

**CUMBERLAND HOUSING AUTHORITY ANNUAL MEETING (VIA ZOOM)**  
**June 27, 2022, Meeting Minutes**

**I. Call to Order:** Chair Bill Hansen called the meeting to order at 3:00 pm.

**II. Roll Call: Present:** Bill Hansen - Chairman, Connie Bingham, Meredith Strang Burgess, Cara Biddings, Norman Maze, Jr., Sally Pierce & Bill Stiles. Staff: Carla Nixon - Executive Director, Bill Shane - Town Manager & Christina Silberman - Administrative Assistant. **Absent:** Janene Gorham.

**Election Chair:** Mr. Maze nominated Bill Hansen as Chair of the Cumberland Housing Authority, seconded by Mr. Stiles. There were no other nominations. The nomination was then **VOTED, 6 yeas, 1 abstained (Hansen), motion carries. Roll Call Vote:** Biddings – yea, Bingham – yea, Hansen – abstained, Maze – yea, Pierce – yea, Stiles – yea, Strang Burgess – yea.

**Election Vice Chair:** Chairman Hansen nominated Norman Maze, Jr. as Vice Chair of the Cumberland Housing Authority, seconded by Mr. Stiles. There were no other nominations. The nomination was then **VOTED, 6 yeas, 1 abstained (Maze), motion carries. Roll Call Vote:** Biddings – yea, Bingham – yea, Hansen – yea, Maze – abstained, Pierce – yea, Stiles – yea, Strang Burgess – yea.

**III. Executive Director's Report:**

**1. Tenant Updates:** Carla Nixon, Cumberland Housing Authority Director, reported that there were four turnovers in calendar year 2021 and four turnovers in calendar year 2022 with six of these turnovers in the current fiscal year. Ms. Nixon noted two turnovers are budgeted for each year. Ms. Nixon said that this has been a good time to look at doing kitchen and bathroom renovations. The units are 31-32 years old and have all original fixtures and cabinets.

**2. Capital Improvements:** Ms. Nixon reported the Town renovates units as they become vacant and now the Town Manager proposes taking out a short-term loan to renovate all of the kitchens and bathrooms.

Town Manager Bill Shane said if renovations continue going as they have been, the Town is looking at a 9 year cycle. Mr. Shane proposed getting the renovations done within the next three years. Mr. Shane said he has been working with the Finance Director to develop a plan for the Town to borrow \$250,000.00 on a five year note to complete the renovations. Mr. Shane noted that the Town can get bulk savings with this plan and would have the ability to have one contractor.

Jonathan Carpenter, Maintenance Manager, said there is an opportunity to get the renovations done at a good price as opposed to doing them one at a time. There are twenty-five units left to renovate. Mr. Carpenter said one issue is cohesiveness with the products being used. The new kitchens are good quality and in order to keep the project rolling, the best thing to do is to purchase the renovation materials in bulk.

Mr. Shane said there is a twenty year life expectancy with these renovations. Mr. Shane reported that one bank has provided a loan commitment at under four percent for a five

year note. Mr. Shane is awaiting three other bank commitments. Mr. Shane said this project would fit nicely into the capital plan.

Mr. Carpenter said renovation costs are roughly \$10,000 each. Mr. Shane said renovating each unit individually could take three months. The renovations could be done within one month if the Town has the inventory and a contractor lined up. Mr. Carpenter said kitchen cabinets can be removed and replaced within two or three days. The countertop is a solid surface with a five to six week lead time to manufacture and there would be cost and time savings if the countertop materials are bought in bulk also. Mr. Carpenter predicted a three day timeframe for replacing the cabinets and reusing the old countertop while the new countertop is made. The new countertop can be installed in one day.

Chairman Hansen said he is really happy with what the Town is doing. Chairman Hansen said he has a problem with a long term opt out from renovations for tenants because this could cost money and cause other issues. Mr. Shane suggested that the Housing Authority approve a motion to support a short term loan of \$250,000 for no more than five years at no more than four percent interest. Mr. Shane said the Authority could have a policy decision that there be a time certain to complete the project. Mr. Carpenter said he thinks eighteen months would be enough time. Mr. Shane said that they could come back to the Housing Authority if an extension is needed and this way, the Authority accepts responsibility for maintaining the complex and for not allowing tenants to opt out of the renovations.

