

DELAWARE MANUFACTURING HOME RELOCATION AUTHORITY

1675 S. State Street
Dover, Delaware

Minutes of May 9, 2012

IN ATTENDANCE:

Authority: Anthony J. Testa, Jr., Chairman
Rick Lemire
Andy Strine
Mitch Crane
Kevin Carroll (non-voting member) (departed at approximately 2:30 P.M.)
Susanne Lantz (Administrative Assistant)

Absent: George Meldrum

Legal Counsel: William Denman

Other Attendees: Ed Speraw, Code Investigator
Fred Neil, Citizen, Wild Meadows

I. CALL TO ORDER:

Mr. Testa called the meeting to order at 1:04 p.m.

II. REVIEW AND APPROVAL OF MINUTES:

Mr. Testa made a motion to approve the minutes of the previous Board meeting; Mr. Crane and Mr. Lemire seconded that motion, and the Board unanimously approved the minutes of the February 15, 2012 Board meeting.

III. REPORTS:

A. COMPLIANCE MATTERS:

1. ANNUAL REGISTRATION REPORT (MS. LANTZ):

Canterbury Crossing, County Seat Gardens and Pine Ridge Trailer Park have not responded to our request to register with the Authority. Mr. Testa suggested that Ms. Lantz send out one more letter to these communities, if they don't respond we will pursue legal action. It was noted that the Authority has filed a lawsuit against County Seat Gardens and Pine Ridge. County Seat has paid a substantial sum, but has not contributed to the Fund on an ongoing basis. Mr. Crane commented that we need to make clear that this is our final letter before it is being given to our Legal Counsel. Mr. Crane also suggested to send the registration letter via regular and certified mail.

Mr. Lemire brought up Nobles Pond. Mr. Denman stated that pending Senate Bill 213 would exempt manufactured homes on a permanent foundation and that it may be applicable to Nobles Pond. Mr. Carroll stated there was an opinion issued by the Attorney General's office that Nobles Pond is required to register with the Authority and contribute to the Trust Fund. Mr. Carroll also stated, however, that, due to his appointment on the Authority's Board, the Attorney General's office has withdrawn from further representation of the Authority. Following Board discussion and the pending status of SB213, the Board decided to defer further dialog concerning Nobles Pond at this time.

Mr. Testa brought up M & S MHP and The Village at Grandview. The Authority has a judgment against the owner of each property. Following Board discussion and the pending status of HB167, the Board decided to defer further dialog concerning M & S MHP and The Village at Grandview at this time.

2. INVESTIGATOR'S REPORT (MR. SPERAW):

Mr. Testa stated due to the drafting of the Compliance Investigation Policy there were no parks visited since the last Board meeting.

Mr. Testa asked Mr. Speraw if he had any visitation issues since the last Board Meeting? Mr. Speraw stated he had not heard anything about Forest Park in Millsboro and where it stands. Following limited discussion, it was noted that Forest Park activity is reported on the Suits and Judgments report.

Mr. Speraw also stated that Hilltop and Pine Ridge may be collecting Authority assessment fees from tenants but not remitting them to the Authority. As neither park is making payments to the Authority and judgments are outstanding against each park, the Authority does not have the ability to determine whether or not they are collecting tenant payments and not remitting them to the Authority. Mr. Carroll stated that the individual tenants should file a complaint with the Attorney General's office to enable the AG's office to conduct a proper investigation.

Mr. Speraw questioned what was happening with Layton's Riviera MHP. Ms. Lantz stated that the community has registered with the Authority and is up to date on all payments due.

Mr. Testa thanked Mr. Speraw for his time.

3. PARK COMPLIANCE REPORTS (MS. LANTZ):

A. Suits and Judgments Filed and Unsatisfied.

Crossings at Oak Orchard: Ms Lantz stated that they had made a payment of \$508.50 for the 1st Quarter of 2012 but the amounts previously due remain outstanding.

Pine Haven Campground: Upon request of Mr. Cohee just prior the Board meeting and acceptance by Mr. Testa, PHC paid \$5000 and agreed to pay the rest including all of 2012 in

June. Although Mr. Crane expressed reservations concerning the payment plan, the consensus was to monitor prompt and complete payment by PHC.

B. Park Compliance Issues Pending.

Burton MHP: Upon review of a letter provided to the Board by Mr. Denman at the last Board meeting, counsel from Burton's MHP claims that there are no written leases regarding this property and the community owner leaves the utility connection decisions up to each tenant. Following discussion the Board decided that Mr. Denman would draft a letter to be send to all the tenants asking whether community is seasonal and that Mr. Lemire and Mr. Testa will review letter before it goes out.

Satterfield MHP: The Park has not registered and has not paid into the Trust Fund. The owner claims the park is seasonal, but 7 tenants live in the community year round. Mr. Testa believed a letter should be send. Mr. Lemire believes she needs to pay for all 29 units, not just for the 7. Following Board discussion, it was agreed that Ms. Lantz will draft a letter to the owner of Satterfield and demand she register and start paying into the Trust Fund for all units.

