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CAHA

SEPTEMBER 2010 NEWSLETTER

CAPITAL AREA HOUSING ASSOCIATION

“LANDLORDS WORKING TOGETHER”

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CAHA Website

www.caha4u.org

PRESIDENT'S MESSAGE

I hope that you are enjoying your summer. It's hard to think about the upcoming heating season with this record-setting heat wave, but we will soon be wishing that we had some of these hot days back with us.

At our September meeting (9/14), we will have Darren Mathews of Fielding's Oil and Propane Co., our selected oil provider for the upcoming heating season, to answer any questions that members may have regarding their program for us this season. Having your heating systems inspected and cleaned early will give you a chance to get a head start on the season and to make efficiency upgrades that are recommended. Having your system on a service contract will limit your risk for breakdown costs of most parts and labor.

The pre-buy opportunities that Fielding's offers are still available and the pre-buy prices are posted daily to CAHA's website (www.CAHA4u.org). So log on and check them out. All of those prices represent the closing prices for the date posted and are good for the next business day until the NYMEX market closes.

As we think greener with solar and wind options to produce energy, we should first consider improving efficiencies in our existing heating systems to stop wasting energy. Tax credits are available to help us do so and in the long run we will lower our operating costs by making wise choices. We look forward to any suggestions that Darren may have to help us make these choices, as he has a lot of experience in this industry.

The bedbug issue seems to keep evolving. This bedbug problem has now been aired on CBS News, so the matter is serious and growing. Many states are reporting significant increases in the incidents and the bedbugs have developed a resistance to pesticides except for one that the EPA has now stopped from being manufactured due to risks of exposure to children. From what I have learned, bedbugs are bloodsucking parasites that don't kill their hosts, but can make life really miserable. Bedbugs are not limited to residing in low income housing, but can arrive anywhere by acquisitions of used furniture and bedding.

Now that Maine's [LD 1790](#)¹ has become law, our responsibility in dealing with bedbugs has become of great concern. Our liability in providing tenants' quarters fit for habitation has been increased to providing them loans to replace bedding and

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UPCOMING MEETING:

SEPTEMBER 14, 2010 • 7 – 8:30 P.M.

K.V. FEDERAL CREDIT UNION

DARREN MATTHEWS
MARKETING & SALES DIRECTOR
FIELDING'S OIL & PROPANE CO.

NEXT MEETING:

OCTOBER 12, 2010 • 7 – 8:30 P.M.

K.V. FEDERAL CREDIT UNION

GENERAL BUSINESS WILL BE DISCUSSED.

ASK THE LAWYER

CASH FOR KEYS AND CLUNKERS

“THE TENANT WILL MOVE OUT THIS WEEKEND IN LIEU OF EVICTION IF THE LANDLORD PAYS THE TENANT \$500 AND FORGETS ABOUT THE PAST DUE RENT (ANOTHER \$500).”

That is what the tenant’s attorney offered my landlord client for the privilege of promptly reacquiring possession of his apartment. The landlord declined that offer and we obtained possession of the apartment and forced the tenant out through a Forcible Entry and Detainer Judgment of the Court, without paying the “ransom” requested.

I do not blame the attorney. She was simply doing her job in communicating the position of her tenant/client. However, with increasing frequency, I see more and more landlords who accept such an offer. Some even initiate an offer to fully refund the security deposit, waive past due rent or even make a cash payment to the tenant in lieu of eviction. There has been a similar trend among the major banks that will pay delinquent homeowners thousands of dollars to vacate their home and hand over the keys in lieu of foreclosure. Is “cash for keys” a wise long term business practice?

Some landlords, and some attorneys, justify cash for keys based upon a purely short term business decision. It may in fact be faster and even less expensive to pay the tenant to leave, than to pay an attorney to prosecute an eviction in Court. Legal fees and Court costs paid as part of an eviction are tax deductible business expenses. I do not know whether cash for keys is also tax deductible, but even if it is, what are the long term costs?

