

DELAWARE MANUFACTURING HOME RELOCATION AUTHORITY

1675 S. State Street
Dover, Delaware

Minutes of November 29, 2011

IN ATTENDANCE:

Authority: Anthony J. Testa, Jr., Chairman
Kevin Carroll (non-voting member)
Rick Lemire
Andy Strine
Susanne Lantz (Administrative Assistant)

Legal Counsel: William Denman, Esquire

Other Attendees: Ed Speraw, Code Investigator
Scott Sipple, Accountant

I. CALL TO ORDER:

Mr. Testa called the meeting to order at 1:00 p.m.

II. REVIEW AND APPROVAL OF MINUTES:

After Board discussion, it was decided that, due to the substantial change in the composition of the Authority's Board members, the new Board would not vote to approve the meeting minutes of the September 28, 2011 meeting. It was decided that when the minutes for the September 2011 meeting are posted on the website, a watermark or footnote will be added that the minutes were not approved by the new Board, because a majority of the new Board members were not present at the September 28, 2011 meeting.

III. OLD BUSINESS:

Mr. Testa questioned the sharing of the Internet Service with First State Manufactured Housing Association. Was FSMHA ever billed for their half of the provided Service? Mr. Sipple stated that they were billed and paid the Authority.

Discussion took place concerning the Authority's office lease. Mr. Denman reported that based on his review, the Lease that was signed was for a one year term. Mr. Strine noted that it is actually a sub-lease starting on 1 December 2011 and ending on 30 November 2012. The fee is \$230 a month. The Authority is subleasing from FSMHA. It was agreed that Ms. Lantz would forward the lease to all Board members for discussion, comments or ratification of same at the next Board meeting.

Discussion took place concerning a FOIA request for mileage and time regarding Mr. Speraw. Mr. Sipple reported that he revised published financial reports for the Authority to disclose, separately, amounts incurred by the Authority for administrative expense vs. compliance investigation expense (while preserving confidentiality of non-public payroll-related data). Such information is now available for public disclosure on the Authority's website.

Discussion took place concerning the issue of “seasonal parks”. Mr. Strine asked what the definition of a seasonal park was? Mr. Denman stated that it is defined in the statute. Mr. Denman further stated as he had mentioned at the last Board meeting, the issue of whether or not a park is a “seasonal park” needs to be decided on a case by case basis.

No further discussion took place concerning the previous Board meeting minutes.

A. COMPLIANCE INVESTIGATOR’S REPORT:

Due to his personal health care situation, Mr. Speraw reported that he did not have information to report to the Board.

Discussion took place concerning the nature and scope of the Compliance Investigator’s activities whereby it was determined that such work was performed based upon informal direction, from time-to-time, of one or more Board members.

Mr. Lemire explained that during the last two audits the auditors have noted that because the parks are self reporting, it was difficult to confirm the accuracy of the Authority’s financial information regarding revenues. Mr. Lemire stated that the only way to verify how much money is due to the Authority is to go out and count homes, and this is what Mr. Speraw does. Mr. Lemire stated that Mr. Speraw’s contract is a day to day contract.

After further discussion, upon the motion of Mr. Testa seconded by Mr. Strine, it was unanimously agreed that Mr. Lemire would develop a Compliance Investigation Policy for the purpose of establishing and adopting Board-driven compliance investigation policies and procedures.

Limited discussion took place with respect to the annual audit of the Authority. Mr. Sipple reported that Delaware’s Auditor General’s Office has the responsibility for the annual audit of the Authority and that the Board works with the Auditor General on the external auditor selection bidding, proposal and selection process. At present, the Authority is believed to be in the final year of its contract to audit the Authority by the Santora CPA Group. Mr. Testa disclosed to the Board and for the record that his wife recently started working for the Santora Group. To avoid the potential for conflicts, Mr. Testa asked that other Board members be responsible for approving significant decisions with respect to the Santora Group.

B. FINANCIAL REPORT:

Mr. Sipple presented a discussion of and responded to Board questions concerning the Authority’s “Financial Summary October 2011”. Mr. Sipple also stated that for the past two years, the Authority has not paid out benefits. The only thing that the Authority pays at the moment is the Administrative expenses.

C. ADMINISTRATIVE REPORT:

Ms. Lantz stated that the Mason Dixon Home Owners Association (MDHO) registered with the Authority. Ms. Lantz notified the landlord and updated the website accordingly.