Palmer Park: The Park has not registered and has not paid into the Trust Fund. Ms. Lantz stated that nothing more was done depending the outcome of HB 167. Following Board discussion, it was agreed that Ms. Lantz will send a letter to Palmer Park demanding they register and start paying into the Trust Fund.

L & W MHP: Based on information provided by attorney Denman that the property is not zoned as a MHP and that each lot has its own tax parcel, following Board discussion, it was agreed that this community does not fall under assessment obligations of the Authority as it is not a true manufactured home community and, therefore, no further efforts by the Authority will be expending on this Park (including but not limited to the mailing of a registration form in 2012).

Probst MHP: The community owner owns some of the homes in this community. Following limited Board discussion, it was agreed to defer action at this time pending the outcome of HB167.

Union Street: It appears that this property has only 2 lots. Following limited Board discussion, it was agreed that Ms Lantz will do research to determine the number of lots and parcels. It was also agreed to defer further discussion on this park until the next Board meeting pending the research outcome.

C. Park Compliance Issues Arising & Resolved.

Mr. Testa stated that 5 of the parks mentioned have complied and started paying into the Trust Fund and the Board agreed that we remove such parks from this list.

Layton's Riviera: The Authority had filed a lawsuit, but the current owner has complied and is now all paid up. If this park remains current by the next Board meeting, it will then be removed from this list.

Minquadale MHP: The park manager contacted Ms. Lantz at the end of April inquiring if the Board would agree for them to pay in two installments. Ms. Lantz addressed this with Mr. Testa and it was decided that this was okay. So far we have not seen the first payment come in, as all payments go to Christine Hambleton at DOR. We will keep this park on this list pending receipt of the payments. If this park is current by the next Board meeting, it will then be removed from this list.

B. RECENT FINANCIAL ACTIVITY & REPORTS:

Mr. Testa discussed the financial reports and reported that Falcidian had inadvertently provided the January statements instead of the February statements. Mr. Testa also noted that the February (and March) statements were available for any Board member who wished to review them. Following limited discussion, and no comments on the reports, it was agreed to publish the Authority's reports through February.

C. AUDIT COMMITTEE REPORT (MR. LEMIRE):

Mr. Lemire stated he had not seen an invoice from the Auditor General's Office which would run about \$12,000. Because we were not able to print the final report issued by Santora, Mr. Lemire agreed to request a hard-copy of the final report for the Authority. Mr. Crane also suggested that the Authority ask the Auditor's Office to send us a final copy of the Auditor's Report.

IV. EXECUTIVE SESSION:

Mr. Testa made a motion to go into Executive Session at 3.10 p.m. Mr. Strine seconded the motion and unanimous approval was given by all members present by voice vote.

Mr. Testa made a motion to come out of Executive Session at 4.15 PM. Mr. Crane seconded the motion and unanimous approval was given by all members present by voice vote.

Mr. Testa made a motion for the Authority to accept an offer from Silver Oaks MHP for a payment of \$1500. Mr. Strine seconded the motion and unanimous approval was given by all Board Members present by voice vote.

Mr. Testa made a motion to form a Compliance Enforcement Committee to be comprised of Mr. Lemire and Mr. Crane and that either Committee member has the authority to make a decision concerning the terms and conditions of any payment plan or enforcement action, consistent with the Authority's Compliance Enforcement Procedures. Mr. Crane seconded that motion and unanimous approval was given by all Board Members present by voice vote.

V. UNFINISHED BUSINESS:

A. COMPLIANCE INVESTIGATION POLICY (COMMITTEE REPORT):

The Committee reported that the policy is not yet ready for Board review and is expected to be available for review and discussion at the next Board meeting. Mr. Lemire stated that the Compliance Investigator's activities remain suspended pending an investigation policy.

B. OPERATING PROCEDURES MANUAL (MS. LANTZ):

Ms. Lantz explained the Procedure Manual she put together for a possible future successor. Mr. Testa suggested that Ms. Lantz keep the Manual updated dynamically. The Board approved the Manual unanimously.

C. DIRECTORS & OFFICERS LIABILITY INSURANCE (MR. TESTA):

Mr. Testa handed out the proposal for insurance from Lyons Companies to all Board Members. Lyons Companies submitted it to 4 separate insurance carriers. The only one that would issue a proposal is Zurich American. The insurance fee would be around \$4600 a year with a \$5000 per claim deductible. Mr. Lemire questioned if the Authority needed this form of coverage. Following Board discussion, it was agreed that Mr. Testa would request a copy of the proposed policy for Board review prior to a coverage decision.

D. BYLAWS AND ORGANIZATIONAL PROCEDURES (MR. TESTA):

Following Board discussion, Mr. Testa made the motion to accept the amended and restated bylaws. Mr. Crane seconded that motion and unanimous approval was given by all members present by voice vote.

E. FINANCIAL PRACTICES POLICY & COMMITTEE FORMATION (MR. TESTA):

Following Board discussion, it was agreed that Policies and Procedures of the Authority will remain pending and that Mr. Testa will draft proposed procedures concerning disbursement of Authority funds for Board review. This topic will be presented and discussed at or prior to the next Board meeting.