Basic economic theory instructs that if you subsidize something, you create more of the thing that is subsidized. People respond to financial incentives. This was the basis of the “cash for clunkers” program to stimulate automobile sales. An unintended consequence was to cause used cars to become scarcer and more expensive.

However, unlike the clunker cars which were permanently disabled and junked, the cash for keys approach has the unintended consequence of creating a new class of clunker tenants who are likely to go on to rent from a number of future landlords. The clunker tenant now has an incentive to dodge financial responsibility and will seek to leverage bad behavior into a reward instead of punishment. Forever thereafter, these tenants will be more likely to shirk their financial obligations to the landlord (and others) and will be more likely to ignore a notice to quit for non-payment of rent. This will result in increased hassles to the landlord in collecting rents and require the landlord to prosecute an eviction to a conclusion with more frequency, and consequently at greater expense over the long term.

It is understandable that some landlords may see a short term benefit in paying cash for keys ransom, but in so doing, the practice establishes a precedent and provides an incentive for the tenant to continue the activity. In my view, cash for keys from clunker tenants sends the wrong message which will increase the hassles and long term costs to landlords as a group, and should be avoided.



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PRESIDENT’S MESSAGE, continued from front page

furniture as well. It would seem that the lawmakers have singled out landlords to have the most responsibility, and this could result in significant costs if a building is infected and the tenants have to leave. If one considers the potential costs of providing tenants with funds to cover housing, medical and other costs, this problem is a risk that could become overwhelming. When we are faced with problems like this, we first consider how to lower our risk so that if we are affected we can get some help. I hope that insurance will become available to help cover this risk, much like flood insurance does now. But for now, I’m not aware of any insurance that is available for this matter. We will be trying to get better educated and keep you informed as this problem evolves.

If you have any issues that you wish us to address, please let me and other officers know. Your involvement is very important and we wish to make your membership a great value. More member participation at meetings and other participation in helping us make CAHA membership a valued experience is so important. One problem has been getting this newsletter to you in plenty of time so you can plan to attend the next meeting. I hope this month our newsletter arrives before September 10th and that you can make the next meeting on the 14th.

Charlie Anderson

¹ Now Public Law 566. “An Act To Implement the Recommendations of the Working Group To Study Landlord and Tenant Issues”. Signed by the Governor March 29, 2010. Link: http://www.mainelegislature.org/legis/bills/bills_124th/chapters/PUBLIC566.asp

**Minutes of Board Meeting
Capital Area Housing Authority (CAHA)
Held at Lucky Garden Restaurant, Hallowell
May 25, 2010**

After a social time, President Charles Anderson called the meeting to order at 5:40 p.m. with the following present:

*Past President & Board Member, Harold Booth
Secretary & Board Member, Barbara A. Eckhardt
Treasurer & Board Member, Emmy Swanton
Board Member, Venita Barley
Board Member, Ratna Don
Board Member, Ramona Venskus*

President Anderson opened the meeting regarding the progress of the Oil Committee. The Oil Committee picked Fielding's as CAHA's next oil supplier, as they were 15 cents less than Fabian in their pre-buy policy. Ratna stated he will call Fielding's concerning their furnace cleaning contract, to compare with Fabian's. However, Ratna stated landlords do not need a cleaning contract with an oil company in order to buy oil from them.

President Anderson was pleased that the CAHA Newsletter was delivered on time. Motion was made by Ramona, and seconded by Venita, to approve the April 20, 2010 Board Meeting minutes as written in the May 11, 2010 newsletter. Motion passed unanimously. Hal informed the members that the Annual Board Meeting minutes taken on February 9, 2010 had not been printed in the newsletter, yet.

Emmy presented a current Treasurer's report for informational purposes. Motion was made by Barbara, and seconded by Hal, to authorize Emmy to roll over the July 26, 2010 CD when it comes due on that date. Motion passed unanimously.

