

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

110 N. Main Street, Suite G
Camden, DE 19934

Minutes of January 5, 2017

IN ATTENDANCE:

Authority: Kevin Carroll
William Dunn
Andy Strine
George Meldrum
Elizabeth (Beth) McGinn
Dan Daly (Non-Voting Member)
Gregg Sutton (Executive Director)

Absent: (Dan Daly)

Legal Counsel: Bill Denman

Other Attendees: William Kinnick, (DMHOA)
Leonard Sears, Briarwood Manor
Susan Hairgrove, Property Manager K-4 Management
Jen Allen, First State Manufactured Housing Association
Richard Ruby, Bon Ayre

I. Call to Order:

Mr. Carroll called the meeting to order at 1:35 p.m.

II. Review and Approval of Minutes:

Mr. Carroll asked the Board if anyone had any comments or corrections to the meeting minutes, and if not, requested the Board to consider approval of the December 6, 2016 meeting minutes. Mr. Denman interjected that an integral part of the minutes should be an Exhibit A listing the 49 Glasgow Court applications that were approved by the Board at the December 6, 2016 meeting. The Board decided to defer any approval of the December 6, 2016 meeting minutes to the next meeting at which time the minutes will include an Exhibit A listing the 49 Glasgow Court applications that were approved at the December 6, 2016 meeting. The Board did however review the November 15, 2016 minutes as they were not reviewed during the December 6 meeting. Mr. Dunn made the motion to approve the November 6, 2016 meeting minutes and the motion seconded by Mr. Meldrum. The Board approved November's meeting minutes 5:0.

III. Executive Directors Report:

Mr. Sutton stated that the CPI-U has not changed and that the website has been updated to reflect that it is still 0.6 %. He also stated that even though he has been with the Authority for over five months, there

are some details about his position that require him to seek guidance from Mr. Carroll, and our counsel, Mr. Denman. He said the same is probably true of our newest board member, Ms. McGinn. Mr. Sutton stated that in addition to the introductory packet Ms. McGinn received, there is still much to learn about the Authority. He recommended that new board members go through an orientation which would include spending a day with the Executive Director to observe the day-to-day operations. Mr. Sutton reminded the Board that \$147,000.00 in demolition expenses were approved for Glasgow Court at the December 6, 2016 meeting and that the check was delivered to the DEMHRA office on December 30, 2016. It was picked up by Glasgow Court on December 30, 2016 as well.

Mr. Sutton also stated that during the last month, he received several calls from concerned tenants complaining about having to sign multi-year leases and were asking him for advice. He said that he did not give them any advice but simply quoted the rent justification statute which allows any affected tenant to petition for an arbitrator if their rent exceeds the CPI-U.

IV. Chair's Report:

Mr. Carroll began by wishing everyone a Happy New Year. He stated that there have been recent Inquiries regarding the St. Jones Landing Change-In-Use and Relocation Plan. We received a Request for Information from Representative Baumbach and we are preparing a response to his request. On another issue, Mr. Carroll stated that there is a pending arbitration that is taking up a great amount of the arbitrator's time which has led to charges/fees that have exceeded what we have seen in past arbitrations. He entertained the idea of discussing the possibility of placing limitations on how much should be paid by the Authority for arbitration that might be considered excessive. Mr. Denman stated that after both parties have paid their required \$250.00 each, the statute provides that DEMHRA pays all direct arbitration cost from the trust fund.

He further stated that any limitations or caps placed on arbitration fees would require legislative Approval. This does not mean that the Authority cannot challenge a fee that is deemed unreasonable. Mr. Carroll stated that the Board reserves the right to challenge any invoices deemed to be questionable.

V. Approval of Financial Activity & Report

Mr. Carroll expressed concerns about some of the information on the financial activity report and recommended holding off on approving the Financial Report until we can get an answer on the total arbitration costs spent for 2016.

A. Approval of other Financial Matters:

Approval of legal counsel invoices for November 2016

Mr. Sutton reviewed the invoices from Mr. Denman for the month of November. Mr. Strine made a motion to approve which was seconded by Mr. Meldrum. Motion passed 5:0.

The Board reviewed a recent invoice from arbitrator in Dockets 7-8/2016. At issue was the cost of the arbitration thus far. The counsel for the Board, Mr. Denman stated, that given the complexity of the arbitration thus far and the numerous issues that the arbitrator was being requested to resolve, Mr. Denman did not believe that the charges were unreasonable for the services rendered. Mr. Meldrum made a motion to approve the invoice and it was seconded by Mr. Strine. The motion passed 4:0 with one abstention.

VI. Reports

A). Compliance Matters

1. Mr. Sutton stated that of the 190 manufactured home communities, 163 have registered with the Authority for 2016.
2. There are still several community owners who are over two quarters late paying in their quarterly assessment payments.

3. A motion was made by Mr. Dunn and seconded by Ms. McGinn to send a letter to any community owners (from our counsel) to any owners who have still not registered and are two or more quarters delinquent in paying their quarterly assessments. Motion passed 5:0.

B). Judgements Filed and Unsatisfied

Pine Ridge: Received a letter from the daughter, Chelsea Hastings stating that she had overpaid. The letter was forwarded to the Division of Revenue (DOR). Counsel, Mr. Denman recommended that we tell the DOR to take no action pending a decision from the Board. Mr. Denman will review the refund claim and report to the Board at the next meeting.

VII. Unfinished Business:

1. Approval and Review of Remaining Applications for Glasgow Court Demolition Expenses

The Board reviewed the remaining 16 applications from Glasgow Court. One of the key issues in approving each application was whether or not Glasgow Court had submitted a lease for these properties documenting that the homes that were demolished were being rented to a tenant at the time the change in use notice was mailed to the community. Although each board member did not have a copy of the lease, the Chair had the master copy of each application which did include the leases. It was determined that each property had the required lease which was in effect at the time of the Change-In-Use Notice. With respect to each application, a motion was made to approve the application, which was seconded, and each application was approved by more than a majority of the Board members. Accordingly the Board approved all 16 applications for a total of \$48,000.00. It was recommended by Counsel, Mr. Denman, that a list of each approved application be included as Exhibit A and attached to these minutes and presented at the next board meeting. A copy of that list is attached to these minutes as Exhibit A.

2. A discussion on purchasing Directors, Officers, and Organization Liability Insurance was tabled until the next meeting.

VIII. New Business:

1. Approval of Relocation Benefits for St. Jones Landing Phase 2:

Yoder and Dale: Ms. Rosa Yoder and Mr. Jonathan Dale applied for \$8,000.00 in relocation benefits for their single-wide home. Mr. Dunn made a motion to approve the relocation benefits and it was seconded by Ms. McGinn. The motion was approved 4:1 Mr. Strine abstained.

2. The new business relative to approving applications for relocation assistance for Lighthouse Cove, building inspector license renewal, and the status of hiring a compliance investigator for Sussex County was tabled until the next meeting.

IX. Public Comments: None

X. Executive Session:

By motion, duly seconded, and by a vote of 5:0, the Board moved to go into Executive Session. The Board went into Executive Session to discuss pending arbitration cases and litigation for the purpose of receiving legal advice pertaining to such matters. Mr. Dunn made the motion to come out of Executive Session at 3:29 pm. Mr. Meldrum seconded the motion. The motion to come out of Executive Session was approved 5:0.

XI. Next Meeting Date - Adjournment:

Mr. Denman recommended that Mr. Sutton draft a letter to Representative Baumbach responding to his request for information. Mr. Sutton will draft the letter and forward to Mr. Denman for comments prior to sending it to Representative Baumbach.

The Board set the next meeting date as February 7, 2017. As there was nothing further to discuss, the Board adjourned at 3:35 pm.

Respectfully submitted,

Gregg Sutton
Executive Director