

JACKSON TOWNSHIP RENT CONTROL BOARD
MEETING OF JANUARY 14, 2016
MINUTES

Chairman Bob Skinner called the meeting to order at 7:32 pm followed by a flag salute and moment of silence for our troops. Mr. Rumpf read compliance with the the Sunshine Law into the record.

PRESENT: E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner, L. Amoruso, CPA and B. Rumpf, Esq.

REORGANIZATION

Resolution 2016-01 - Notice of Meetings for 2016 and Reorganization 2017

Motion to approve STALLONE / Schleckser

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

Resolution 2016-02 - Nomination of Chairperson Ed Bannon nominates Bob Skinner as Chairman

Second by Ray Schleckser

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

Resolution 2016-03 - Nomination of Vice Chairperson Gary Miller nominates Nick Stallone as Vice Chairman

Second by Bob Skinner

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

Resolution 2016-04 Appointment of Board Secretary Ed Bannon nominates Kathleen Sevchenko as Board Secretary Second by Gary Miller

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

Resolution 2016-05 Appointment of Board Accountant Ray Schleckser nominates the firm of Bellu Memoli, LLC as Board Accountants Second by Nick Stallone

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

Resolution 2016-06 Appointment of Board Attorney Ed Bannon nominates the firm of Brian E. Rumpf, P.C.as Board Attorney Second by Charles Dimino

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

MINUTES OF DECEMBER 10, 2015 - Motion to approve R. SCHLECKSER / C. Dimino

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, R. Skinner - Ayes N. Stallone - Abstain

BILLS - Motion to approve all bills E. BANNON / R. Schleckser

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

CORRESPONDENCE - Mr. Amoruso received copies of leases from Nehmad Perillo & Davis, PC for Prospect Pointe along with Vacancy Decontrol Notices for Jackson Acres, Southwind and Oak Tree Parks.

APPLICATIONS

PROSPECT POINT CPI INCREASE

Present are Andrea Howeth, Manager and Keith Davis of Nehmad Perillo & Davis, PC

Ms. Howeth and Mr. Amoruso are sworn in by Mr. Rumpf.

Mr. Davis stated the last increase was received for 2012-2013 July - September. Concessions were considered temporary financial inducements to the tenants. The tenants did not know that the rent was part of the concession.. The new application provides what the rent was and what the concessions were. Leases have been amended and adjusted so to be clear on the concession issue. Leases for January 2014 through June 2014 have been submitted to Mr. Amoruso. Mr. Davis stated that as of now, the landlord will not offer concessions to tenants.

January 2014

There is a correction on page 1, Apartment 3K correct 2013 rent would be \$1106.

Mr. Miller questions the premium in some cases. Ms. Howeth responded that this is built-in as part of the market total rent. In this case it is due to the apartment being renovated in 2013.

Mr. Miller questioned if board approval for this increase was obtained. This is the first premium for this type that he has seen.

Ms. Howeth stated that this unit was vacancy decontrolled, the unit was renovated, the rent can go to market rent.

Mr. Stallone - this should be a part of the base rent, and should not be shown on the spread sheet.

Mr. Rumpf - Mr. Amoruso has broken down the application into six parts. The board will vote on each month.

Mr. Amoruso - Apartment 3K was \$1056 on the approved application from 2013.

Ms. Howmet - the tenant moved in 2008, with a rent of \$1065.

Mr. Rumpf - January 2014 application will include testimony that:

1. Apartment 3K correction of prior lease, rent should be \$1106.
2. Clarify that the premium column is a surplus column that does not affect the Board's decision. This amount should not be considered.
3. Accept base rent without concession applied. Board did rule in the past based on letters sent out that the concession is not included in the base rent. The Board has previously ruled in that manner.
4. Why is the board hearing a January 2014 application in January of 2016, two years late. The Board Accountant has been trying to obtain information. Should the application suffer some type of penalty for being two years late? The Board may consider using the Penalty Clause in the Ordinance. Several large bills have been invoiced from the Board Accountant in attempting to calculate these increases.

Mr. Schleckser - have these rents already been charged and paid by the tenants?

Ms. Howeth stated the tenants have paid the increases. The tenants were notified, but not those that have already moved out.