**3. Financial Projections:** Mr. Shane referred to the senior housing budget and said the Town has done a good job in budgeting with about \$59,000.00 to the positive in the fund. Mr. Shane said that Ms. Nixon has proposed a two percent rent increase that would add \$7,000 to the bottom line. Mr. Shane reminded the Authority to think about what is next and to save for things like heating systems and roofs.

Ms. Nixon said that it is not essential to have a two percent rent interest and it is harder for tenants to have a zero percent increase, then a two percent increase the next year. Ms. Nixon expressed concern that there are tenants that cannot afford any increase. The Town has safety nets in place and tenants know that they can come to the Town for assistance but some tenants do not want to do this. Ms. Nixon said the rent increase is up to the Authority and the budget is in good shape.

Chairman Hansen asked to hear other Authority members' thoughts.

Mr. Maze said that, in hearing that some folks are struggling, he is concerned and reluctant to add to their burden. Mr. Maze asked if, with new tenants coming in, there is a fair market rent that could be considered as the units are turned over.

Mr. Stiles said there is no question that inflation is affecting everyone and he would be in favor of a one percent increase.

Mr. Shane suggested a one percent rent increase for current tenants and a \$50.00 rent increase per bedroom for new tenants. Chairman Hansen said this would be a nice way to minimize the impact to the existing tenants and to transition the rates to be higher as time goes on.

Ms. Bingham asked about subsidized units and noted that some of the tenants are not broke. Mr. Shane replied that there are three subsidized units that were required for the original loan. Mr. Shane noted that the Drowne Rd. are HUD affordable low income so there are other affordable offerings in Town. Ms. Bingham stated that there is no means test for applicants and wondered if there is a way to preserve an ability to help people that are really in need. Ms. Bingham said that she likes the idea of a \$50.00 increase per bedroom for new tenants.

Ms. Pierce said she thinks a one percent increase is reasonable.

Ms. Strang Burgess said a one percent increase makes sense and she supports the suggestion of an increase of \$50.00 per bedroom as the units turnover.

Ms. Biddings agreed that adding \$50.00 per bedroom for new tenants and a one percent increase for current tenants makes sense. Ms. Biddings asked if tenants have information on programs to help with energy costs and if there is a way the Authority could have a program to put money away to help the people in need. Mr. Shane reported that the Town has a program available that provides a rebate for renters. There is also a heating subsidy through the Town's benevolent fund that is open to everyone. Ms. Biddings suggested including information about available programs with the notice to the tenants about the rent increase.

Chairman Hansen said he has been on the Authority for a long time and the intention for the senior housing program was not that it be a place for residents of Cumberland who had means. Chairman Hansen said he would like to have some kind of a means test and would like to have a future discussion about this. Chairman Hansen supports the \$50.00 increase per bedroom.

**IV. Correspondence:** None.

**V. New Business:**

**022-01: To set rental rates for fiscal year 2022-23:** Mr. Stiles moved that the Cumberland Housing Authority approve a one percent rent increase for current tenants and a \$50.00 rent increase per bedroom for new tenants, seconded by Ms. Pierce and **VOTED, 7 yeas – unanimous, motion carries.**

**022-02: To consider and act upon adoption of the proposed 2022-2023 fiscal year budget:** Mr. Shane reviewed the revised budget to include a one percent rent increase. Mr. Stiles moved to approve the budget as proposed by staff for FY23, seconded by Mr. Maze. Mr. Maze asked if the debt service for \$250,000.00 at 4 percent interest over five years is recognized in this budget. Mr. Shane replied that the debt service is recognized in the cash flow. Chairman Hansen asked if the Authority would need another meeting to approve the loan. Mr. Shane replied that the Authority could vote now to approve the loan. The proposed motion was then **VOTED, 7 yeas – unanimous, motion carries.**

Mr. Stiles moved that the Cumberland Housing Authority authorize the Town Manager to enter into a loan amount up to \$250,000.00 at no more than four percent interest and for no more than five years for the purpose of remodeling the kitchens in the units, seconded by Ms. Strang Burgess and **VOTED, 7 yeas – unanimous, motion carries.**

**VI. Adjourn:** Chairman Hansen said he would like to have a future in-person meeting to discuss who the Authority intends to have these units serve going forward. Mr. Stiles said that he would prefer in person meetings going forward.

Ms. Pierce moved to adjourn the meeting, seconded by Mr. Stiles and **VOTED, 7 yeas – unanimous, motion carries.**

Respectfully submitted,

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Christina Silberman, Administrative Assistant