



JANUARY 2010 NEWSLETTER

CAPITAL AREA HOUSING ASSOCIATION “LANDLORDS WORKING TOGETHER”

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PRESIDENT'S MESSAGE

There was lots of interest in the Fire Marshall's presentation at the last meeting – see the minutes of that meeting elsewhere in this newsletter. There were many questions about that new law and its ramifications for us as landlords.

One of the frustrations for us has been the difficulty in obtaining a single unit that will satisfy all the requirements of the law. I've reported on the results of my own search in previous newsletters – providing the model number of a unit that I found on-line.

Finding a three-fer [carbon monoxide, photo-electric smoke, 120-volts] locally has been difficult/impossible. I've been in contact with both Home Depot and Lowes locally, and an on-line discount supplier, trying to obtain a good price for our membership.

Good news! I'm delighted to inform you that I can report success in that effort. Lowes will be carrying a three-fer starting just about the time you read this – call to be sure they're in.

In addition, they have provided us with an excellent price. The CO/Smoke detector is the BRK First Alert model # SC7010BV. The CAHA price is \$41.99. This pricing is only available for Members of the Capitol Area Housing Association and the Waterville group: Central Maine Apartment Owners (CMAOA).

This model is the same unit I found [and purchased on-line for \$60 plus shipping] except that it additionally offers a vocal indication of the reason for the alarm [fire or carbon monoxide].

Members must show their cards in order to receive this discounted price. CAHA and CMAOA members should go to the Commercial Desk during the hours of 6 am – 4 pm, Mon. – Fri. Because there may be difficulty in managing stock of this item – especially if we all rush there at the same time to buy them – please help the store by calling ahead with the number of units and intended purchase date so they can be sure to have adequate stock on-hand. You should call 620-5027, ext. 8, and ask about item # 92732.

The following Lowes personnel know about this special price for us:

- Caleb Stephens – Commercial Sales
- Rich Cormier – his associate
- Rodney Wohlford – store mgr.
- Tyler Avery – sales mgr.



Harold Booth
President

PRESIDENT'S MESSAGE, continued on page 2

NEXT MEETING:

JANUARY 12, 2009 • 7 – 8:30 P.M.
K.V. FEDERAL CREDIT UNION
GENERAL BUSINESS TO BE DISCUSSED

UPCOMING MEETING:

FEBRUARY 9, 2009 • 7:00 P.M.
AUGUSTA ELKS LODGE
ANNUAL BANQUET. GET YOUR
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ASK THE LAWYER

PROFESSIONAL RENTAL AGENTS AND MANAGERS:

ADVANTAGES AND DISADVANTAGES

Many small landlords own one or just a few rental units as an investment, to subsidize monthly income and for tax benefits. Many do everything themselves, including placement of advertising, showing and renting the apartment, as well as maintenance. Large rental property providers typically have in-house staff to handle these responsibilities, often including their own maintenance crew.

Within those broad parameters are numerous landlords who own too many rental units to manage on their own, or who do not have the time or interest to attend to all of the details to keep their rental units filled. More frequently, these landlords engage an independent, professional rental agent or manager to handle some or all of the details to rent their apartments and keep them maintained.

Services offered encompass a broad spectrum. A rental agent may advertise the property, field applications and refer qualified interested parties to the owner. Others may perform a background check which might include the applicant's criminal background and credit record. The agent may contact references provided, including prior landlords, and confirm any prior eviction history. Many rental agents will provide all of those services to some varying degree, and subject to the owner's approval, provide all necessary disclosures and enter into a lease with a tenant on behalf of the owner. The fee for placement of a tenant for a one-year term may be equivalent to one month's rent plus out of pocket expenses. Often the rental agent's involvement with the property ends after placement of the tenant.

Some rental agents, and most managers, provide services that continue after a tenant's placement which may include responsibility for collection of rents, eviction of tenants in coordination with the owner's attorney, and contracting for or providing repair and maintenance services.

Some of the advantages of utilizing a professional rental agent or manager include:

- They will be up to date on all of the various state and local laws that apply to the rental property.
- They will have established methods and forms, including all of the various disclosures now required and a solid lease to insure that legal requirements are met, while maximizing the owner's rights.
- They often have established contacts with local attorneys, civil sheriff's deputies, repairmen and service providers, and often engage their services more efficiently and cost effectively than an individual owner.
- They often maintain ongoing advertising programs, including websites to continuously advertise available properties, and produce qualified, desirable tenants. Just as importantly, local agents/managers are likely to have knowledge of tenants that are not as desirable.
- They typically maintain good records and computerized databases that keep the owner informed and facilitate end of year tax filings.
- They absorb the brunt of the phone calls, foot traffic and complaints to the extent of the duties they have assumed.