Mr. Stallone - how can the board approve an increase if those were not notified?

Mr. Skinner - the 2014 application was filed prior to January 2014, but not acted upon by the board due to the concession issue. Some tenants on the application did not renew or moved out.

Mr. Miller moves that Apartment 3K amount of \$1106 is approve Second by Bannon

Penalty Phase

Mr. Stallone would like to apply a penalty in the maximum amount as indicated in the Ordinance for willful violation and circumventing the Ordinance.

Mr. Skinner - would set the maximum amount of penalty at \$12,000

Mr. Stallone and Mr. Miller feel this amount is too high.

Mr. Skinner - the Rent Control Budget reflected an increase due to the Prospect Pointe issue.

Mr. Rumpf asks if Counsel has spoken with his clients regarding penalty?

Mr. Skinner - the proposed Ordinance revisions include establishing an Escrow Account

Mr. Davis has discussed penalty options.

Motion to impose a one-time penalty of \$6,000 for Prospect Pointe Apartments for 2014 and 2015, for three violations of the Rent Control Ordinance at \$2,000 each. Six (6) applications at \$500 each for 2014 and six (6) applications for 2015 future applications. No additional penalties will be applied.

Motion by E. BANNON / C. Dimino

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

Mr. Amoruso noted in the previous application, Apartment 14A had a different named tenant. It was noted that the previous tenant moved out.

Ms. Howeth stated that 10H and 31G also moved out.

Mr. Davis is in agreement with the proposed New Base Rent without concession.

PUBLIC - (on the application) None Open / Close All Ayes

January 2014

CPI rental increase will be authorized as per Mr. Amoruso's calculations of Proposed Base Rent without Concession; with modification to Apartment 3K (\$1106) with the provision for \$500 penalty for late hearing MOTION by MILLER / Schleckser

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

February 2014

Apartment 22E, prior rent was \$1056 - per the lease amount was \$10091

Ms. Howeth - the tenant moved in 2011, original rent was \$1081. 2013-14 rent was \$1091

Mr. Amoruso noted that 2A and 2B have different names.

Ms. Howeth stated that they moved out. Also 26A, 23A, 19A, 27G moved out.

PUBLIC - (on the application) None Open / Close All Ayes

Motion to approve CPI Increase for February 2014 as amended, per Mr. Amoruso's calculations.

E. BANNON / R. Schleckser

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

March 2014

Noted - all of the "no" have moved out.

PUBLIC - (on the application) None Open / Close All Ayes

MOTION to approve CPI Increase as per Mr. Amoruso's calculations for March 2014.

E. BANNON / Schleckser

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

April 2014

Apartment 17B receives no monthly concession. 8A has moved out.

MOTION to approve CPI Increase for April 2014 per Mr. Amoruso's calculations.

PUBLIC - (on the application) None Open / Close All Ayes

R. SCHLECKSER / E. Bannon

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

May 2014

No increases were given (2013-2014) & 92014-2015) for the following apartments: 12M, 15F, 8L, 24H

Moved out - 17D, 23B, 2F, 23K, 25L, 12E, 25E

PUBLIC - (on the application) None Open / Close All Ayes

MOTION to approve CPI Increase for May 2014 per Mr. Amoruso's calculations.

N. STALLONE / C. Dimino

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

June 2014

No increase given to 6L.

17G, 23D, 6K, 12G, 20K - moved out.

PUBLIC - (on the application) None Open / Close All Ayes

MOTION to approve CPI Increase for June 2014 per Mr. Amoruso's calculations.

C. DIMINO / R. Schleckser

E. Bannon, C. Dimino, G. Miller, R. Schleckser, D. DiCapua, N. Stallone, R. Skinner - Ayes

Ms. Howeth will supply any additional move out information to Mr. Amoruso.

Mr. Davis thanks the Board for the effort put forth on the applications. He would like to come back in February to continue with the rest of the applications for 2014.

Mr. Rumpf would like to hear the applications for July 2014 - December 2014 at the January 28, 2016 meeting.

PUBLIC - None Open / Close All Ayes

Meeting Adjourned 9:10 pm

Minutes prepared and submitted by:

Kathleen Sevckenko
Secretary