the tenants and provided the certifications required by the statute by the ordinance that you know you concluded this proceeding as being invalid on his face and missile capacity have the opportunity to obtain another hearing with a proper showing that the tenants have been

notified and that the certification is provided to.

Mr. Lotosky: ask that so that I understand if I do this again make sure I go about the notice that they did it or didn't am I allowed to submit several different scenarios at the same time for an increase for the board to look at and make a determination. Well we're like this one we don't like this one acceptability rather than making picking one and then coming to say and if it's said and the answer is no we don't agree with that and having them with all another month to come back to the same thing and do it again is that something that can be done or not?

Mr. Cohen: replied what I would tell you once again if you read the rules and regulations, you read the ordinance, and read the things that you have to submit anything else on top of that in order to make your case or in order to see whatever relief you wish from the board you should do that it's up to you right. If you want to submit a 200 page brief you could do that if you want to submit an expert report you could do that the important thing is that you do all the things that are at the minimum requirements in addition to the minimum requirements what you wish to present to the board is after special.

Mr. Thomas: asked following up with Jim Manning said the inquiry is there an aspect within the hardship that requires on the 13th month of the ownership because this is like the 8th-9th month of the ownership. Is it a year because if the form says the owner agent limits this application and its supporting documents with income and expenses pertaining to the 12 months commencing on January 23rd 2026 and ending 12 months preceding the filing of the hardship?

Mr. Cohen: replied the question that I would have would be you know is that was just on the form or is there backup in the statute where the rules regulations right now I'm looking at hearings and adjudication this is Section 8 of the rules and regulations. I'm trying to find it here where it says that you have to have been a landlord for 12 months

Mr. Manning: mentioned I've been looking for a while I don't see it in the ordinance but I just don't know. I said earlier I looked and, on the form, it says prior 12 months so that's what I'm saying. I don't see it in the ordinance to be honest with you so and whatever it's worth, I don't see it in there so I wouldn't want to prevent the landlord comes back again. Mr. Chairman like you said if it's in there, it's in there right you can't change it you got to wait but it was not and I wouldn't want to hold you up because of that online. So, can we make a determination now of that note to say to the landlord if we agree there's not one-year requirement that you can reschedule for the next meeting is that fair to say out loud?

Mr. Cohen: replied I think it's fair under the circumstances Mr. Lotosky did spend a lot of effort obviously putting this stuff together I don't think it will be wasted effort in something so far in so far, it's. Unfortunately, it's not going to be tonight.

Mr. Lotosky: stated I was expecting what I said I thought it was like review this give me some direction and then I'll move forward and check and change all this remind me because I don't understand last time last time I thought

Mr. Cohen: stated because it doesn't affect the tenants is more of a matter of law than anything else I think in fairness to Mr. Lotosky you know it's something that the board could consider publicly whether or not there's a 12-month requirement or not because we don't necessarily to waste this gentleman's time again if it's going to be more fooling that and not being able to prove that he did the landlord.

Mr. Lotosky: stated those are 12 of figures and a lot of them are the ones that I went from mine. I can get lower than what it was I put what was in there.

Mr. Manning: asked you have documentation in your package

Mr. Lotosky: replied yeah put in a copy of the insurance that like when I got from the realtor the only thing I would say and I hope when I see that turning.

Mr. Manning: asked you have documentation that shows that you're 9-unit apartment that you have 3 one bedrooms and six studios?

Mr. Lotosky: replied technically.

Mr. Manning: stated not technically. Based on your evidence that you provided to us very misleading.

Mr. Lotosky: stated reason why it says that is because they have no door.

Mr. Manning: stated so whatever you want to call it the documentation from central state appraisal.

Mr. Lotosky: stated I have no problem with that. I don't call it one bedroom.

Mr. Manning: stated did earlier you said two studios and 1 bedrooms you did very specifically. Each floor is 3 floors so I can tell you which ones are unit 1 to 7 are one bedrooms, units 2 and 3 are 350 square feet. They're studios units 5, 6,8 and 9 to 365 square feet. Your studios 6 studios 3-1 bedrooms right so when we're analyzing it right obviously a studio market rate different than one bedroom and it's just for the next meeting I try to clarify that and I think my point is supporting documentation would be what you really truly have and what truly is the market rate and present that.

Mr. Lotosky: stated that's where I came up with those numbers because Four other buildings in town and that's what I get I get more than that and like I said you can see by the one that became available and I felt that's the market.

Mr. Thomas: stated at this time on the advice of council to cease this hearing. It was not done properly and if we could I would like to request a closed session after this.

Mr. Lotosky: asked all the documents that April scanned and all that we use that for next month so we have them?

Mr. Thomas: mentioned to Mr. Lotosky where and how he should post the notice of the hearing to his tenants

Mr. Cohen: read a section of the ordinance of how to post notice to his tenants to Mr. Lotosky.

Mr. Thomas made a motion to adjourn the meeting. Ms. Riley seconded. All were in favor.

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PUBLIC PARTICIPATION

No public participation

ADJOURNMENT

Offered by:	<u>Mr. Thomas</u>	Seconded by:	<u>Ms. Riley</u>
Wendel	Naomi	James	Eileen
			Teresa
Vote:	Thomas <u>YAY</u>	Riley <u>YAY</u>	Manning <u>YAY</u>
			Conyers <u>YAY</u>
			Bell <u>Absent</u>

Time Meeting Adjourned: 8:06 p.m.

April Perpignan
Secretary