President Anderson informed the Board that he is taking the EPA lead-safe certification training course in June. And the contact person is Karen Tucker at Health Community of Capital Area: phone (207) 588-5011, e-mail ktucker@med.org. Web address is www.epa.gov/getleadsafe and phone number is 1-800-424-LEAD.

President Anderson opened up a short discussion regarding the CAHA By-Law changes. Hal suggested the Board review them at the September Board meeting, write up the necessary changes, and forward the changes to Attorney Eric Dick for his review before presenting them to the members for their approval. Motion was made by Hal, and seconded by Emmy, to authorize Charlie to contract with Eric Dick for his legal review after the draft of the By-laws has been completed and approved by the Board. Motion passed unanimously.

Ramona opened a discussion regarding the advertisements in the newsletter. Motion was made by Hal, and seconded by Venita, to keep the ads one space per business. Motion passed unanimously. Motion was made by Ramona, and seconded by Venita, to email the newsletter to businesses that advertise in the newsletter for as long as they advertise in it. Motion passed unanimously.

Motion was made by Ramona, and seconded by Ratna, to adjourn the meeting at 6:37 p.m.

Respectfully submitted,
Barbara A. Eckhardt, Secretary

**Regular Meeting Notes
Capital Area Housing
Association (CAHA)
Held at KV Federal Credit Union
June 8, 2010**

President Charles Anderson opened the meeting at 7:02 p.m. After a quorum was established, the business part of the meeting was conducted.

Motion was made by Philip Hart, and seconded by Jean-Guy Paquet, to accept the April 13, 2010, Regular Meeting Minutes as written in the May 11, 2010 newsletter. Motion passed unanimously.

Emmy Swanton distributed the Treasurer's Report. Motion was made by Ramona Venskus, and seconded by Ratna Don, to accept the Treasurer's Report as presented. Motion passed unanimously.

President Anderson introduced the speaker for the evening, Darren Matthews, Marketing & Sales Director of Fielding's Oil & Propane Co. Darren came to answer questions concerning CAHA's bid proposal for Fielding's Oil & Propane Co.

While the members reviewed the proposal, President Anderson gave a quick overview of how hard the Oil Committee, which consisted of Donald Gasink, Esq., President Anderson, Ratna Don, and Frank Venskus, worked to achieve a contract from the low bidder out of a field of six bidders. Bids were submitted from Downeast Energy, Fabian Oil, Fielding's Oil & Propane Co., Irving Energy, J&S Oil Co., and Webber Oil Co. Fielding's Oil & Propane Co. was selected for its lowest pre-buy and spot-buy bids.

Darren informed the members that they are able to sign up for the pre-buy offers right now, plus there is a special 2 cent a gallon discount for summertime heating oil fill ups. He also explained Fielding's association with Houle's Plumbing, Heating, & Air Conditioning Service Department. Darren explained how easy it is for CAHA members to do business with Fielding's.

Motion was made by Ramona Venskus, and seconded by Stefanie Barley, to accept the bid proposal of Fielding's Oil & Propane Co. Motion passed unanimously.

Sign-in sheet indicated 16 members attending. Sandra Niles won the \$25 door prize.

Meeting adjourned at 8:21 p.m.

Respectfully submitted,
Barbara A. Eckhardt, Secretary



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<p>Rent Match LLC Venita Barley, Owner (207) 623-2580 • Fax (207) 623-3374 vbarley@rentmatchonline.com "Bringing Landlords and Tenants Together!" www.RentMatchOnline.com</p>	<p>Eric S. Dick, Esq. Farris, Foley & Dick, P.A. (207) 622-5872 ffdlaw@gwi.net Discount off regular hourly rate to CAHA member on landlord/tenant matters</p>	<p>Winslow Aluminum Inc. Vassalboro, ME (800) 924-0412 winslowaluminum@yahoo.com 30% off list price of replacement windows</p>	<p>Vallee Property Management, LLC Rentals & Property Management vpmmel@valleerealestate.com www.vpm.me (207) 620-7500 Gently used Refrigerators \$175.00 and up.</p>

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