

TESTIMONY OF DAVID KELMAN BEFORE THE JUDICIARY COMMITTEE March 25, 2011
IN FAVOR OF HB6022, HB1205 AND HB1208 CONDO BILLS
Email: ctcondoowners@yahoo.com

RECOMMENDED COMMITTEE ACTION: VOTE IN FAVOR OF
HB6620, HB1205 AND HB1208 CONDO BILLS

Random Excerpts from Connecticut Condo Owner Emails to
Legislators and/or Connecticut Condo Owner Coalition

These are serious issues, and many owners across Connecticut face the same issues. These are reasons why legislation to ensure condo law enforcement is needed.

- Board authorizing multi-million dollar loans without owner approval resulting in significant owner debt.
- Mold issues not addressed by condo board or property management. I have had to vacate due to severe water damage and mold from leaks in the new roof, which has also damaged other units as well.
- Tampering with board elections and not holding elections as required; property manager mailed out letters to owners strongly suggesting that we keep two current board members on for another term.
- Ballots with envelopes were sent out. Instead of counting ballots because property manager claimed they were running out of time at the annual meeting, property manager said he would simply announce the winners who, by the way, were the very same people he had strongly recommended. No count or any kind of validation.
- Board members that have sat on the board in some cases for 10 years or more playing the *proxy game* to keep the same people together and keep out any newcomers; These proxies have allowed the Board to control a majority vote at the annual meetings.
- Neither board nor property manager providing owner access to association records (in violation of state law).
- Not publishing meeting minutes, not distributing them to owners (in violation of state law).
- Tacking a four year roofing project and turning it into a 10-year project costing unit owners an additional \$1.1M
- Not engaging in a formal or equitable bidding process for major capital expenditures over \$100,000.
- Board not disclosing detailed accounting for project cost overruns.
- Board and managing agent refusing to hear owner concerns or complaints.
- Board refusing services or repairs to unit owners who express dissenting concerns or questions relating to association matters.
- Board does not following bylaws or state law.
- Board holds meetings without unit owner notice, and abusing the use of Executive Sessions.
- Board president eliminating the Building and Grounds Committee because he had a personality conflict with the committee chairman.
- Board, without notifying all the owners or obtaining a vote of approval from the owners, filed a lawsuit against the developer, the builder, and the Building Department. The Board has spent in excess of \$250,000 on this matter before going to trial.
- Board failed to respond (twice) to written questions concerning the Budget.

- We are a freestanding unit with no other condos. The declarant cannot find anybody to help him build any other units so he trying to fine us to death and make us pay unreasonable lawyer fees.
- In an association meeting in December, we were informed that the association broke a contract that they had with the landscapers, and thus the landscapers turned around and filed an intent to sue the association costing owners \$15,000 to work out the problem. Owners had to pay a \$1,000 special assessment fee.
- President of the Board is a tyrant. She took out a \$2 million dollar loan and we were accessed, even the elderly owners who don't know how they will pay. She did improvements that weren't needed and didn't do those that were needed. She paid a contractor in full up front and he never showed up. She fired members of the Board that didn't agree with her and replaced them with people that would. We were finally able to elect a new Board member that was able to get enough votes to vote her off. It took hiring a lawyer and asking a policeman to attend the meeting.
- I have been a Waters Edge time-share owner since its inception in 1986. I attend as many of the annual owners meetings as I can. These meetings are a joke! The board does what it wants to do, and the owners have nobody that can help them.
- The Water' Edge Ownership and Board of Directors (many of whom own the facility) are looking to eliminate our access to the property. This has been done even though numerous timeshare owners have voiced their opposition.
- My husband is the president of a condo association and had experienced problems of misappropriated funds from three property managers.
- It is nearly impossible for owners to get a new issue onto the agenda for discussion.
- Currently, there is no agency in the State of Connecticut responsible for enforcing the condominium statutes.
- An Ombudsman for common interest communities could be a critical selling feature for future S.M.A.R.T. housing development and attract new residents to Connecticut, which would benefit Connecticut's tax roles. The S.M.A.R.T. program provides strong incentives for high-quality, affordable housing, and gives developers access to an efficient, fast, and consistent development process.

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Letter to the Editor – West Hartford News 3-14-11

To the Editor:

Thank you to the West Hartford News for regularly publishing George Gombossy's column, CT Watchdog, which is always filled with valuable consumer information and insight. In addition, much thanks to George Gombossy for dedicating his column on March 10, 2011 to the plight of condo owners statewide and for mentioning the Connecticut Condo Owners Coalition, and hosting an Internet TV/Radio talk show featuring our organization on March 15. With over 2,200 condominium units in West Hartford alone and over 250,000 condo units statewide, please spread the word that lawmakers must make a greater effort to protect this sizable population.

