

**Mellin & Associates, LLC**  
P. O. Box 1115  
Redding, CT 06875  
(203) 938-3172 □ (203) 938-2798 Fax

TESTIMONY OF RICHARD E. MELLIN  
REGARDING HR6620  
AN ACT CONCERNING CONDOMINIUMS AND COMMON INTEREST OWNERSHIP  
COMMUNITIES

I SUMMARY OF TESTIMONY:

This bill proposes to amend Chapters 825 and 828 of the General Statutes to establish an Office of Condominium Ombudsman to investigate and resolve complaints concerning unit owners, boards of directors, executive boards, community association managers and managing agents of condominiums or common interest communities. For the reasons set forth below, The Connecticut General Assembly should not adopt this bill.

II. BACKGROUND OF RICHARD E. MELLIN:

I am a unit owner, community association manager, and a volunteer who supports the Connecticut Chapter of the Community Association Institute (CAI-CT), an organization made up of volunteers who want to make common interest home ownership a viable life style choice for Connecticut residents.

I own two homes located in home owners associations in Connecticut as well as a home in Florida also located in a home owners association. I am co-owner of a community association management (CAM) company established in 1985. Our firm manages five of the largest condominium associations in the greater Danbury, CT area with approximately one-thousand owners and residents. We also manage one of the home owner associations in which we live and are active with the business affairs of our Florida association.

I am Chairperson of the CAI-CT Manager's Council. This group is comprised of CAMs and provides a forum to represent the professional interests of CAMs through services, information, and professional development opportunities.

I am a graduate of Ocean County Community College (A.A. Accounting Major 1968), Lafayette College (B.A. Economics 1969), University of Pennsylvania (M.S. Education and completed Ed.D Program). I have worked for major corporations including Xerox Corporation, Remington Rand Corporation and Pitney Bowes/Dictaphone as a General Manager.

III. IS THERE A PROBLEM REQUIRING MORE LEGISLATION?:

This bill proposes to fix an assertion that condominium unit owner problems are wide spread and therefore needs government intervention. There is a small contingency of unhappy unit owners that are very outspoken about their individual problems with their respective association. They site the extensive number of complaints received by the Attorney Generals (AG) office as evidence of the tremendous magnitude of unit owner problems with boards.

CAI-CT carefully reviewed the AG's complaint files of the 206 written complaints and found that 168 (81.5%) were related to issues of governance which we believe have been satisfactorily addressed by the changes to the Connecticut Statutes that went into affect July 1, 2011.

Despite compelling isolated stories, national survey data does not support the assertion that homeowner problems with elected boards are widespread through out the country (or in Connecticut). In fact, more than 99% of residents surveyed nationally by CAI reported that their elected board represents the best interests of the community as a whole.

When surveyed, 87% of respondents indicated that they would oppose greater government intervention on their community association through ombudsman programs or other legislative efforts to override local, elected boards. The complaints received by the AG are typically caused by lack of education on the part of the unit owner.

#### IV. FAILED FLORIDA OMBUDSMAN OFFICE

Only three states have ombudsman programs, Nevada, Virginia and Florida. As a Florida home owner, I am very familiar with condominium and home owner association laws and practices in Florida. Florida was one of the earliest states to create laws regarding common interest communities.

I support the need for the development of well governed and managed communities in Florida. However, from my experiences and observations in Florida of their Ombudsman office, it does not lend itself to the goals it espouses and has in practice, proved of little value in resolving homeowner complaints. The program has not had a positive impact on helping homeowners who have problems with their associations.

Florida's programs for condominium unit owners are poorly funded, dysfunctional and suffer from political mismanagement. They have instituted new taxes and fees on homeowners association and managers that are not used to support the programs for which they are levied. Florida's failures should not be repeated in Connecticut.

#### V. MY REASONS FOR OPPOSITION:

I am opposed to an Ombudsman office for the following reasons:

- Such programs remove dispute resolution from the community to the state bureaucracy, increasing costs and complexity of resolving legitimate homeowner disputes.
- Where problems exist, they involve private disputes of a contractual nature and the state has no standing or ability to dictate outcomes.
- Other effective means exist to empower residents in community associations at much lower cost to taxpayers.

In these times of dire deficits, Connecticut condominium unit owners cannot afford another cost to create an Office of the Ombudsman. This bill will cause unit owners to incur significant and unnecessary expenses to defend their associations.

Under the proposed bill, all boards would be required to pay a fee to defend a grievance filed by a unit owner. It is absurd to require an organization to pay a fee to defend them self. In addition, an association would be foolish not incur the increased expenses to hire legal counsel to defend them self against a grievance. Also, property managers will be forced to pass onto their clients the increased costs for time allocated to defending complaints.

To the extent that problems arise within a community association, I believe they can be best addressed through comprehensive board member education, pre-sale disclosure requirements, professional credentialing of managers, and alternative dispute resolution.

CAI-CT has developed board member education programs, both online and in person, to address board member and unit owner governance issues and develop best practices. CAI has a Rights and Responsibilities program to encourage boards and residents to engage in good governance practices.

#### VI. ALTERNATIVE DISPUTE RESOLUTION:

I was a major supporter of a CAI-CT Alternative Dispute Resolution (ADR) Program that was designed as an alternative to the traditional justice system. It included negotiation and mediation with a third party. This service was offered to parties who live or work in community associations.

ADR involves a mediation conference where the disputing parties meet with a mediator on a voluntary basis, to talk about the problem and attempt to reach an agreement. The mediator is selected by the parties involved and assists them in arriving at a solution, but does not impose a decision. The mediator helps the parties look at all the issues and explore what is acceptable to both parties as a solution.

ADR is offered to parties who live or work in community associations. It is available to resident homeowners, absentee homeowners, board members, managers and developers.

CAI-CT mediators are individuals who have been trained in mediation skills through an educational program specifically developed by the Chapter. A list of mediators will be sent to the party upon receipt of the ADR Request Form.

I was trained in the 1990's by the American Arbitration Association (AAA) and CAI-CT to be a mediator. No one availed themselves of this program because the AAA cost was \$1,000 and unit owners were unwilling to spend that amount of money.

VII. CONCLUSION:

This current legislation should not be passed. I concur with the recommendation that manager licensing legislation be tabled until next year so that it may be further researched and analyzed. I have volunteered to work closely with this effort.

I am opposed to more laws that serve the interests of a small and very vocal self-serving minority of unit owners who want a state organization to resolve their problems at little or no cost to them. These individuals spread misinformation and obfuscate the facts.

The thousands of community associations in Connecticut would be better served if all parties were better educated about the rights and responsibilities of boards and owners. CAI-CT is committed to providing education and support to all those who participate in common interest community affairs.

If I can be of any further assistance to the Committee, please contact me at [Rich@Mellin.us](mailto:Rich@Mellin.us).

Respectfully Submitted,

*Richard E. Mellin*

Mellin & Associates, LLC