Some of the disadvantages of utilizing a professional agent/manager include:

- Reduced income to the extent of fees paid to the agent/manager, but these are typically tax deductible business expenses.
- An owner is bound by whatever agreements may be made by the agent/manager within the scope of their actual or apparent authority.
- An agent/manager that has authority to enter into a residential rental agreement is deemed to be an appropriate person to receive service of process, notices and demands on behalf of the owner under Title 14 §6023. This is not necessarily a disadvantage to an owner, but does mandate diligence on the part of the agent/manager to promptly inform the owner of the receipt of important documents to insure that deadlines are not missed.
- An owner may be jointly responsible for violations committed by the agent/manager within the scope of their engagement, such as failure to provide a required disclosure, inclusion of illegal provisions in a lease or violations of the Human Rights Act. In such cases, the owner may have a claim against the agent/manager for reimbursement of any losses, or for indemnification.
- There are no state licensing or regulation requirements for professional rental agents and managers, per se, unless they engage in activities requiring licensure (realtor activities, furnace repair, etc.). There is a wide variance in the type and quality of services offered, and fees charged. Consequently, an owner should exercise care in the selection of their agent/manager.



Disclaimer: For general information of CAHA members; not intended as legal advice. Consult a lawyer for your specific situation © 2010 Eric S. Dick, Esq., Augusta, Maine (207) 622-5872.

PRESIDENT'S MESSAGE, *continued from front*

Another new law that will be affecting us is the Radon testing requirement that Eric addressed in last month's column. I hope to be able to get someone from the State DHHS Radon Office to speak to us at our January 12th meeting.

As I write this, the individual I need to contact is out of the office on an extended vacation. He'll be back by the time of our meeting,

but I do not know whether someone will be available to speak to us.

If I am unable to arrange for an outside speaker, I'll get what information I can on the subject - I used to work with the people who do the Radon testing - and do my best to address the issue myself.

Take care,

Hal Booth

**Minutes of Regular Meeting – Capital Area Housing Association (CAHA)
Held at KV Federal Credit Union – December 8, 2009**

President Harold Booth opened the meeting at 7:04 p.m. It was established that a quorum was present.

President Booth introduced Richard Taylor from the Fire Marshal's Office and also gave Ramona Venskus a hearty thank you for inviting Mr. Taylor to speak to our members concerning the new Maine Smoke Detector and Carbon Monoxide Law and the detectors themselves. John W. Beedle, Pro Account Sales Associate from The Home Depot, was standing on the side lines with three different detector devices displayed for discussion (plug-in, CO only, and combination with smoke, CO, and ionization). These detectors were presently available at the store. Also, by invitation from President Booth, was a visitation from President Brian Kothman of CMAOA (Waterville landlords' group).

Mr. Taylor stated his job was making the rules for the Fire Marshal's Office and then jumped right in with the questions and answers.

Presented Booth wanted to know the difference between hardwired versus plug-in detectors; was there a legal requirement for one or the other? Mr. Taylor said that there was none; however, they must be battery backed up.

Another question was concerning the plug-in devices and the distance from the bedrooms in a mobile home. Mr. Taylor stated the detector should be centrally located in the hallway. In a house, there should be a detector in the basement because the furnace is there and again it should be centrally located in the hallway between the bedrooms upstairs.

Many of the members were concerned at not finding the photoelectric-type smoke detector in the market. Mr. Beedle stated they are not available at The Home Depot until February 2010. He said it comes in a kit as a combination of smoke detector, CO, photoelectric, hardwired with battery backup at \$51.67 each. The detector comes with a 'pig tail' so that it can be added into your system, or you can take one out, tie the wires up, and unplug it. However, these detectors have to be bought in a box of six (the hardwired ones). He stated that as an association you could consolidate this store item and buy as a group, work with a distributor, and save possibly \$7 or \$8 each on a detector. At the present moment The Home Depot would prepare a letter of action to cover the landlord in case of an inspection from the fire department. The letter would state how many photoelectric detectors were bought and that they would be shipped out to the landlord on February 1, 2010.

Mr. Taylor brought up a good point. If you already have a smoke detector in place, even an ionization detector, you are not out of compliance because the detector is not out of compliance. However, the detectors have a life span and when it's time to change them, you would then have to install the photoelectric-type smoke detector to be in compliance with the 20 foot law from the kitchen or bathroom containing a tub or shower.