Ms. Lantz stated that recently the Authority had worked on the response to the Sunset Review Committee. Ms. Lantz had the Questionnaire copied, and the originals bound and then took that package to Judi Abbott at Legislative Hall. We delivered the response ahead of the 3 October deadline.

Ms. Lantz stated she had sent out the annual registration forms in September and out of 189 sent out, so far she has received 115 responses. Ms. Lantz stated she tried to make it easier for the community owners by giving them the option to just fill out the form and fax it back to us. The remaining community owners have not responded at all. Ms. Lantz will send out a second request soon either by email or even by fax and hopefully will get the rest of the registration forms back.

Ms. Lantz stated that when the new Chair was selected by the Governor she set up an Email account for him through our Verizon account.

Ms. Lantz took the Sunset package to a copy center and had it copied and bound for the new Board Members.

Ms. Lantz stated they had received a FOIA request by Ms. Weyl for Ed's timesheets and mileage reports. Ms. Lantz and Mr. Denman met to go over everything that needed to be mailed out.

Ms. Lantz stated she had everything copied for Ms. Weyl and mailed it out certified mail return receipt requested. Ms. Weyl had confirmed that she would be willing to reimburse us for the copying expenses upon receipt of the documents. Ms. Weyl has not sent us a check yet.

Ms. Lantz created a job description for the Administrative Assistant for the new Chair.

Ms. Lantz stated she created a Contact Summary sheet of people she is in touch with throughout the day and emailed it to the new Chair.

Ms. Lantz stated she is working on a Procedure Manual for her replacement.

Ms. Lantz stated she sent out the Financial Report to all new Board Members known at this time.

Ms. Lantz stated she sent a Welcome Letter to the new Board Members and to the offices of the Speaker of the House and the Pro-Tem to pass on to their respective nominee. The office of the Speaker of the House has responded and told her they would pass on the information to their nominee, which has not been selected at this time.

Ms. Lantz stated she has gone over her files with Mr. Testa and she has quite a few that have been open for at least two years.

Ms. Lantz stated that Short MHP is one of them. They notified us two years ago that they would close out the park. The mother had willed the park to her sons. Ms. Lantz spoke to Mr. Short and he stated that yes, the park is closed, the only remaining trailers are his and his brothers. Ms. Lantz then did a tax search and found 5 trailers listed on the records. Three of the trailers are the families, two are strangers. Ms. Walls, her contact for Manufactured Housing in Sussex County advised her that yes, people were still living there. Ms. Lantz stated that she is not down there, so she doesn't know what is going on. A decision needs to be made on what to do. Mr. Short was sent a letter in October requesting an explanation, but we have not received a response.

Mr. Testa and Mr. Lemire agreed that Mr. Speraw should go out to the park and knock on doors to find out what is going on. Mr. Lemire thought that the Authority needs to be a bit more aggressive as people thumb their nose at us. Ms. Lantz stated that unfortunately, Mr. Speraw runs into problems a lot of times when tenants don't want to talk to him. Mr. Testa stated that he believes a Compliance Investigation Policy is needed, to critique, to evaluate and make decisions as to how to handle situations like this. Mr. Sipple stated that Mr. Speraw's role has always been to observe and report, not to get into confrontations.

Mr. Strine stated that the law is the law, we won't be able to catch everyone, but there needs to be a threshold.

Mr. Speraw asked, what do we do? When the community owners don't comply and things change, do we just put people out on the street?

Ms. Lantz stated that there is another park called Union Street, which Mr. Speraw discovered in 2009. Letters were sent out previously, they lease two lots on their land. Ms. Lantz spoke to Mr. Denman and the question came up again, is it worth going after such a person?

Ms. Lantz stated then there is L&W MHP, which is owned by a councilman in Sussex County. Ms. Lantz stated that she had called Mr. Wilson and talked to him about the MHP. Mr. Wilson replied that this was not zoned as a MHP. Ms. Lantz then asked Mr. Denman who stated that it is a complicated situation. Mr. Denman responded that he would have to sit with Mr. Speraw at some point in time and go over the facts.

Ms. Lantz discussed Maranatha MHP, the file has been also open for two years. The park owner had previously had contact with Mr. Denman, but never set up an account with Ms. Hambleton at the Department of Revenue. Ms. Lantz left a message for the owner, but never heard anything back. Mr. Mast (the owner) owns some of the homes and leases some lots. The Board needs to decide what to do with that one.

Ms. Lantz stated she also has an open file on Probst MHP. Same situation that file has been pending, no decision was ever made. They own some of the homes and lease some of the land. What do we do?

