

Society Hill Homeowner
13 Canterbury Court
Piscataway, NJ 08854

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The Ongoing Battle Over Maintenance Fees..

The dramatic **67% increase** in maintenance fees is still the primary issue here in Society Hill. In last year's election the residents elected 3 candidates that ran to oppose further increases, and then saw yet another \$19/month fee increase for 2005. What happened? The old Board pulled a trick, and passed the 2005 budget and the \$19/month fee increase, without notice in executive session, **before** the 2004 election actually took place, in effect denying the newly elected board members participation in the budget vote. The third new board member, Kevin Wine, who was already on the board by appointment, voted *AGAINST* the increase.

To further reduce the chances of another fee increase, and reduce the chance that the \$14/month wing-wall special assessment due to come off next year isn't immediately replaced with a new fee increase, it would be best if the quorum requirement (273 votes, assuming everyone is in "good standing") is met immediately at the October 11th annual meeting. Therefore, please make sure to **get your ballots to the clubhouse in time for the October 11th meeting**, and consider supporting the only two candidates that can really be counted on to control your maintenance fees:

✓ Kevin Wine

✓ Greg Machyowsky

Important Note: There are two seats up for election, so be sure to vote for not more than 2 candidates. Otherwise, your ballot will be invalidated.

Please see inside for detailed board member **voting records** for the last year. Also be sure to check the independent, resident supported WEB site, www.societyhillpiscataway.com, for up-to-the-minute election information. Your personalized WEB site username and password are inside, and don't forget to consider **subscribing to the *Concerned Owners* e-newsletter**.

Society Hill at Piscataway WEB Site Username and Password

* IMPORTANT – KEEP THIS INFORMATION *

In order to better serve our community, the Society Hill at Piscataway WEB site, www.societyhillpiscataway.com, is no longer under the control of the Association's Board of Trustees. The WEB site now contains improvements previously blocked by the Board, including a Classified Ads page and a Resident Editorials page, and there are plans for a community surveys page.

Several sections of the WEB site require a resident log-in. A default password has been created specially for you and your tenant (if you rent your unit). You can always change your password, but you'll need this one the first time you log-in:

Owner Username: own13cant

Tenant Username: ten13cant

Owner Password: *****

Tenant Password: *****

The "resident only" sections of the WEB site contain interesting information such as past budgets, audits, and financial data, past candidate profile statements, Maintenance Committee property inspection photos, past issues of the *Concerned Owners* e-newsletter, and most meeting minutes back to 1996. You will also need your password to post a classified ad or submit an editorial.

Board Member Voting Records

To help you make an informed decision in the Board of Trustee elections this fall as well as in future elections, below are the voting records of all board members on some key issues over the last year. The two incumbents up for election this year, Gerald Adelman and Kevin Wine, are shown in bold for easier comparison.

You will notice that Mr. Adelman opposed Mr. Wine on nearly every key issue. Note further that Mr. Robinovitz usually supports Mr. Adelman, while Mr. Nazir supports Mr. Wine. The other three board members fall somewhere in between.

If there is an empty box in the table, it is usually because the trustee was absent either when that vote was taken, or was absent from the meeting altogether. The **NO/ABS** means the trustee either voted NO or ABSTAINED, but we're not sure of exactly which. In any case, they definitely did NOT vote YES. A majority is required to pass a motion. A tie will defeat a motion.

