

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**

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

**Minutes of February 7, 2017**

**IN ATTENDANCE:**

Authority: Kevin Carroll  
William Dunn (Arrived late)  
Andy Strine  
George Meldrum

Dan Daly (Non-Voting Member)  
Gregg Sutton (Executive Director)

Absent: (Elizabeth (Beth) McGinn)

Legal Counsel: Bill Denman

Other Attendees: William Kinnick, (DMHOA)  
Susan Hairgrove, Property Manager K-4 Management

**I. Call to Order:**

Mr. Carroll called the meeting to order at 1:31 p.m. He stated that Mr. Dunn was en-route and that Ms. McGinn was absent due to a family emergency.

**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 January 5, 2017 meeting minutes. Mr. Meldrum made the motion to approve the January 5, 2017 meeting minutes and the motion was seconded by Mr. Strine. The Board approved the January's meeting minutes 3:0 with two in absentia (Ms. McGinn and Mr. Dunn).

**III. Executive Directors Report:**

- Mr. Sutton stated that as of January 18, 2017, the CPI-U changed to 0.7% and that the website has been updated to reflect that change.
- He also stated that the new mileage rate for reimbursement has changed from .575 cents per mile to .535 cents per mile.
- HOAs are required to update their statuses with the Authority annually. As of today, we have 30 HOAs registered with the Authority out of the 188 registered manufactured home communities. He highlighted this because although it is not necessary for residents to form HOAs, if they want to take advantage of a Right of First Offer Letter in the event their community has a Change-in-Use, they

must have an active Home Owner's Association (HOA).

- Mr. Sutton also advised the Board that we still have community owners who have failed to complete and submit their annual registration with the Authority. All communities were supposed to complete their annual registration by December 31, 2016. As of February 7, 2017, there are still 11 out of 188 communities who have not sent in their annual registrations to the Authority. Mr. Sutton will be providing the names of these communities, along with the most recent letter that was sent to them, to our counsel, Mr. Denman, for follow up.
- When we have problems with our computers, we are currently paying \$105.00 per hour as well as \$35.00 for each service call when we use Bits and Bytes services. Mr. Sutton is soliciting competitive bids from other I.T. companies who perform the same services.
- On our website, the assessment is listed incorrectly as \$3.00 per month. The actual monthly assessment is \$5.00 per month. Mr. Sutton will contact Sharon Poole to have this updated on our website.

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

Mr. Carroll began by informing the Board of an email he received from State Representative Ruth Briggs King regarding House Concurrent Resolution 2 (HCR2). HCR2 involves the establishment of a Task Force to review the manufactured home owners and community owners act as it relates to affected tenants and landlords. Representative Briggs King requested that someone from DEMHRA serve on this Task Force. Mr. Carroll opened this topic up for discussion so that the other members of the Board could weigh in with their suggestions and concerns. It was the consensus of the Board that if DEMHRA has a member on the Task Force, that the person should not be seen as someone rendering any opinions on current legislation, but that the person's role should be limited to matters involving RTA and rent justification provisions. The Board also wanted it made clear to Representative Briggs King that if they appointed a representative to the Task Force, that person would not render any opinion without approval of the Board. Mr. Carroll further stated that he was inclined to recommend the Executive Director for this role which the Board approved. He said he would provide the Board with an update at the next Board meeting.

#### **V. Financial Activity & Report**

##### **A. Approval of Financial Report**

Mr. Sutton reviewed the financial report and he also provided the Board with the total spent on arbitration fees for 2016. Mr. Strine made a motion to approve the financial report and the motion was seconded by Mr. Meldrum. The motioned passed 4:0 with one absent.

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

###### **Approval of legal counsel invoices for December 2016**

Mr. Sutton reviewed the invoices from Mr. Denman for the month of December. Mr. Strine made a motion to approve which was seconded by Mr. Meldrum. Motion passed 4:0 with one absent.

#### **VI. Reports**

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

1. Mr. Sutton stated that the Docket 2, 4 and 6 rent increases have been denied; Docket 7&8 will have an arbitration hearing on February 15, and Dockets 9 and 10 are pending.
2. There are still several community owners who are over two quarters late paying in their quarterly assessment payments. They will receive a letter from our attorney.

## **B). Glasgow Court Demolition Benefits**

1. Glasgow Court (Group 1) received \$147,000 in demolition benefits.
2. Glasgow Court (Group 2) received \$48,000 in demolition benefits.

## **VII. Unfinished Business:**

### **A. Arbitration Fees**

The total amount paid in arbitration fees for 2016 was \$4,654.82.

### **B. Letter to Pine Ridge:**

At the advice of counsel, Mr. Denman, a letter was sent to Ms. Hastings requesting that she provide proof of overpayment. Counsel further explained that Ms. Hastings was alleging that during the period covered by her settlement agreement, she received back payments from tenants and subsequently remitted these payments to us instead of keeping them (since she was already on a payment plan). Based on the information provided by Ms. Hastings, Mr. Denman reported that it is difficult for the Authority to determine what portion of her payments are directly related to what she refers to as “duplicate” payments.

### **C. Update on the Audit Engagement Letter**

Mr. Sutton stated that after sending a draft of his answers to Mr. Carroll and Mr. Denman, he responded to the questions in the letter. His responses are in **BOLD** print in the board package

### **D. Update on Phases 1 and 2 of the St. Jones Relocation Plan**

Phase 1 is complete and we are now accepting applications for Phase 2.

### **E. Purchasing Directors, Officers, and Organization Liability Insurance**

Mr. Sutton stated that we are currently paying \$550.00 a year for liability insurance which covers commercial general liability insurance and worker’s compensation. He stated that this additional insurance would protect the personal assets of Board members and their spouses in the event they are sued personally by employees, vendors, competitors, investors, customers, or other parties for actual or alleged wrongful acts in managing DEMHRA. This insurance will cost approximately \$500.00 a year in addition to the insurance we currently have. A motion was made by Mr. Meldrum to purchase this insurance and was seconded by Mr. Dunn. The motion passed 4:0 with one absent.

### **F. Status of Compliance Investigator for Sussex County**

Mr. Sutton asked the Board to consider looking at the possibility of hiring another compliance investigator for Sussex County. The Board is considering this request and Mr. Sutton will be looking at possible candidates to fill this position.

### **G. Response to Representative Baumbach’s email.**

Mr. Sutton advised the Board that he had sent a response to Representative Baumbach’s email but has not heard back from his office,

## **VIII. New Business:**

1. **Delinquent park payment notifications in excess of two quarters will be given to Mr. Denman, along with the most recent letter/correspondence sent to that community owner.**
2. **Approval of Relocation Benefits for St. Jones Landing Phase 2:**  
**Grady R. Rathbone:** Mr. Grady Rathbone applied for \$8,000.00 in relocation benefits for his single-wide home. Mr. Dunn made a motion to approve the relocation benefits and it was seconded by Mr. Meldrum. The motion was approved 3:1:1 with Mr. Strine abstaining

and Ms. McGinn absent.

**3. Approval of Relocation Benefits for Lighthouse Cove:**

**Randy and Judy Hill**: Mr. and Mrs. Hill did not have a copy of a title to their home so the Board decided to table their application for relocation benefits until they provide a copy of their title.

**IX. Public Comments:** None

**X. Executive Session:**

By motion, duly seconded, and by a vote of 4:0:1, one being absent, 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. Strine made the motion to come out of Executive Session at 2:31 pm. Mr. Meldrum seconded the motion. The motion to come out of Executive Session was approved 4:0:1. with one absent.

**XI. Next Meeting Date - Adjournment:**

The Board set the next meeting date as March 21, 2017. As there was nothing further to discuss, the Board adjourned at 2:33 pm.

Respectfully submitted,

Gregg Sutton  
Executive Director