Also, since November 12, 2009, every single house in the state of Maine has to have a smoke detector in the area giving access to the bedrooms, regardless of when the house was built. Mr. Taylor recommended that every house have them in each bedroom, too. Under current code, all new houses are being built with hardwired detectors in each bedroom. However, all houses installed with battery operated detectors right now are okay; they do not have to be hardwired.

President Booth referenced the November 2009 newsletter concerning the smoke detector and carbon monoxide laws: 25 M.R.S.A. § 2464 §§ 10 and 25 M.R.S.A. § 2468 §§ 6.

Both President Booth and Charlie Anderson gave their interpretation of being in compliance by stating: (1) As long as I have the required photoelectric smoke detector with the CO combination, hardwired with battery backup, it is okay to have several battery powered detectors elsewhere in the units; (2) The CO must be powered by AC (hardwired) and with a battery operated backup. Mr. Taylor agreed with both of them.

Mr. Taylor also touched on sprinkler systems to be installed in new one or two-family dwellings. Older homes are grandfathered from installing them.

At 7:55 p.m. the business portion of the meeting began.

Motion was made by Lucien Berube, and seconded by Roger Daniels, to accept the October 13, 2009 minutes as written in the November 2009 Newsletter. Motion passed unanimously.

Motion was made by Ramona, and seconded by Stefanie, to accept the Treasurer's report as presented. Motion passed unanimously.

President Booth gave the names of the Board members to be re-elected. They are Ramona Venskus, Stefanie Barley, Barbara Eckhardt, and Ratna Don. President Booth stated that his term will end in February; however, there will be no election for his seat, as he will remain as past-president for a year after February 2010. However, Ramona, Stefanie, Barbara and Ratna's positions will be up for election at the February 2010 annual meeting. Also, Emmy Swanton was appointed to fulfill Tim Dennett's two-year Board position. After Tim was elected last year, he resigned soon after due to personal reasons.

According to our by-laws, a person who is appointed to a two-year position by the Board, in the first year of that position, must have that selection by the Board ratified at the next annual meeting. Therefore, Emmy Swanton will also be on the ballot to fulfill the second half of the condensed term for which she was already appointed.

The sign-in sheet indicated 20 members attended. Vice-President Charlie Anderson won the \$25 door prize.

Motion was made by Ramona, and seconded by Stefanie, to adjourn the meeting at 8:20 p.m.

Respectfully submitted, Barbara A. Eckhardt, Secretary

**Minutes of Board Meeting
Capital Area Housing Association
(CAHA)**

**Held at Lucky Garden Restaurant,
Hallowell**

November 26, 2009

President Harold Booth called the meeting to order at 5:43 p.m., with the following Officers and Board members present:

**Treas. & Board Member, Emmy Swanton
Sec. & Board Member, Barbara Eckhardt**

Board Member, Ramona Venskus

Board Member, Ratna Don

Board Member, Charlie Anderson

The Annual Meeting will be held on February 9, 2010 at the Elks club. After some discussion about the dinner menu, the Board decided to use the same menu as last year; except, baked potatoes will replace the mashed potatoes, and the price of the meal will not exceed \$15.95 per person.

President Booth asked the Board members to delay the discussion of next year's database management contract until the next board meeting, since the current database manager, Stefanie Barley, was not present at this meeting. President Booth said that Stefanie would like to change the pay structure for the database management work, with the contract period being from October through September. Pay for the 'off months' (March through October) would be at a lower rate, and the 'on months' (November through February) at a higher rate.

CMAOA's President, Brian Kothman, would like to meet with President Booth to discuss future joint ventures. President Booth will make arrangements to meet with Brian, who has been invited to attend the December 8, 2009 membership meeting.

A slate of candidates for the 2010 Board is ready to present at the December meeting.

The current year of CAHA's budget was discussed. Ratna pointed out that CAHA's budget is in the red this year. Ratna said that the cost of a consultant might be reduced by not inviting the consultant to our board and regular meetings at \$75 per hour.

Ratna suggested depositing 2010 membership dues in 2010. This will help accounting and tax returns. CAHA can file income tax returns with the IRS electronically if total income is \$25,000 or less for the calendar year. CAHA needs to find two members to audit the books during the month of January.

Motion was made by Charlie, and seconded by Ramona, to accept the corrected meeting minutes of November 25, 2008, December 9, 2008, January 13, 2009, and March 24, 2009. Motion passed unanimously.

Motion made by Ramona, and seconded by Charlie, to adjourn at 6:54 pm.

Respectfully submitted,

Barbara Eckhardt, Secretary



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