*** KEEP THIS TABLE HANDY FOR NEXT YEAR ***

Mr. Robinovitz, Mr. Coe, and Mr. Sharma are up for election in 2006

| Issue | Gerald Adelman President 2005 | Fred Robinovitz, Treasurer 2006 | Madan Sharma, Vice Pres. 2006 | Kevin Wine, Secretary 2005 | Atif Nazir, Trustee 2007 | Sharon Graham, Trustee 2007 | James Coe, Trustee 2006 |
|--|--|---------------------------------------|-------------------------------------|---|--------------------------------|-----------------------------------|-------------------------------|
| 2005 Budget and \$19/month fee increase, Nov 2004 | YES | YES | NO | NO | Not yet on the Board | Not yet on the Board | YES |
| Mail newsletter to tenants too, Jan 2005 | | NO | YES | YES | YES | | NO |
| Hold midyear budget review, April 2005 | NO | NO | YES | YES | YES | | NO |
| Solicit bids in local paper, April 2005 | NO | NO | YES | YES | YES | | NO |
| Hold midyear budget review, May 2005 | NO/ABS | NO/ABS | YES | YES | YES | YES | NO/ABS |
| Contract bidding procedure, May 2005 | NO | NO | YES | YES | YES | NO | NO |
| Appoint Election Committee, May 2005 | NO/ABS | NO/ABS | NO/ABS | YES | YES | NO/ABS | NO/ABS |
| Clubhouse road sign, May 2005 | NO | NO | NO | YES | YES | NO | NO |
| Newsletter editorials, May 2005 | NO | NO | NO | YES | YES | NO | NO |
| New resident orientation, June 2005 | YES | ABSTAIN | YES | YES | YES | YES | ABSTAIN |
| Reactivate Building Captains, June 2005 | YES | ABSTAIN | YES | YES | YES | YES | ABSTAIN |
| Obey limits on executive session, June 2005 | NO | NO | NO | YES | YES | NO | NO |
| Hire litter collector, June 2005 | NO | NO | YES | YES | | | |
| Remove feedback links from WEB site, June '05 | YES | YES | YES | NO | NO | | |
| \$400 for Summer Picnic, June 2005 | YES | YES | YES | YES | YES | | |
| Pizza to all at Board Meeting, Aug 2005 | NO/ABS | NO/ABS | NO/ABS | YES | YES | | NO/ABS |
| 2005 fee increase reversal | Never came to a vote at the insistence of some board members | | | | | | |
| Annual election candidates night | Never came to a vote | | | | | | |
| Editorials and classified ads on WEB site | Never came to a vote | | | | | | |

Join the *Concerned Owners* Mailing List!

Don't miss out on this vital source of information

The response to the *Concerned Owners* postcard sent out this spring was excellent. The *Concerned Owners* e-newsletter now finds its way in one form or another to around 100 residents – that's almost 20% of the community – more than enough to have a significant impact on the direction of Society Hill.

We would like to thank the numerous residents for their interest and their positive comments, and encourage those not receiving the newsletter to consider subscribing as well.

The *Concerned Owners* e-newsletter sets out to do what the Association's official print newsletter fails at miserably – keep you informed about your community. The print newsletter is nothing more than the same articles repeated year after year, and the same lists of "Don't do this" and "Don't do that". It leaves you totally in the dark on any real issues, and that's exactly where the current majority of the Board wants you – **IN THE DARK!**

Finally, after 20 years, there is an independent source of information here in Society Hill, put together entirely on volunteer hours, free of charge, for the benefit of all residents. In addition to the inside story on the Board of Trustees and how your Association is run, the e-newsletter is also the source of important announcements like special meetings, committee meetings, board meeting cancellations and postponements, community events such as the Summer picnic, updates on the utility problems (water meter pit issue), maintenance alerts, and so on.

Past issues of the *Concerned Owners* e-newsletter are available on the special *Concerned Owners* page of the WEB site, www.societyhillpiscataway.com. You will need your username and password (included in this mailing).

To get on the e-mailing list, just send a short e-mail to concernedowners@optonline.net. If you do not have e-mail or access to a computer, please call 732-699-0091 to arrange for alternate delivery. The e-mail addresses of all subscribers are kept private.

Paying More and Getting Less

Take a look outside your window. Things are not the way they used to be. There is often trash at the curb all week long, recycling bins left out, and litter scattered about. There are dead trees, dead grass, broken sprinkler heads, malfunctioning zones, and poorly trimmed shrubs. There are damaged rain gutters, damaged siding, dirty breezeways, deteriorated concrete, peeling paint, burned out breezeway lights, and broken dryer vents. There are abandoned vehicles parked all over the complex and numerous un-enforced maintenance rule violations.

On top of it all, it can take multiple calls to the management office to get these problems addressed.

While the level of service has been dropping, the maintenance fees have been doing exactly the opposite – up and up. In the last 5 years alone, we have seen a whopping 67% increase in our maintenance fees, plus a \$225 special assessment, and the Association is still operating at a deficit. If the money isn't going into maintenance, then where is it going??

The story is not a simple one, but it does have a few primary answers. Some of what you are seeing today is the result of very poor decisions by the Board of Trustees many years ago – most notably, the mis-handling of aftermath of the botched 1993 re-roofing project (required to fix the "FRT" plywood defect), and the failure to properly pursue remedies for the latent construction defect leading to deterioration of the "wing-walls" on the condominium buildings.

The wing-wall project cost the association around \$600,000. That's \$600,000 that would have otherwise gone toward regular maintenance, now down the drain to fix somebody else's mistakes.

As many of you know, the final chapter in the 1993 re-roofing fiasco has yet to be written, now almost 13 years after the work was performed. The hundreds of resulting roof leaks (continuing to this day), the insurance claims, and the years and years of litigation and legal fees have cost us dearly and will likely continue to do so. Again, more money down the drain to fix someone else's mistakes.

Although both of these incidents occurred many years ago, there can be a long delay between an action and its consequences. It is all too easy to forego the future in favor of a shortcut today. At the bottom of both these failures is really the Board of Trustees and their failure as a decision making body at two critical junctures in our history.

Although what's done is done, the sad thing is that the Board is *still* in a dysfunctional state. As a group, it still fails to appreciate what should be obvious cause and effect relationships, it still wants nothing to do with any details, it still wants to delegate all its authority and then turn a blind eye, and it still doesn't want to think for itself, instead opting to blindly trust and follow the advice of its "hired professionals".

On top of this all, the Board fails to understand that successful governance of the Association requires the interest, input, and involvement of the residents. Without this, the vital checks-and-balances are missing and decisions get made by far too small a group of people.

All is not lost however, and an enormous amount of energy and pressure is being applied to turn things around and get the Board to function properly as a decision making body. You have some very clear choices this year on the ballot. Mr. Wine will continue to do what he has been doing to fix the problems, and Mr. Machyowsky can be counted on without question to do likewise. In combination with the support of Mr. Nazir and hopefully one or two other board members, we are looking forward to some positive changes in the year to come.

Concerned Owners K. Wine and G. Machyowsky

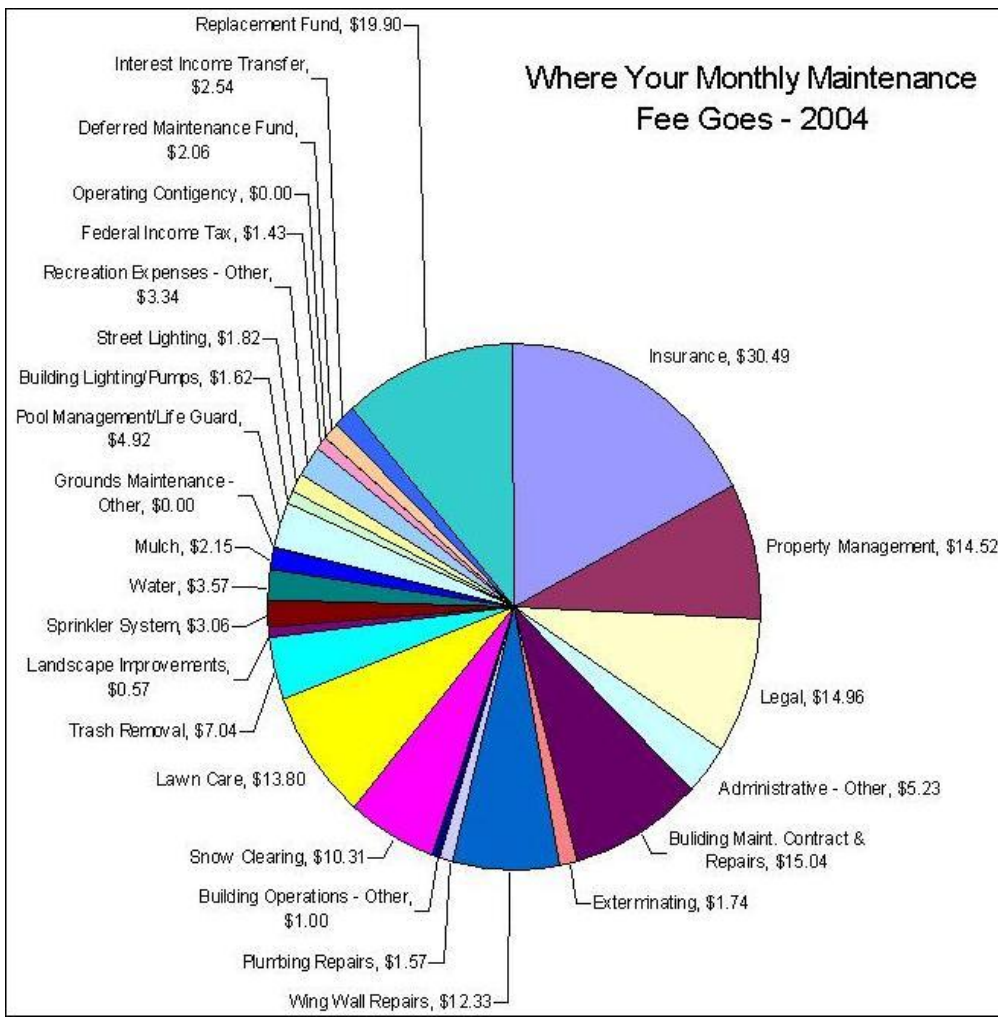
Where Did All the Money Go?

