

MINUTES OF THE CALDWELL RENT REVIEW BOARD
November 15, 2023

A meeting of the Borough of Caldwell Rent Review Board was held electronically via ZOOM Meetings at 7:04PM on Wednesday, November 15, 2023.

PRESENT: Ms. Evans, Mr. Galante, Mr. Kostecka and Councilwoman Buechner. Mr. John Chiaia, Esq. was also present.

ABSENT: Mr. Valente

STATEMENT OF COMPLIANCE

Pledge of Allegiance

MINUTES:

The meeting minutes from October 18, 2023 were accepted and approved by the Board.

NEW BUSINESS:

Kostecka Complaint

Victoratos Complaint

Mr. Galante made an announcement that the hearings of the two tenant complaints on the Agenda would be postponed until the Board's next hearing date of Wednesday, December 20, 2023. He reported that the property owners of 501 and 507 Bloomfield Avenue, Caldwell Terrace LLC, had asked for an adjournment of the hearing. A Letter of Legal Representation officially requesting the adjournment would be forthcoming and would be circulated once received. The property owners were asked to not institute any enforcement actions on either subject matter between now and the adjourned hearing date.

Adequate Return Increase Application for the property located at 8 Oak Grove Road, Caldwell, New Jersey; Nicholas and Frank Conturso, Property Owners.

Nicholas and Frank Conturso, the property owners of 8 Oak Grove Road provided the following testimony:

- Purchased the two-family residence in 2022. One tenant (Unit One) was carried over from the previous owners of the property and one unit (Unit 2) was rented to a new tenant.
- At the initial start of the lease, unit one was rented at \$2,000 a month and raised to \$2,055 as of February 2023. The rent for unit 2 was set at \$2,900 per month.
- Reported their yearly expenses for the entire building to be \$14,848. *(A discussion ensued as to whether or not the Contursos should have included their mortgage payments and the interest on their mortgage payments as part of their reported yearly expenses. Mr. Chiaia referenced **Section 182-13 Subsection D (10)** which states that "no penalties, fines, depreciation, interest, mortgage amortization or mortgage service fees for any reason shall be allowed" in computing reasonable and necessary operating expense). Mr. Chiaia reiterated that the mortgage payments may be factored as a tax deduction for the property owners but not as an expense item with regard to the Borough's Rent Ordinance).*
- The Contursos reported on their application that their total income for the 2023 calendar year would be \$24,660, but it was noted that their figure was based on income for only one of the units. *(Mr Galante suggested doubling the figure to \$59,460 to account for the income of both units. The Contursos agreed).*

- The Contursos also modified the figures on their application with regard to their operating expenses to now indicate property taxes at \$12,062, insurance costs at \$1,786, and \$1,000 per unit miscellaneous expenses for a grand total operating expense of \$15,848. Mr. Frank Conturso reported that unit 2 was not occupied until March 1, 2023.

Mr. Galante provided calculations for the Board Members by taking the total income of \$59,460 and subtracting the total operating expense of \$15,848. The difference amounted to \$43,612, as excess income over expense of more than 60%. Mr. Galante stated that he was not inclined to see a hardship case in this circumstance.

Mr. Kostecka made a motion to dismiss the Adequate Return Increase Application for 8 Oak Grove Road, seconded by Ms. Evans. Upon roll call the votes were as follows:

Ms. Evans	yes	
Mr. Galante	yes	
Mr. Kostecka	yes	(3 - 0 - 0) Request was not approved.

OPEN TO PUBLIC

There were no public comments or questions.

The Board Members stated that in addition to hearing the Kostecka Tenant Complaint and the Victoratos Complaint at the next Board Meeting, an Annual Review of the Rent Ordinance would be conducted by the Board. The Board Secretary promised to distribute minutes from a prior meeting in which the Rent Review Board Members proposed specific changes to the Borough of Caldwell Rent Ordinance. Mr. Galante noted that the section of the Ordinance with language regarding parking spaces and cumulative rent should be reviewed in particular by the Board Members.

Mr. Kostecka asked Mr. Chiaia if he had found in his research of Rent Ordinances of neighboring towns that they utilized a tiered system for Rent Control?

Mr. Chiaia stated that he did not recall reviewing tiered systems for Rent Control in the other town's Ordinances.

Ms. Evans made a motion to adjourn the meeting, seconded by Mr. Kostecka.
The meeting adjourned at 7:35PM.

Respectfully Submitted,

Kim Conlon
Rent Board Secretary