F. FOIA PROCESS & PROCEDURES (MS. LANTZ):

Following Board discussion, it was agreed that Ms. Lantz will adapt for the Authority the FOIA process and procedures as published for the Delaware Department of Insurance.

VI. NEW BUSINESS:

A. RECENT DEVELOPMENTS:

1. EMAIL FROM MS. ARCHDEACON:

Mr. Testa received and distributed several recent e-mail received from Ms. Archdeacon requesting and relating to \$40,000 of relocation assistance from the Authority.

Following review of the correspondence and Board discussion, it was agreed that, on behalf of the Authority, Mr. Testa would notify Ms. Archdeacon that use of Trust Fund assets is limited by law to assistance in connection with a change in land use and that, because there was no such apparent change in land use in connection with her application, her request for financial assistance from the Authority is denied.

2. SENATE BILL NO. 213:

Mr. Testa addressed SB 213 and that it proposes to amend 25 *Del. C.* § 7004 and exempt mobile homes on a permanent foundation from the Authority assessments. Following Board discussion, it was agreed that Mr. Testa would draft a Board proposal to amend the bill to require language to the effect that all parties claiming exemption from the Authority's assessments (whether seasonal properties, those on permanent foundations, or otherwise) must complete and file appropriate forms and provide such information as may be required by the Authority. It was further agreed that Mr. Testa would send a draft of the proposed statutory language to all Board Members before sending it out.

B. OTHER NEW BUSINESS:

1. JOINT SUNSET COMMITTEE REVIEW – REQUEST FOR INTERIM REPORTING (MR. TESTA)

The Board discussed a March 1, 2012 e-mail from Ms. Wooten on behalf of the JSC and the extensive nature of the request. Following further Board discussion, it was agreed that, due to the Authority's limited staffing, resources and activities, on behalf of the Authority, Mr. Testa will respond to Ms. Wooten's e-mail and request that the Authority report to the JSC on or about September 1, 2012 and January 1, 2013 (and, therefore, bypass July and November 2012 requested reports).

A. PROPOSAL TO FORM JSC REPORTING COMMITTEE

At this time, no plan for a JSC Reporting Committee was addressed.

2. REVIEW OF MAXIMUM BENEFIT PAYABLE TO OWNERS OF NON-RELOCATABLE HOMES

Discussion limited to Executive Session.

3. REPLY TO REPRESENTATIVE LONGHURST REQUEST FOR INFORMATION (MR. TESTA).

Mr. Testa thanked Mr. Denman, Mr. Lemire and Ms. Lantz for compiling a response package to Representative Longhurst (which was included with the Board package and mailed to Representative Longhurst on or about February 27, 2012).

4. FEDERAL TAX MATTERS (MR. TESTA)

Mr. Testa brought up the subject that the Authority has no apparent federal tax status and that this can be especially significant for a number of reasons, including but not limited to when the Authority makes disbursements to tenants and community owners. Following Board discussion, it was agreed that Mr. Testa will contact Mr. Carroll to determine if someone at the Attorney General's office has addressed or can assist with this particular issue.

5. PROPOSAL FOR HOA REGISTRATION (MR. TESTA):

Mr. Testa brought up the matter of HOA that have registered with us, but might have changed its reporting information and thereby render the Authority's contact information of limited or no use. Upon Board discussion, it was agree that periodically the Authority will send out a letter requiring the HOA's to update their information with the Authority. Ms. Lantz will draft a letter and Mr. Lemire approve it before it is send out to HOAs.

6. BAYSIDE HOA REQUEST FOR SPEAKER, JULY 21, 2012 (MR. TESTA):

Mr. Testa received an email from the Bayside HOA requesting a speaker from the Authority to attend their meeting in July. The Board noted that each member is a volunteer that they are unable to attend and should not take a position on behalf of the Authority. The Board further noted that the Authority has an extensive website with good and helpful information that answers many if not all of the Bayside HOA questions. In addition, any member of the public can request from Legislative Hall or obtain from the internet a copy of the Landlord-Tenant Code which explains what Authority's role.

7. CONCEPT OF VOLUNTEER ASSISTANCE (MR. TESTA):

Mr. Testa questioned whether the Authority should consider obtaining volunteers to assist with limited Authority activities under the direction of one or more Board members. Mr. Strine stated that he was not in favor of this idea and, following Board discussion, the consensus was that the Board would not pursue volunteer assistance for the Authority at this time.

8. BOARD MEETINGS

Mr. Crane commented on the length of the Board Meetings and asked if the Board could not meet more frequently rather than have extended-length meetings. Following discussion, it was agreed that, at the August meeting, the Board would discuss dates for more frequent meetings.

9. BOARD PACKAGE

By request of the Board members, it was agreed that the Board package would be printed and mailed to the address that each member provides to Ms. Lantz.

VII: PUBLIC ATTENDEE COMMENTS (IF ANY):

None

VIII. ADJOURNMENT:

As there was no further business before the Board, motion was made for adjournment by Mr. Testa and seconded by Mr. Strine. After unanimous approval from the members present, the meeting was adjourned at 5.45 p.m.

Respectfully submitted,

Susanne Lantz
Administrative Assistant and
Anthony J. Testa, Jr., Chairman