To the left is a pie-chart showing where your \$175 in maintenance fees went last year (2004). The proportions will probably end up being similar for this year.

The two largest line-items in our budget are the insurance premium, and the yearly contribution to the *capital reserve fund*. The large insurance premium is primarily due to the Associations loss history. The loss history is in part due to the board's lack of appreciation for what should be obvious cause and effect relationships – poor maintenance leads to dangerous conditions which leads to injuries and lawsuits, or leads to failures which cause damage and excessive insurance claims.

The capital reserve fund is money set aside to repair "wear-items" like the roof shingles, siding, streets, tennis courts, the playground, and so on. The funding requirements are dictated by a professional engineering firm, and tend to be on the "conservative" side. The recommendations are usually greater than what is actually required, just to be on the "safe" side, and of course the board follows along.

Another large and increasing expense is our legal fees. A detailed analysis of the last 14 years of the Association's budget is on the WEB site, Finance Committee page.



Maintaining the Common Element

Our Association exists mainly for the purpose of maintaining the common element - the roads, plants, lawns, swimming pool, tennis courts, building exteriors, and so forth. The owners elect a 7 member Board of Trustees, which is charged with the responsibility of carrying out this maintenance, either directly or by delegation to a hired property management firm. In concept, this is similar to how we elect local town council members, school board members, state legislators, or members of congress to represent us in the maintenance of other higher-level common elements, such as the transportation infrastructure, schools, the courts, the national defense, and so forth.

We have a board and we vote on board members every year for good reason - it is an opportunity for the homeowners to provide their feedback on how well the board is maintaining the common element. This is a fundamental feature of any form of democratic rule, and derives from the belief that ultimately the people know what is best for the people. This is in sharp contrast to various forms of autocratic rule in which there is no feedback and one individual is left to decide what is best for the people. Many such autocratic experiments have been attempted over the centuries in other parts of the world, and for the most part have all been miserable failures and often at unimaginable human cost.

As homeowners, with busy lives of our own, the last thing we want to have to worry about is yet another level of "government" with more elections, more issues, more debates, and more incomplete and misleading information. After all, we have a Board of Trustees to take care of things for us and that should be enough - they should know what they are doing and they should do it right. However, we must not forget that the only thing separating democracy from autocracy is that feedback path. Without feedback, or with poor or incomplete feedback, the democratic model

deteriorates to an autocratic one. What this means is that some level of involvement is required on behalf of the homeowners. We as homeowners must make some effort to follow the issues, to stay informed, and to participate in the yearly "performance evaluation".

The alternative is to abolish the Board of Trustees, lease or sell the common element to a management company, and cross our fingers that they do a good job. What is their incentive to do a good job? And if they don't, what is our recourse? Would we have any at all? You complain about something 10 times and it doesn't get fixed. How would you as one owner in a 545 owner community "fire" them? How would we keep track of what they are doing? What would compel the management company to tell us the truth about issues? About their internal affairs? Or tell us anything at all for that matter? Given the current situation and level of interest, we are already dangerously close to operating in this mode, and dangerously close to repeating the mistakes of history.

The burden of involvement, however, does not rest solely with the owners. The board shares much of the responsibility for getting the homeowners involved and keeping them involved. This includes encouraging participation by taking homeowner input and suggestions seriously, keeping homeowners informed, providing a forum for homeowners to exchange their views and opinions, providing information to the homeowners, supporting and sponsoring homeowner events, encouraging the various homeowner committees, supporting those committees, and taking their recommendations seriously. Implementing fair, reasonable, and consistent policies, conducting business in the open, presenting the bad news as well as the good, conducting board meetings in a professional manner, projecting a humble attitude, and keeping as many residents as happy as possible.

K. Wine, April 2005