

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of December 11, 2014

IN ATTENDANCE:

Authority: Mitch Crane
Andy Strine
Dorothy Boucher
George Meldrum
Susanne Lantz (Executive Director)

Absent: William Dunn
Joelle Polesky

Legal Counsel: William Denman

Other Attendees: Bobbie Hemmerich, Tenant McNicol Place
Joan Peculski, Tenant Bon Ayre
Richard Ruben, Tenant Bon Ayre
Isidro Garcia, Tenant Pot-Nets Coveside
John Walsh, Tenant Colonial East
Jill Fuchs, Tenant Barclay Farms
Donna Reed, Tenant Barclay Farms
Jennifer Allen, First State Manufactured Housing Association

I. CALL TO ORDER:

Mr. Crane called the meeting to order at 1.30 p.m and welcomed everyone to the new location. Mr. Dunn had notified the Board that he was unable to attend the meeting being away on business.

II. REVIEW AND APPROVAL OF MINUTES:

Mr. Crane asked the Board to approve the October 23, 2014 meeting minutes. Mr. Meldrum made the motion to accept the meeting minutes. Mr. Strine seconded the motion. The Board approved the October 23, 2014 meeting minutes unanimously.

III. Executive Directors Report:

Ms. Lantz worked with Christine at DOR and the Finance Committee regarding the payment plan for

Hilltop MHP; Hilltop has paid for 2004 and 2005 and reimbursed the Authority for the attorneys fees paid by the Authority.

Ms. Lantz emailed the appeal from Bon Ayre to Ms. Polesky.

Ms. Lantz and Mr. Denman created an arbitration process for distribution of the arbitration exhibits to Superior Court, upon request, when an appeal has been filed.

Ms. Lantz received petitions for arbitration from Wild Meadows, Pot-Nets Coveside, Pot-Nets Creekside, Pot-Nets Bayside and Pot-Nets Lakeside and has appointed arbitrators after discussing it with the Chair.

In addition to sending out routine correspondence regarding compliance issues, Ms. Lantz dealt with various matters relating to the arbitration of rent increase disputes.

IV. Chair's Report:

No report

V. Approval of Financial Activity & Report September 2014:

Ms. Lantz stated she has emailed the report to all Board Members and wondered if they had any questions? After discussion, Mr. Meldrum made the motion to accept the financial statement as presented, Ms. Boucher seconded the motion and the Board approved the financial statement unanimously.

A. Approval of other Financial Matters:

1) Approval of Legal Counsel Invoice s for October and November 2014:

Mr. Crane stated the invoices were approved by Mr. Strine and Mr. Meldrum and needed to be ratified. Mr. Crane asked if there were any questions? There were none. Mr. Crane made the motion to approve the invoices, Mr. Meldrum seconded the motion. The Board approved Legal Counsel invoices unanimously.

2) Approval of Invoice from Two Men and a Truck:

Mr. Crane stated the invoice from Two Men and a Truck needed to be approved. Ms. Lantz had shopped around and this was the cheapest. Mr. Meldrum made the motion to approve the invoice and Mr. Strine seconded the motion. The Board approved unanimously.

3) Approval of Invoice Book & Associates for Audit FYE June 30, 2014:

Mr. Crane referred to Page 25 in the Board Package which contained the invoice for the annual audit of the Authority's finances. Mr. Crane explained it was less than it would be if we would use the auditor assigned from the State Auditor's office. Ms. Lantz stated the audit report was included in the Board Package. Mr. Strine made the motion to approve the invoice and Mr. Meldrum seconded the motion. All Board members agreed unanimously.

VI. Reports

A. Compliance Matters (Ms. Lantz):

1. Annual Registration Report, Registered Parks:

Ms. Lantz stated she had mailed out the annual registration forms to all parks in October and has received about 130 back. Mr. Crane stated last year all the parks complied, but it took the entire year. The Board then discussed some of the administrative costs that were being incurred as a result of the failure of several communities to register in a timely fashion. There was a discussion regarding the recovery of attorney fees and perhaps penalties.

Ms. Lantz agreed to revise the Authority's demand letter form that would be sent to delinquent communities and send a draft to Mr. Crane for review.

2. Arbitration Matters and Status:

Ms. Lantz reviewed the status of pending arbitrations of rent increase disputes and the Board discussed in general how to handle refunds of arbitration fees when cases are consolidated.

VIII. Old Business:

1. Glasgow Court Update:

Ms. Lantz stated on Page 29 it shows a list of tenants that have relocated or abandoned their home. Ms. Lantz stated she has one pending application and for this application she has sent a letter to the tenant requesting more information. Ms. Lantz stated out of 167 tenants 77 have applied for benefits. Ms. Lantz stated most of the homes that are relocated are being relocated within Glasgow Court. The Board had a general discussion of some of the administrative issues relating to the processing of applications for benefits.

2. Lakeland Park Update:

Ms. Lantz stated she has received one application for relocation which was approved by Ms. Boucher, Mr. Meldrum and Mr. Crane. Ms. Lantz has talked to Ms. Hairgrove who has had an appraiser go through the community and thinks there will be 9 non-relocatable homes.

IX. New Business

1. Ratification of Glasgow Court Tenant Benefit Approvals:

Mr. Crane stated the list of tenants were applications that were approved by the Three-Person-Committee unanimously. Ms. Lantz stated a total of \$541,500 in benefits have been approved. Of that amount, approximately \$84,000 in benefits have been paid out.

Mr. Strine made the motion to ratify and approve all of the applications for benefits heretofore approved by the Committee. Mr. Crane seconded the motion. The Board approved the motion unanimously.

2. Change of Authority's Regulations reflecting HB234:

Mr. Crane stated the Authority wrote the Emergency and Permanent Regulations based on HB 234 as it was adopted. Mr. Crane said due to the changes in the law earlier this year he asked Mr. Denman to prepare amendments to those regulations. Mr. Crane stated the changes are 1. The law was changed that the Authority could request the names of the effected homeowners. 2. The law as initially written required the Authority to set the date, time and place of the informal meeting with the homeowners which was impossible and impracticable. The law was changed that the community owner suggested a time and place and if the Authority finds it reasonable it will be approved. 3. The Authority has moved to a new location and the address was therefore updated in the regulations. Mr. Crane said there were other changes he wanted to make that were not reflected in the law and would have to be revised by publishing any proposed changes and

providing an opportunity for public comment. Mr. Crane noted that the above changes are being made to make the regulations consistent with changes in the law, and accordingly, did not have to go through the public comment process. Mr. Denman confirmed that under the Administrative Procedures Act, in certain situations, when you adopt a regulation you have to publish the proposed regulation and provide the public with an opportunity to comment. Mr. Denman stated certain types of regulations are exempt from this process. Amending the regulations to make them consistent with changes in the law are considered informal changes and do not have to be published in advance for public comment. Changing the address of the Authority in the regulations would also be allowed without submitting the change for public comment. Mr. Denman stated if the Authority approved the changes today, they would be published and that was all that was necessary. Mr. Strine made the motion to adopt these modifications to comply with the law and updated the address of the Authority. Mr. Meldrum seconded the motion. The Board agreed unanimously.

Mr. Garcia requested that when the Authority sets a date for the rent increase meeting, the Authority should endeavor to make provisions for people who do not live in the state full time.

3. Audit FYE June 30, 2014:

Mr. Crane stated he had read through the audit report, the invoice has been approved separately, and except for the numbers nothing has changed. Mr. Crane stated the audit report will be posted on the Authority's website and a copy will be mailed to the State Auditor's Office. Mr. Meldrum made the motion to approve the audit as presented and Ms. Boucher seconded the motion. The Board approved the motion unanimously.

4. Compliance Investigator / Inspection Regulations (Ms. Boucher):

Ms. Boucher stated when she took this position she realized she had much to learn. Ms. Boucher believed strongly in following the proper rules of procedures. Ms. Boucher had questioned certain situations previously and she found herself in the same position again. Ms. Boucher understood that certain steps were taken out of necessity and expediency, but she did not think the end justified the means. Ms. Boucher believed that the RTA was established and the Funds created to handle the problems associated with a change of land use or the closing of a park. Ms. Boucher believed it is a major undertaking and she appreciated the tireless efforts of Mr. Crane and Ms. Lantz. Ms. Boucher wanted to bring to the Board's attention the duties of the Compliance Investigator. Ms. Boucher stated it was obvious at the first meeting she attended that the Compliance Investigator's duties had been altered. Ms. Boucher had questioned this and was informed the duties were limited to an as needed situation. Ms. Boucher believed in being fiscally responsible, but she had issues with the change from the original intent of the Compliance Investigators duties and responsibilities to an as needed basis. Ms. Boucher said the duties of the Compliance Investigator aside from regular inspections and compliance reports as well as checking on communities that are not signed up with the Relocation Authority include a very important aspect of the relocation procedures. Ms. Boucher said under the Compliance Investigators duties numbered 8-11 the Compliance Investigator is to verify the number of homes on the site, the size of them, occupancy, ownership and compliance reports of the last four quarters have been submitted. Ms. Boucher further stated prior to the disbursement of funds, the Compliance Investigator should verify the abandonment or relocation of the homes and last but not least verify the number of non-relocatable homes and the number of abandoned homes and their condition. Ms. Boucher said whatever the reason why it was changed it should remain the Compliance Investigators responsibilities; regardless of time constraints or financial considerations, it is his job, not anyone else's. Ms. