

DELAWARE MANUFACTURING HOME RELOCATION AUTHORITY

1675 S. State Street
Dover, Delaware

Minutes of June 9, 2010 Meeting

IN ATTENDANCE:

Authority: Richard Lemire, Chairman
Terri Rock
Ken Fuchs
Joanne Agostarola
Fred Neil

Derek Strine

Absent: Charles Clark

Excused: Brian Posey
Caron Thompson

Legal Counsel: William Denman

Other

Attendees: Scott Sipple, CPA
Tim Mullaney, Attorney General's Office
Ed Speraw, Code Investigator
Collins Batchelor, Manager, Minquadale Village
Bill Miller, Tenant of Noble's Pond
Theodora Butler, Tenant of Noble's Pond
Juanita McElroy, Tenant of Noble's Pond
Keith Kreisher, Tenant of Noble's Pond
Felix Pereira, Tenant of Noble's Pond
Felix Pereira, Jr., Tenant of Noble's Pond
Susan Pereira, Tenant of Noble's Pond

I. CALL TO ORDER:

Mr. Lemire called the meeting to order at 1:01 p.m.

II. REVIEW AND APPROVAL OF MINUTES:

Mr. Neil requested the minutes of the May 12, 2010 meeting be amended to reflect that he had stated he would not approve the motion to extend the legal counsel's contract unless the motion included the statement "pending approval by the Governor and Attorney General's Office".

Mr. Strine made a motion to accept the minutes from the May 12, 2010 meeting with the above statement added to the minutes. Mr. Fuchs seconded the motion.

Unanimous approval was given by all members present by voice vote.

III. OLD BUSINESS:

A. AMINISTRATIVE REPORT:

Ms. Sisco reported the website is up to date on posting of meeting minutes and contact information.

Ms. Sisco stated she is checking delinquent account letters she sent against the recent quarterly report to see who has paid. She will set up a spreadsheet for board members review at the July meeting.

Ms. Sisco reported that two discovered parks set up accounts with Division of Revenue. They are Shady Dell and Gooches MHP.

Ms. Sisco advised she emailed Ed's updated travel log to all board members today.

Ms. Sisco advised she had emailed Kevin Harvath from Keller Williams to ask him the status of his park research on the six unknown park inspection reports she sent him on May 17th.

Discussion followed on having a conference telephone available at meetings for those Board members who cannot attend in person.

B. MINQUADALE VILLAGE:

Mr. Lemire introduced Collins Batchelor, Manager of Minquadales Village who is a contracted Manager by East Coast Property Management.

Mr. Batchelor stated he was in attendance at this meeting to discuss whether or not Minquadale is required to contribute to the RTA.

Mr. Bactchelor stated he had spoken with Mr. Denman last week.

Mr. Batchelor stated that Minquadale is the first manufactured home Community to utilize HB504. He stated there is some question as to whether the community should be required to contribute to the RTA. He was under the impression that they would not fall under the RTA.

He stated Minqudale is a resident owned community. Everyone who lives there, with a couple of exceptions, were allowed to opt in or out as a member of the homeowner's association if you lived there at the time of transition. He believes that within the next couple of months everyone will join because if they are not a member their rent is to increase.

He stated in their corporate resolution and the mortgage, it does not allow for a change in use.

Mr. Batchelor stated he had met with Representative Peter Schwartzopf. Representative Schwartzopf agreed that this issue could be fixed legislatively. He did request that Mr. Batchelor wait until July which is after the session.

Mr. Batchelor stated he will be meeting with Representative Schwartzopf in July and also with Representative Valerie Longhurst.

Ms. Rock asked how he intended to change the legislation. He stated he will leave the exact language to the professionals. He is going to request that they narrowly tailor the law so that the law states if a community is resident owned and does not allow renting and they do not allow change of use, the community is not subject to the Relocation Authority assessment.

Mr. Denman stated that it was his understanding that the manufactured home community land is owned by a separate corporation called Minquadale Village Homeowner's Association, Inc. The corporation owns title to the real estate. The individuals who live there, except two, are members of this corporation and they own the corporation. The corporation then requires each member to sign a "proprietary" lease. In exchange for living there and having the ability to have their home on their lot, they make payments pursuant to the proprietary lease.

Mr. Neil stated that was not the intent when the law was passed. This was a concern when the law was passed. Unless the law is tweaked and until it is tweaked, Minquadale falls under the RTA.

Mr. Lemire stated his concern is that if there was to be a public land taking of the land, which is unforeseeable, the only place the homeowners would be able to go for financial assistance would be to the RTA. This is cheap insurance. If it is tweaked and they are taken out of it, where do they go for assistance?

Mr. Batchelor stated because they are non profit, they cannot profit from the sale of the land. There is no incentive for them to sell out. If it is sold they only get their \$100 membership fee back. The rest of the money has to go to non profits who endeavor to maintain housing for low and moderate income people.

Mr. Strine stated if there are two or more manufactured homes on the parcel that are not owned by the corporation, in his opinion, Minquadale would be subject to contribution to the RTA. Possibly the money could be rebated if the law is changed. Legal Counsel would have to advise the board on this.

Ms. Agostarola stated the way it is legally set up and until there are modifications or changes made, Minquadale must remain in the RTA. Right now it is a cushion, until they are removed from the RTA.

Mr. Denman, Legal Counsel, agreed.

Mr. Lemire stated in summation, Minquadale should continue contributing to the RTA until the legislation is amended. At least everyone is protected for now.

Mr. Denman requested a copy of Minquadale's proprietary lease for review. Mr Batchelor stated it is being revised but he would get a copy to Mr. Denman as soon as he can.

Mr. Denman stated since Noble's Pond is a topic for discussion and he had already spoken with Mr. Lemire, he wanted to make the Board aware that his legal firm in the past performed legal services for Noble's Pond. The lawyers was George Gardner, his associate, who is deceased. At the present time, the law firm has no pending matters with Noble's Pond with the exception that his firm is the registered agent for the corporation at Noble's Pond.

Ms. Rock asked if he was comfortable with this. Mr. Denman stated he felt he should not be giving any legal opinions on this. If a legal issue comes up and the Board wants to take a position, they might want to take it up with Tim Mullaney or someone in the Attorney General's Office.

Mr. Denman's stated the Noble's Pond issue seems to be similar to the Baywood situation. It keeps coming up and will continue coming up until something is done about it. The issue is under what circumstances is a home on leased land considered to be a manufactured home. We have a statute that defines a manufactured home. Mr. Denman read what the statute states.

Mr. Denman stated different developments may have all different types of modular homes that fit within the definition. Then you have a gray area of whether a modular home is subject to the RTA statute.

Any decision will be unique to Noble's Pond since there is other communities that have modular homes.

Mr. Miller from Noble's Pond addressed the Board. Mr. Miller asked how do you move a modular home that does not have a metal moving platform. Ms. Rock stated it is put on a platform and moved.

Discussion followed.

Ms. Agostarola stated no one at the meeting would disagree there are some homes that have a question mark whether they should qualify under the RTA or not. Some of the homes in her community could not be moved.

This is a situation that needs to be addressed, but unfortunately not at the RTA. The RTA is the situation where they are the collector's and distributors based on what the current statutes are.

C. FINANCIAL REPORT:

Mr. Sipple gave a brief overview of his financial report.

D. CODE INVESTIGATOR REPORT:

Mr. Speraw gave his report.

Mr. Speraw stated that it has been brought to his attention that Gooches Mobile Home Park was collecting its rental fees in cash and do not give the tenants receipts.

Mr. Lemire stated he had brought this up to Mr. Mullaney earlier. The community owner is required to provide a receipt within 15 days. Mr Lemire asked Mr. Mullaney how a complaint could be brought to the attention of the Attorney General's Office.

Mr. Mullaney stated Mr. Speraw could call his office with the information and his office in turn would call the community owner and make them aware of what it says in the statute.

Mr. Lemire stated an email to Mr. Mullaney would suffice and this would also keep the board informed of what Mr. Speraw is doing.

E. LEGAL COUNSEL APPOINTMENT:

Mr. Mullaney gave a brief discussion on the status of the Authority's legal representation. At this point, Mr. Mullaney indicated that the Authority could Continue to retain the services of its current law firm. At one point, the legislative branch was given thought to expanding the scope of the Authority's work, and having a Deputy Attorney General assigned to the Authority on a full time basis. At this point, that appears unlikely. However, Mr. Mullaney's office will undertake the preparation of an RFP in the future for legal services on behalf of the Authority.

VI. ADJOURNMENT:

As there was no further business before the Board, the motion was made for adjournment by Mr. Neil and seconded by Mr. Fuchs. After unanimous approval from the members present, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Susan Sisco
Administrator