Ms. Lantz stated there is also Burtons Edgewater Park. She had talked to Mr. Burton and then Mr. Burton's attorney called. Mr. Denman was going to call the attorney back. Mr. Burton claims it is a seasonal park.

Mr. Lemire questioned if the Authority could put a lien against the property of some of these owners? Mr. Lemire thought something needs to be done; they just can't ignore the law. In some cases it is a miniscule amount of money you are dealing with.

Mr. Strine stated that a lot of residents don't pay their assessments. It's a small amount here or there, but it can accrue to a larger amount over the years. It would be nice to have some type of litmus threshold to deal with these cases. After some discussion, it was agreed that the Board would consider this situation at a later time.

After further discussion, it was agreed that Ms. Lantz would prepare a list inclusive of pertinent information on all the open files to be reviewed and addressed by the Board, as appropriate.

D. LEGAL COUNSEL REPORT:

Mr. Testa proposed that all discussions concerning litigation strategies and tactics be held in an Executive Session. By voice vote, all Board members were in agreement with this proposal.

EXECUTIVE SESSION:

Mr. Testa made the motion to go into Executive Session at 2.40 p.m. Mr. Strine seconded the motion. Unanimous approval was given by all members present by voice vote.

Mr. Lemire made the motion to come out of Executive Session at 4.20 PM. Mr. Strine seconded the motion. Unanimous approval was given by all members present by voice vote.

NEW BUSINESS:

Mr. Testa presented a brief discussion of House Bill 62. Mr. Testa also stated that he would have Ms. Lantz publish the term limits for all Board on the Authority's website.

Mr. Testa stated there is a Public Hearing before the Joint Sunset Committee scheduled for February 15, 2012 at 5 PM at Legislative Hall regarding the Authority. This meeting coincides with the next Board Meeting which will be held on the same day. Mr. Testa stated that Mr. Denman and Mr. Lemire have agreed to attend. Any other Board Members are invited to attend as is the general public. Mr. Lemire stated that this scheduled to be the first of, likely, several meetings with the JSC.

Mr. Testa then suggested that the Board consider procuring Directors Liability Insurance Coverage. After discussion, Mr. Testa made a motion to authorize himself or his designee to inquire about insurance coverage. Mr. Lemire seconded the motion. The motion was carried by all members present by voice vote.

Mr. Testa brought up the existing By-Laws and Procedures and the need for revisions. After discussion, Mr. Strine made a motion to allow Mr. Testa to review the existing By-Laws and Procedures and propose revisions for Board consideration. Mr. Lemire seconded the motion. The motion was unanimously approved by all members present by voice vote.

Mr. Testa stated that he would like to get a Key Service Provider Proposal together to assist the Board in learning about the nature, scope and cost of services provided by "key" service providers to the Authority. A discussion followed regarding how to approach this; after which, Mr. Stine made the motion to have Mr. Testa draft a letter to "key" service providers that would be sent out after the other Board Members reviewed and approved it. Mr. Lemire seconded that motion. The motion was carried by unanimous approval by all members present by voice vote.

Mr. Testa stated that he had sent out an email to all Board Members with proposed meeting dates for 2012. The meeting dates are as follows: 15 February 2012, 9 May 2012, 15 August 2012 and 28 November 2012. Mr. Testa made the motion to accept these meeting dates for 2012. Mr. Strine seconded that motion. The motion was approved unanimously by all members present by voice vote.

Mr. Testa brought up the replacement for Ms. Lantz. Mr. Testa wanted it to be noted in the records that he wanted to thank her for her service and wish her well. Mr. Testa stated he doesn't know

how quickly the Board will find a replacement as it is a significant position. Mr. Testa had inquired about an accounting firm with an administrative arm to field that service and fill that position. Mr. Testa had not heard anything back yet. Mr. Testa approached the possibility of Ms. Lantz filling in on an hourly basis as her new position is only part-time. Ms. Lantz indicated that this had some appeal to her, but she could not make a decision right away. Mr. Testa will wait to hear from her to see if she can give us some support even after she leaves. A discussion followed regarding a replacement for Ms. Lantz; after which, it was agreed that Mr. Strine and Mr. Testa will work in attempting to find a replacement for Ms. Lantz and that, if and when a replacement is found, the Board would evaluate the proposal via e-mail or, if necessary, telephone conference.

V. ADJOURNMENT:

As there was no further business before the Board, the 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 5.05 p.m.

Respectfully submitted,

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