

Smith, Michael

From: William P. Ballot [wballot@comcast.net]

Sent: Wednesday, March 23, 2011 8:05 PM

To: Smith, Michael

Subject: Submitted Testimony in Support of Condo Bills SB 1205, SB 1208, HB 6620

Dear Representative Fox and members of the Judiciary Committee;

As a condominium association homeowner living in Farmington, we are offering written testimony in support of Condo Bills SB 1205, SB 1208, HB 6620. For several years, as an organizer and passionate voice of calling for a level playing field between community associations; we have been actively pursuing our legislative bodies to adopt laws governing the way Condo boards and managing agents operate in Connecticut.

In providing my written testimony to this committee as a CT homeowner, we want to highlight some issues of having the unfortunate incidents of dealing with our board and its managing agent-(Enhanced Management Services) in their abused power over community owners. We have lived for 15 years in a community called Talcott Glen Association, a 128-unit condominium community in corporate since 1971.

We are under the control of a sanctimonious and supercilious Board of Directors and a managing agent that rules through intimidation and fear tactics. It is important to note that some of these members have been in office going on 10 years with no intention of stepping aside. In reality, the insipid laws in place, exculpate the actions and behavior of these boards and managing agents.

In the state of Connecticut, homeowners enjoy many rights and laws that govern and regulate against deceptive and abusive practices. As condominium homeowners, there are fewer laws in place that provide the same protection against the same practices committed by association boards and managing agents.

Ironically, this lobbying group is paid for by the fees collected by homeowner communities that they represent. Thus far, they aggressively attempt to maintain the same operating structure to water down laws that support the continuity of these community associations and managing agents through promises of improving continuous training and communication between homeowner boards and their association members. The fact that the proposed Legislative Bills SB 1205, SB 1208, HB 6620. emit skepticism over their self proclaimed accomplishments that fall short of their stated intentions...

We are at a crucial crossroad whereby condo homeowner have the opportunity to be equitably represented. However, this initiative has come under the treat of the strong influence of lobbyists (including Connecticut Community Associations Institute (CT-CAI) who desire to maintain the status quo. Many of you and your PAC's who sit on this committee and cast votes for your constituency have received contributions from these very same group in efforts to influence the votes of this (and previous) legislative sessions. As a constituent and condo homeowner clearly, our own intentions as a homeowner carry that same interests- with our own as to be one voice heard!

We want to cite some of these experiences as Among the list of abusive practices our unit

owners as well as myself have endured over the last several years includes the following:

- The Board of Directors at Talcott Glen without explanation, communication or transparency, have taken a four year roofing project and turned it into an ten year project costing unit owners an additional \$1.1M. The BOD (board of directors) never went out to bid since changing contractors twice at the recommendation of the managing agent. Additionally, our unit owners incurred an additional estimated \$250,000 in damages caused by the defective workmanship. As a result, the board, refusing in most instances to file insurance claims for repair and replacement of the internal damage caused by this workmanship, pushed the responsibility back onto the individual homeowners. This resulted in many of us experiencing sharp increases in homeowner premiums. In both instances of changing contractors, the managing agent (Enhanced Management Services- Granby, CT) has a personal relationship with each of these contractors as well as the insurance broker that indemnifies our community.
- Not since the managing agent took over at Talcott Glen in 2000, have we ever gone out to a formal or transparent and equitable bidding process for major capital expenditures over \$100,000. The contractors doing business in our community are all a network of personal friends who would be the most expensive option. The workmanship has proven to be inadequate in some instances causing the HOA to spend substantial additional funds to fix their mistakes.
- On the same roofing project, the BOD never disclosed any detailed accounting as to the costs overrun and where the funds went.
- Favoritism and preferential treatment exists in my HOA community. A case in point was back in 2002, my condominium suffered substantial water damage as a result of the (association owned) boiler and furnace malfunctioning. The damage cost us over \$18,000 and when approaching the BOD and managing agent, we were refused to be heard on the matter and forced to go through our insurance company for reimbursement and not through the associations own insurance policy- which was the process up to this point. At the same time, a sitting BOD member had a similar issue whereby his condo was empty (living in another home) and his pipes froze causing water damage. The President of the BOD, repaired and replaced this condo at the associations' expense tying up staff resources and funds for over a week. Our by-laws call for unit owners to be responsible for maintaining units for frozen pipes- especially when with unoccupied units.
- The Talcott Glen BOD had refused any services or repairs to any unit owners who have expressed dissenting concerns or questions relating to association matters. The BOD and Managing Agent are notorious for instilling intimidation and fear to quell all inquiries on major expenditures.
- As an owner, I had been paying a premium in fees and assessments for a additional designated real property loft "storage space" over 10 years. For the same period of time, I was never granted possession or ownership to this space after writing the various members of our BOD's and current managing agent, informing them of the situation. Through hiring an attorney, it was uncovered that the association, through a previous managing agent, had arbitrarily and illegally transferred rights to one former unit owner- permitting him to take unlawful possession of several (17) storage spaces in our community for their own business use. Again, this was without permission or knowledge of the owners on record paying for this property. To this date, I have not been reimbursed for the amount of money that I paid for this space, but unable to access for use.
- The Talcott Glen BOD's aggressively pursued to changing the by-laws for the past 6 years with offering capricious explanations that it would allow the association to

finance the current window assessment allowing unit owners a majority vote in major expenditures and passage of annual budgets. However, our HOA never went through outside financing as the BOD communicated to the homeowners for the current \$1.5M project in a meeting in 2009. In reality, the absolute power of decision making, that was self extended to the board had fallen short of putting this project and assessment to the community for a vote on major projects. This includes paving, windows and siding. Additionally, it took away the communities right to a majority rule on such matters.

- The Board has held meetings without unit owner notice, and abused the use of Executive Sessions to exclude unit owners from learning details of topics which would be considered "controversial" or details of the progress and status of meetings and agreements. The meeting minutes are not properly maintained or are a true and accurate representation of the meeting events.
- The current BOD has members that have sat on the board in some cases for 10 years of engaging in the *proxy game* to keep the same people together and keep out any homeowners who have voiced opinions or difference of opinions. Despite the by-law requirement that at least 30% of the Board must be replaced each year, the Board was successful at the annual meeting in June to obtaining enough votes to successfully reelect themselves to new 3-year terms. While the BOD claim they run unopposed, several unit owners have submitted written procedural requests to be placed on the ballot to run for a position on the board. In two instances, the managing agent "misplaced" the documentation of an association member submitting such request.

Thank you for the opportunity to offer our testimony in relations to the support of SB 1205, SB 1208, HB 6620. The CT condo homeowners have waited too long for representation that provides the quiet enjoyment of association living without fear, intimidation and retaliatory actions caused by our own boards and their managing agents. The time is now to make these changes. As a statewide voice of 250,000 strong, this should require your immediate support. We urge you to vote in FAVOR of these proposed Condo Bills. Please do not hesitate to contact us to discuss our experiences relating to this matter.

Respectfully,

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