Consumers can turn to various state agencies for assistance without having to go to court, but condo owners cannot. DMV has a consumer complaint center. The Attorney General's Office has a Consumer Assistance Unit. The Departments of Consumer Protection, Insurance, Banking, Public Utilities and others can assist consumers with disputes. Condo owners are told over and over no state agency has jurisdiction and can assist with mediating disputes. Many condo owners cannot afford to hire attorneys to protect their investment, and many are elderly who are not getting the assistance they deserve as owners, nor getting the support of the Secretary of State who has the authority to interrogate condo associations (non-stock corporations) if unlawful behavior is suspected.

Individual condo owners are now banding together as part of the Connecticut Condo Owners Coalition to alert legislators of the need for reform. With over one dozen state newspapers covering the story, and various radio outlets granting interviews, the media is taking notice and public awareness is growing.

Legislators, please pay attention to condo owners who call in and send emails, and don't be swayed by lobbyists and special interest groups who are out to make a profit at the expense of condo owners. CCOC seeks a level playing field and more transparency and accountability in common interest community governance.

I urge all condo owners in West Hartford and throughout the state to join the Connecticut Condo Owners Coalition, a grassroots group with no membership fee. We have no funds to promote this organization so please spread the word. To join the Connecticut Condo Owners Coalition, email ctcondoowners@yahoo.com.

Respectfully,

David Kelman
West Hartford

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My name is David Kelman. I reside at 89 Shadow Lane in West Hartford. I am a condo owner, former condo board member, a volunteer for the State of Connecticut in the Attorney General's Consumer Assistance Unit, and a founding member of the Connecticut Condo Owners Coalition. I fully support HB6620, HB1205 and HB1208.

The Connecticut Condo Owners Coalition solely represents the voice of the individual condo owner. As we see it, CAI has perhaps a few hundred individual condo owner members, representing less than 1% of the 250,000 condo owners in our state. We at CCOC have no dues, no paid lobbyist or staff, no treasury and do not accept business members. Many of our members are elderly and cannot afford to hire an attorney to battle abuse by condo boards and property managers. Our organization solely represents the voice of the people. We support the condo ombudsman bill, which successfully passed through three committees last year – General Law, Government Administration and Elections and Appropriations. Some of our members who are also CAI members report to us they are disappointed that CAI does not represent their interests in supporting a condo ombudsman. Many of our members say they would gladly pay a nominal fee, like condo owners in Nevada do, for the insurance and peace of mind that such conflict resolution would provide.

This is a David and Goliath story -- individual condo owners against what seems to be a well-funded, organized machine. We seek a level playing field. We hear claims that only a few hundred condo owners complain to the Attorney General each year. The fact is that many unit owners know that no state agency has jurisdiction to assist them with condo disputes, and don't bother writing in. Still many simply will not take the time to write in, and others have been discouraged by the lack of assistance in the past. And, feel they have no choice, but to hire an attorney and sue their condo association or property manager. Harvard University Business School researchers, who have studied consumer complaints, indicate that for every one written complaint a business receives, there are 25 other consumers who feel the same way, but who do not actually write in. Applying this ratio to the 450 or so complaints the Attorney

General's Office has received translates to approximately 11,000 other people who have problems with their condo associations and/or property management companies, but have not filed a complaint.

Many state agencies, such as the Dept. of Motor Vehicles, the Attorney General's Office, the Departments of Consumer Protection, Insurance, Banking, and Public Utilities, offer state residents mediation and assistance. One quarter million condo owners in Connecticut have no such resource.

In closing, it would not take a large staff to handle condo disputes within the Dept of Consumer Protection. It doesn't in the State of Nevada and they have nearly twice as many common interest properties. With a group of volunteers, comprised of attorneys, property managers and condo owners working alongside an Ombudsman and an assistant, the task of mediating condo owner, property manager and association complaints and publishing mediation results online can be adequately managed. As transparency and accountability increases, parties will be forced to act more lawfully and ethically.

Many condo owners were not able to attend this public hearing today and sent in emails in support of these condo bills. Please read the online testimony posted by the Judiciary Committee clerk.

I urge all Judiciary Committee members to vote in FAVOR of HB6620, HB1205 and HB1208. Thank you for your consideration and listening to condo owners on this very important issue of condo law enforcement.

Respectfully,



David Kelman
89 Shadow Lane
West Hartford, CT