

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**

1675 S. State Street  
Dover, Delaware

Minutes of August 14, 2014

**IN ATTENDANCE:**

Authority: Mitch Crane  
Andy Strine  
John Morris  
William Dunn  
Susanne Lantz (Executive Director)  
Kevin Carroll  
George Meldrum

Legal Counsel: William Denman

Other Attendees: Representative Paul Baumbach  
Jill Fuchs, Tenant Barclay Farms  
Bobbie Hemmerich, Tenant McNicol Place  
Joan Peculski, Tenant Bon Ayre  
Milton Stroup, Tenant Bon Ayre  
Isidro Garcia, Tenant Pot-Nets Coveside  
Joelle Polesky, Attorney General's Office  
Fred Neil, Tenant Wild Meadows  
Donna Anderson, Mobile Home Appraiser  
Catherine Berchock, Mobile Home Appraiser

**I. CALL TO ORDER:**

Mr. Crane called the meeting to order at 1.30 p.m and asked the visitors, Board Members and staff to introduce themselves.

**II. REVIEW AND APPROVAL OF MINUTES:**

Mr. Crane asked the Board to approve August 14, 2014 meeting minutes. Mr. Meldrum made the motion to accept the meeting minutes. Mr. Morris seconded the motion. The Board approved the July 10, 2014 meeting minutes unanimously.

**III. Executive Directors Report:**

Ms. Lantz stated she had transcribed the last minutes and emailed them to the Board and also drafted the agenda with Mr. Crane.

Ms. Lantz stated she approved the mileage for the Board member and forwarded do the accountant for payment..

Ms. Lantz forwarded the approved invoices to BDO for payment.

Ms. Lantz created a relocation information package for Mr. Strine to help him in regards to his planned Change of Use for Lakeland Park.

Ms. Lantz created and printed business cards for Mr. Crane per his request.

Ms. Lantz updated the registered HOA list on the Demhra website. Several HOA's had disbanded, but had not notified Demhra.

Ms. Lantz returned the fee for Docket 4-2014 to the Bon Ayre Civic Association and to Mr. Ramunno as the arbitration was settled.

Ms. Lantz stated she attended a meeting with Mr. Crane and Mr. Morton, the attorney for Glasgow Court.

Ms. Lantz updated her appraiser list for the Newark area and list of movers. Ms. Lantz stated she had a list of 50 appraisers which dwindled down to 7. Ms. Lantz had difficulty finding appraisers that were willing to appraise mobile homes.

Ms. Lantz stated she had to create coupons for delinquent parks and forwarded them with checks to the Division of Revenue.

Ms. Lantz mailed out the voluntary Census Form to Communities and Home Owners Associations per the last discussion at the July Board Meeting.

Ms. Lantz went to the meeting at Leasure Elementary School that was held for the tenants, for which Ms. Lantz had simplified a summary of benefits for the tenants.

Ms. Lantz reviewed rent increase notices and requested changes where necessary.

Ms. Lantz reviewed tenant applications for benefits and requested confirmation from Glasgow Court; when applications are incomplete or missing documents she has informed tenants.

Ms. Lantz sent out a notice to the tenants of Kings Cliffe Mobile Home Park that the park has been put up for sale.

Ms. Lantz stated she was in the process of drafting a work order for Mr. Speraw to go up to Glasgow Court and determine which homes can and cannot be moved and which of the tenants are elderly or disabled.

Ms. Lantz said she has secured the help of the Latino Community Center in Newark, who will be willing to translate for the Spanish speaking tenants. Ms. Lantz stated there were just too many tenants that don't speak or understand much English.

Ms. Lantz stated she was also working on finding someone to translate the documents that were handed out at the meeting in Newark, into Spanish. Mr. Dunn suggested the Latino Community Center. Ms. Lantz replied she was told they would be willing to volunteer their services over the phone for free, but not translating documents. Ms. Lantz said she then would mail out those documents to the Spanish speaking tenants.

Ms. Lantz also stated she was planning on purchasing a 5 drawer filing cabinet from Berger Brothers in Wilmington; cost around \$400. Ms. Lantz said Berger Brothers sold used furniture and the cost would include delivery. Ms. Lantz suggested she would drive up to the store to take a look and pick one out.

Mr. Crane thanked Ms. Lantz for her report.

#### **IV. Chair's Report:**

Mr. Crane said he was happy to welcome Representative Paul Baumbach, the Chair of the House Manufactured Housing Committee. Mr. Crane stated Representative Baumbach has been very helpful. Mr. Crane stated the meeting in Newark with the tenants of Glasgow Court, that Senator Townsend had organized, was very interesting. Mr. Crane thanked Mr. Denman, Mr. Strine, Mr. Morris and Mr. Carroll for attending. Mr. Crane stated that no matter what you think you know, people react according to their fears and that was what the Authority saw that night. Mr. Crane it underscored to him the need to educate through Home Owners Associations, for example, on what the Authority does. Mr. Crane stated it does not only come from the tenants that night, but what he has seen on blogs since then, the Authority is being attacked for letting this terrible thing happen. Mr. Crane stated it was unfortunate that the community owner decided at the last minute not to participate and therefore the Authority had to bear the brunt of all of it, it was very difficult. Mr. Crane stated the fact was before the inception of the Authority a community owner could change the use and get rid of tenants quickly, that was why the Authority was created. Mr. Crane stated it was very disenheartening when members of the Authority were attacked, when the Authority could do nothing about it. Mr. Dunn asked if Mr. Morton had attended the meeting? Mr. Crane replied Mr. Morton had been told not to go by his client.

Mr. Crane said he was working on the how to arbitrate process and Mr. Denman had forwarded something for the Board for the next meeting. The information will explain to the tenants when they go into arbitration what steps are necessary and what is needed.

#### **V. Approval of Financial Activity & Report June 2014:**

Ms. Lantz stated the financial statement for June 2014 needed to be approved. The Trust Fund at the end of June held \$6,4 million, the Operating Account \$26,000 and she had \$151.57 as Petty Cash. Ms. Lantz explained that as of June 30, 2014 the tenants and homeowners had contributed \$4,500 for their share of the arbitration fee. Ms. Lantz stated two of the arbitrations were combined, Docket 2 & 3, 2014 and Docket 4-2014 was settled, therefore it was decided to return the fee for Docket 3-2014 and Docket 4-2014 to the respective persons. Ms. Lantz said the Authority had spend about \$23,000 in arbitration costs, which does not include staff or legal counsels time spent on those matters. Ms. Lantz asked if anyone had any questions? Mr. Morris made the motion to accept the financial statement as issued and Mr. Strine seconded the motion. The Board approved to accept the financial statement unanimously.

#### **A. Approval of other Financial Matters:**

##### **1) Approval of Legal Counsel Invoice June 2014:**

Ms. Lantz stated the Legal Counsel invoice needed to be approved. Mr. Crane asked did the Finance Committee approve the invoice? Ms. Lantz confirmed that they did. Mr. Crane stated it needed to be ratified. Mr. Meldrum made the motion to approve the invoice. Mr. Morris seconded the motion. The Board approved the Legal Counsel invoice unanimously.

#### **Reports:**

##### **A. Compliance Matters**

##### **1. Judgments Filed and Unsatisfied:**

**The Crossings at Oak Orchard:** Mr. Strine asked was there anything new from last time? Ms. Lantz replied Oak Orchard was all paid up and would come off the list.

**Hilltop MHP:** Ms. Lantz stated the matter was in the hands of the Attorney General's office and she had no further information at this time.

## 2. Arbitration Matters and Status:

Ms. Lantz stated Mr. Ramunno from Bon Ayre has filed an appeal regarding Dockets 2-2014 and 3-2014. Ms. Lantz said regarding Docket 4-2014 Mr. Ramunno has decided he would apply the decision by the Court to that Docket.

## **VIII. Old Business:**

### *1. Glasgow Court – Consider authorizing the Chair to appoint a Committee to approve/disapprove change of use application*

Ms. Lantz stated she has been receiving lots of phone calls from tenants trying to find out what benefits applied to them and how to start the process. Ms. Lantz stated sadly and she did not like saying this, the tenants did not want to hear what the Authority had to say. Ms. Lantz stated most of the tenants have not even read the summary that had been handed out and the summary really explains step by step details on what to do. Ms. Lantz had received applications that are wrong or incomplete or tenants call and ask how to fill out the form; then there are the Spanish speakers that don't comprehend what is going on at all. Ms. Lantz stated she at least receives 20 calls a day or more with lots of questions. Mr. Dunn asked is the list consistent? Ms. Lantz stated the biggest issue was that if the home is non-relocatable the tenants have to find a place to move to and she was told housing in Wilmington was scarce. Ms. Lantz stated that some tenants scream and yell at her and others use bad language, she has gone through all of it. Unfortunately Ms. Lantz cannot help them find an apartment, she can only try to give them numbers to call. Ms. Lantz stated the tenants are upset and frustrated; her list of movers for New Castle County was exactly four. As Newcastle County has changed their licensing requirements not a lot of movers can work up there. Ms. Lantz stated she had the same issue with the appraiser list, out of 50 appraisers she was down to 7; she was sure the appraisers present could confirm that it is difficult to appraise mobile homes when there has been no movement in the park in years. Mr. Carroll asked if Ms. Lantz had a list of everyone that was licensed in New Castle County? Ms. Lantz stated no she did not, but she had called every appraiser on her list to make sure they were certified; she did not know who to contact in New Castle County to find out. Mr. Dunn suggested Ms. Lantz contacted Mr. Jim Smith or the County Executive has a couple of people on staff that could help. Mr. Dunn asked if the movers made a distinction in regards to moving it? Mr. Strine stated the hauling part was not the major part. Mr. Dunn stated was the structural part not of relevance? Mr. Strine replied, yes, if it was that old, the park might not want it either. Mr. Crane said there was no assistance within the park and Glasgow Court was talking about keeping certain tenants and moving them within the park. Mr. Morris explained that a lot of the cost also comes from setting the home back up. Mr. Morris stated he was embarrassed as the tenant representative at how Mr. Crane and even Mr. Strine had been treated at the beginning of the meeting and apologized for the behavior of the tenants. Mr. Morris also stated that he had reviewed the Summary sheet that Ms. Lantz had drafted and he thought it was not only fantastic, but very easy to understand. Mr. Morris stated Ms. Lantz and Mr. Denman decided to hand out the documents to the tenants so they would have a chance to look at it before the meeting started. Mr. Morris said he constantly had to try to keep the people in line at the meeting, it was difficult for the tenants to get their question answered. Mr. Crane said he had received an invitation from the HOA of Glasgow Court to come to their meeting but after hearing that they could not reassure that the meeting would not get out of hand and maybe Mr. Crane should not come; therefore Mr. Crane decided he would not go. Mr. Morris stated he would go to the meeting and so was Senator Townsend.

Mr. Crane stated that Ms. Lantz was the Executive Director and he believed she needed to make the major decisions and assemble everything regarding the application. Mr. Crane stated the law required a complete application that Ms. Lantz needs to determine. Mr. Crane said one problem is that the title needs to be given and signed over to the Authority, the Authority needs the original title, so far the Authority has only received copies of titles. Per Mr. Crane the Authority needs proof that the tenant has paid their assessment and the Authority needs to figure out where to draw the line at what point they need to have paid the assessment; is it enough that they have not paid it the last two to three months? Mr. Crane stated Ms. Lantz will get information from the Division of Revenue in that regard, the tenant will not receive assistance unless they have paid their \$1.50. Mr. Crane stated the Authority needs to determine themselves if a home can or cannot be moved, we cannot depend on the tenant's point of view or the Community Owners. Mr. Crane said the Authority has a Compliance Investigator under contract, his main responsibility in the beginning was Changes of Use. Mr. Crane has asked and Ms. Lantz has created a work order for Mr. Speraw to go up there and take a look and make a determination if a home is relocatable or not. Mr. Crane said once we have his report and the information from everyone else, we can make a determination. Mr. Crane stated we are trying to see how often per week Mr. Speraw can go up there in order to get this done rather quickly. Mr. Crane further explained the law required the Authority to make a decision within 30 days of receiving a complete application; the law also provides the Board may allow the Board to appoint a Committee. Mr. Crane stated when Ms. Lantz has a complete application she emails it to the Committee with her recommendation. Mr. Crane said the Committee than can vote by email unless there is a disagreement where the Board would have to meet to make a decision. Mr. Crane stated he would like to avoid monthly meetings if possible.. Mr. Crane stated he had asked Mr. Strine and Mr. Meldrum to join Mr. Crane on that Committee. Mr. Crane said the decagon than could be approved at the next Board Meeting.

Mr. Crane and Mr. Strine had discussed the appraisal process. Mr. Strine's idea was that the Authority would contract with an appraiser for those homeowners who would wish to go through that appraiser and have the appraisal done. Mr. Crane explained that the law did state the homeowners had to pay for that appraisal, it did not state when. Mr. Crane said most tenants do not have the money for an appraisal up front; if an appraiser could appraise 30 or so homes at the same time, the Authority would then deduct the homeowners share from the benefits they would receive at the end. Mr. Strine said the Authority would like to facilitate the process in the most cost-effective and easy manner for the folks that Ms. Lantz would find had financial difficulties. Mr. Strine thought the pricing would be better and the appraisals would be consistent if it would come from one appraiser who could offer a better rate for appraising 10+ homes at one time. Mr. Dunn wondered what if the homeowners do not agree with the appraisal? Mr. Crane replied they could pay for another one, but they would have to agree to this process beforehand. Mr. Morris had talked to a few tenants who had already looked into the appraisal process and they had been quoted prices between \$150 and \$400 per appraisal. Mr. Crane stated the Authority was trying to find a way to help these tenants within the constraints of the law. Mr. Dunn asked would that mean that we would use just one appraiser? Mr. Crane stated he had no problem using multiple appraisers. Mr. Strine thought it would be better to just use one to keep everything consistent. Mr. Dunn thought if New Castle County had 50 appraisers it could be narrowed down to three. Mr. Strine stated four different people have a slightly different perspective; non-relocatable homes are not highly valuable. Mr. Crane interjected stating there are not many comparables dealing with mobile homes. Mr. Strine asked had Mr. Dunn driven through there recently? Mr. Dunn replied not recently. Ms. Lantz asked what was Mr. Strine's plan? Ms. Lantz receives the applications and finds out if people want to be on that list? Mr. Strine thought we would start with the list from Mr. Speraw and contact people once it was determined if the homes was deemed non-relocatable. Mr. Strine stated get a good deal from an appraiser Mr. Strine stated it will be a lot more work on our side, but it should streamline it. Mr. Crane stated that Ms. Lantz was the Executive Director and had to make the final decision how it would work. Mr. Crane thought we needed to educate the tenants more in regards to abandoning

the homes versus getting the fair market value when they apply for a non-relocatable status. Mr. Morris pointed out during the meeting with the Spanish speaking tenants a tenant explained that she had put about \$20,000 in the home and was wondering if she could take those things with her. Mr. Morris said they had all agreed that this should not be a problem. Mr. Strine said the only problem would be if they would take the doors or strip the siding, etc. Mr. Crane agreed that the Authority could not prohibit them from taking what they wanted, the only authority we had was to give them a check or not. Mr. Strine and Mr. Morris thought once the title was handed over to the Authority, it was the Authority's property. Mr. Denman explained with past relocations the Authority had made sure the tenants had moved out before receiving the benefit, as it could be a problem if they stayed on. Mr. Denman stated historically the Authority has had only one non-relocatable situation when the Authority was first established, the Authority had a lot of abandonments and made sure that the tenants had vacated the premises. Mr. Denman stated then the community owner could start the process of getting rid of the home and apply for their benefits to assist that.

Mr. Dunn asked if the application process was started and once the appraisal was done, they did not have to collect the check right away? Mr. Strine confirmed that. Mr. Dunn asked is the appraisal carved in stone? Mr. Strine replied the appraisal is not going to depreciate. Mr. Crane thought if they wanted to get another appraisal few months later they could do that. Mr. Strine thought we are creating problems where there are none. Mr. Strine thought if a tenant states they need the money, he would not be opposed to give them a 5 day grace period to move out after receiving the check. Mr. Strine did not think the tenants would want to stay.

Mr. Morris asked if the owners had notified and sought permission from the County regarding the Change of Use? Mr. Crane stated they only needed approval from the County to build apartments. Mr. Morris questioned what happened if they were denied zoning? Mr. Crane explained that there were penalties if they did not complete the change within 7 years.

Representative Baumbach asked when a tenant signed a lease in May and received notice in June and wanted to move out 3 month later, is the tenant responsible for the lease, is this clearly defined legally? Mr. Crane stated yes it was and the landlord was not allowed to raise the rent during that time.

Mr. Crane stated that Ms. Lantz and himself, in a previous report, had stated they had met with the Legal Counsel for Glasgow Court about a month ago and had requested a list of homes they believe cannot be moved, a list of homes that are abandoned, a list of homes sites in the other parts of the community tenants could move to, a list of elderly and disabled tenants. Mr. Crane stated nothing has been received yet and therefore he had requested Mr. Speraw go out there. Mr. Morris asked is that what Mr. Speraw will investigate? Mr. Crane confirmed. Ms. Lantz stated she was working on a checklist to make it easier for Mr. Speraw as he did not have time to linger at homes too long.

Mr. Crane said back to his original request to appoint a committee to approve applications. Mr. Morris made the motion to authorize Mr. Crane to appoint a committee to review and approve tenant applications for benefits. Mr. Strine seconded the motion. Mr. Crane explained that he had asked Mr. Strine because of his expertise; he had talked to Mr. Morris, but Mr. Morris was not able to access a computer every day and he also asked Mr. Meldrum. Mr. Dunn explained that he would be very interested. Mr. Crane stated he thought Mr. Dunn was too busy and has not wanted to bother him, but once Mr. Dunn would have the time, Mr. Crane would be more than happy to make the change. Mr. Crane also explained that Mr. Morris's term had expired and he did not know when he would be replaced. The motion carried. Mr. Crane said the committee would be Mr. Strine, Mr. Meldrum and Mr. Crane, Mr. Dunn and Mr. Morris as an alternate if need be.

Mr. Crane said if anyone had any questions in regards to Glasgow Court, he asked to please email either Mr. Crane or Ms. Lantz.

Mr. Morris stated that one of the items covered previously was the park keeping good records of who had paid the Trust Fund assessment; the law states the \$1.50 is collected with the rent. Mr. Crane explained the law states the \$1.50 is additional rent, but some communities that are not collecting it as we know because we are taking some to court. Mr. Strine asked for coupons

showing what had been paid by the tenants. Ms. Lantz stated she receives reports from the Division of Revenue which tell us which park has or has not paid the Trust Fund assessment. Representative Baumbach stated from what he understands the Board decides if the tenant has paid or not paid the last couple of months or last forty-eight months and the Executive Director comes up with a plan? Mr. Crane stated the Executive Director would give her recommendation and the Committee would approve based on that, unless the Board would decide to adopt a policy. Mr. Crane thought it would have to be decided on an individual basis. Mr. Crane did not think the Authority would deny the tenants their benefits if they had not paid into the Trust Fund a couple of times, if they had not paid for a year, that would be a different matter or if they did not have clear title to their home. Ms. Lantz said she does not trust the records 100% because a lot of parks do not keep good records who has and has not paid. Mr. Strine thought that it would be enough to contact the park once an application has been received to find out if the tenant was current. Ms. Lantz stated one of the tenants that had applied was very frustrated with Glasgow Court and therefore paid everything late, including the \$1.50. Mr. Stroup asked when did the tenant hand over the title? Mr. Crane replied they have to give the title to the home to the Authority once they have vacated the home and when they either abandon the home or claim it is not relocatable. Mr. Stroup asked when did the landlord get their share of the money? Mr. Strine replied once the landlord had demolished the home, they needed to apply and include the invoice. Mr. Stroup mentioned that there had been concerns that the tenant would receive their money and still live in the home, does that make a difference? Mr. Crane stated they get the money when they vacate the home. Mr. Strine asked Mr. Denman if they had notified the DMV in the past when a home had been demolished? Mr. Denman stated similar to that, the Authority receives the title to facilitate the disposal of the home; per statute if the landlord makes a profit from disposing the home, he needs to submit that difference to the Authority. Mr. Dunn thought the landlord could definitely make a profit, he saw in another community how the homes were disassembled and sorted; with 20+ at one time, that could be profitable to the landlord. Mr. Morris thought that we have to turn over the title to the community owner? Mr. Strine thought once we had the title we would let the community owner know they could start demolition and tell them to return the security deposit within 15 days.

Mr. Neil said he had heard how bad the meeting with the Glasgow Court tenants went and how badly the members of the Authority were treated. Mr. Neil complimented Mr. Strine in regards to the handling of the Change of Use in Lakeland as they both had attended meetings in Levy Court. Mr. Neil did not understand why more office buildings are needed, but this is the process and he had to compliment Mr. Strine the way he had handled it. Mr. Neil thought there was not enough disclosure regarding manufactured home communities. Mr. Neil thought there have to be more changes; he thought it was not free enterprise when someone has to leave and money is taken from that body to clear the land for the next convention, it makes no sense, even if it is the law. Mr. Neil said when tenants move within the park, the expense should be paid by the community owner, so the money can be used for people that cannot keep their homes. Mr. Neil thought with future changes in the law hopefully some of this can take place; there was a definite need for advisors legal and otherwise to work with these people, through the Attorney Generals Office or Elder Care to sit with the tenants to go over the information. Mr. Neil stated the tenants are desperate and we are dealing with low level economics, low-level education. Mr. Crane said he was sure no one disagreed with Mr. Neil, but the Authority had to do what the law prescribed. This Authority had the right to take a position on it, if there was such a bill. Ms. Hemmerich noted the Governor signed SB238, the disclosure bill, which was now law. Mr. Dunn stated despite what happened at the meeting, the Authority should keep reaching out. Mr. Crane explained not at all, but he was not willing to expose himself to attacks for mileage.

## **2. Kings Cliffe:**

Ms. Lantz stated that she has notified the tenants of the park being put up for sale. Ms. Lantz said the tenants were confused and called wondering if they had to move. Ms. Lantz explained what the law

was and the tenants said they don't have the HOA or an interest to form one and they were not interested in purchasing the land, they were elderly and did not have the money. Mr. Crane stated all the Authority could do was to monitor the situation; the homeowners have the right to purchase the land. Mr. Crane said the tenants have to form a HOA within 30 days and come up with a \$3,000,000 offer, which he thinks is impossibility, but again, that is what the law requires. Mr. Crane asked if there were any questions regarding Kings Cliffe? There were none.

## **IX. New Business**

### **1. Discuss adjustment of monthly Trust Fund assessment**

Mr. Crane stated it is an unpopular, but necessary topic.

Mr. Crane explained that last month the Chancery Court had a hearing on cross-motions to dismiss the lawsuit filed against the Authority and the Department of Revenue. Mr. Crane was advised by the team from the DOJ to adjust the monthly Trust Fund assessment in the event of losing the lawsuit. Mr. Crane said the Authority would be forced to return all collected money starting in 2006 until the Governor signed the bill a few months ago that eliminated that line from the law. Mr. Crane explained that his was a lot and most of the money and would barely leave enough to pay the relocation benefits regarding Glasgow Court let alone future Changes of Use. Mr. Crane was advised to raise the assessment. Mr. Crane thought with the current \$1.50 the Authority received about \$750,000 a year into the Trust Fund. Mr. Crane said we have to send out notices as it would happen in January. Mr. Crane thought a lot of people will be unhappy with this, but what will the reaction be when we have to return about \$5,000,000? Mr. Crane thought the Authority had a responsibility to address this and it would be maleficent on the Authority's part not to address this issue. Mr. Crane said if we would win the lawsuit, we could address this again and adjust the assessment down. Mr. Crane explained it might take 7 month to find out if the motions to dismiss the suit, were ruled in our favor. Mr. Crane said in case we lose the motion there could be a trial, could Mr. Carroll elaborate? Ms. Polesky explained that Vice Chancellor Noble was taking his time with decisions. Mr. Carroll stated the word was about 4 month, but he did not think we would hear anything anytime soon. Mr. Carroll thought if the decision was made, the Authority need to move on it, people needed to be made aware of the increase quickly so they could make plans. Mr. Carroll stated January was just around the corner and right after the holidays.

Mr. Dunn asked if the other side would win, that would leave the Trust Fund with approximately \$1,400,000? Mr. Crane confirmed that.

Mr. Denman advised to be cautions and that the Authority would discuss litigation strategies in Executive Session. Mr. Crane agreed.

Ms. Polesky explained that Vice Chancellor Noble was very astute and given the press and the situation with Glasgow Court there could be a sense of imminence to get a decision as he is aware of that. Ms. Polesky stated that Court especially was very aware of what was going on in the political environment and the press. Ms. Polesky said that Vice Chancellor Noble was very thoughtful and deliberate in his process. Mr. Crane stated the Authority could always undo the decision to raise the assessment. Mr. Strine stated in light of upcoming Changes of Use which will deplete the Trust Fund further; he is sees the necessity to raise the fee. Mr. Strine thinks the Community Owners need to know by September as the majority of the rent increases will go out January 1<sup>st</sup>. Mr. Crane explained that a year and a half ago we convinced the Legislature that the Trust Fund Cap needed to be raised to \$15,000,000 from \$10,000,000 as Mr. Crane believed as the economy improves we will see more Changes of Use. Mr. Crane said what is in the Trust Fund now is not going to be enough for major Changes of Use; Mr. Crane thought it was necessary. Mr. Strine wondered can the Board just vote on raising the fee? Mr. Crane stated, yes, it needed a majority vote, which is 60 %. Mr. Crane stated he would like to hear Mr. Strine's proposal. Mr. Strine thought raising it by \$0.50 adds additional \$250,000 to the Fund, raising it by \$1.00 equals \$500,000. Mr. Strine said it depends on how we look at it and what we would like to keep in reserve; do we raise it by \$1.00 or by \$0.50, that is where he would fall. Representative



Baumbach said if the lawsuit comes back favorable it could go down by \$0.50. Mr. Strine confirmed that he had not proofed his math, but that was what it looked like to him. Mr. Neil stated they were looking into a \$0.50 increase coming from the homeowners exclusively for legal defense at the time of arbitration as there is none now. Mr. Neil stated they were going back to Legislation next year to ask for this and he was aware that some people in the room were going to help to draw that up, so please keep that in mind.

Ms. Fuchs opinionated that people objected the \$1.50 and would object no matter what the Authority decided to do, in her opinion the \$1.00 increase was the way to go. Mr. Crane thought the Authority did not have a choice to do this. Mr. Meldrum thought the \$12 increase was pretty cheap insurance. Mr. Strine said it would go up to \$30.00 a year per tenant/community owner. Mr. Morris stated from his side, there are so many tenants in manufactured housing are cutting it close, even in his community. Mr. Morris stated if we needed to make sure that the money in the Trust Fund was not depleted, he agrees with Ms. Fuchs on raising it by \$1.00. Mr. Garcia asked what if the Authority wins the lawsuit? Mr. Crane stated there would be no extra income. Mr. Carroll asked if the lawsuit goes the way the Authority hopes it goes, would this issue be revisited? Mr. Crane confirmed this. Mr. Strine stated if the lawsuit goes the other way, we have a problem. Mr. Strine calculated with the relocation, if you average 167 tenants by \$10,000, you come out at about \$1,600,000, we don't have that money if we lose \$5,000,000. Mr. Strine thought his Change of use would add it up to possibly \$2,500,000, which is a lot. Mr. Strine thought it almost should be looked at once a year. Mr. Dunn thought the increase at this point of time was premature. Mr. Crane explained that the increase was the suggestion of the attorneys at the Department of Justice. Representative Baumbach confirmed that the increase related not only to the lawsuit, but to the upcoming Changes of Use that the Authority was aware of. Mr. Crane agreed. Representative Baumbach thought that lawsuit aside, to replenish the payouts for Changes of Use would take at least four years, either way, it was justified. Mr. Strine explained to replenish a payout of \$1,500,000 would take two years, it would not take much to knock it down and it was better to build up a buffer ahead of time. Mr. Dunn asked if there was a history available regarding the fluctuations in the money that we have available? Mr. Morris asked, from the first day of the Authority? Mr. Crane stated, the financial information was all in the packet sent to the Board Members. Mr. Crane explained when the Government has financial difficulties, it tightens it's belt, the Authority did not have that option; we have one staff person that is being paid probably less than she should be, the rental situation is very cheap, the attorney's fees are very reasonable rate that have not been changed since the beginning and we pay less for the auditing than going through the State Auditor's office. Mr. Crane stated there is nothing to cut, what else is there to do? Representative Baumbach interjected and stated there also was the arbitration expense now. Mr. Crane explained yes, if those costs go up and the transcription could cost several thousand and with Glasgow Court, this is just the first phase, it might not be seven or eight years, but it is in the works. Mr. Meldrum said the Authority was trying to protected the General public and none of the Board Members were being paid; he thought the Authority needed to make sure the Fund was secure. Mr. Stroup said \$12.00 extra a month was a lot for most Seniors, in his community and other's like his, where the chances of moving the home are very slim, they are paying the \$1.50 which go to other tenants in the trailer parks where the home can be moved. Mr. Stroup said if the lawsuit is being won, then the Authority still has the \$6,000,000 in the Fund, if the Authority is going up a \$1.00 they are adding more. Mr. Strine made the motion to increase the fee from \$1.50 to \$2.50. Mr. Meldrum, Mr. Morris, Mr. Strine and Mr. Crane voted yes, Mr. Dunn voted no. The motion carried.

## **2. Abandonment application Glasgow Court:**

Ms. Lantz stated the first application received has been made by Mr. Cory Taylor for the abandonment benefit for \$1,500. Ms. Lantz stated Mr. Taylor is still paying the lot rent and \$1.50 but late, because he is struggling financially. Mr. Crane asked why the application did not

include the original title? Ms. Lantz stated because in the beginning we only ask for a copy, once the application has been approved we ask for the original. Mr. Denman stated by statute that is what is required until we issue the check.

Ms. Lantz stated the next application is from Ms. Dorothy Turner who is also requesting the abandonment benefit for \$1,500. Ms. Turner is current on her rent and the \$1.50 fee.

Mr. Dunn made the motion to approve both applications for abandonment benefits in the amount of \$1,500. The Board agreed unanimously.

Ms. Lantz stated she had another application from Ms. Tiffany Nagowski for a non-relocatable benefit of \$5,000 for her singlewide home, because she has an addition to the trailer.

Ms. Nagowski is current the \$1.50. Mr. Crane stated the Board could not make a decision because the Board would have to wait until Ed determined if it was moveable or not. Ms. Lantz stated she had gone by the procedures done in the past. Mr. Crane stated he thought the Authority had to put this aside and wait until the Committee knew if it was moveable or not. Mr. Denman stated in the past the Authority had one home which was debated if it was relocatable or not. Mr. Denman stated in that particular case we have to make a decision on that issue and have to make sure that the applicant has a chance to come before the Board; if Mr. Speraw determines that it is not moveable, that is a different thing; in the case Mr. Denman described, the applicant came before the Board and after much debate it was resolved. Mr. Denman stated that was the process. Representative Baumbach questioned would that be the entire Board, the Executive Director or the Committee? Mr. Dunn thought the Committee. Mr. Denman explained that if the Committee denied an application, it had to go through the entire Board.

#### **X. Public Comments:**

Ms. Hemmerich, Ms. Fuchs, Mr. Stroup and Mr. Garcia made comments – see above.

#### **XI. Executive Session:**

Mr. Crane thanked Mr. Carroll for his service to the Authority's Board as Mr. Carroll was leaving the Department of Justice and had to leave early.

Mr. Dunn made the motion to go into Executive Session at 3.08 p.m. Mr. Morris seconded the motion. Unanimous approval was given by all members present by voice vote.

Mr. Meldrum made the motion to come out of Executive Session at 3.35 p.m. Mr. Strine seconded the motion. Unanimous approval was given by all members present by voice vote.

#### **XII. NEXT MEETING DATE - ADJOURNMENT:**

The Board has discussed and set the next meeting date to October 23, 2014.

Mr. Morris stated he might not be on the Board at that time. Mr. Crane thought he probably would be, as the wheels were turning slowly.

As there was nothing else before the Board the meeting was adjourned at 3.45 P.M.

Respectfully submitted,

Susanne Lantz  
Executive Director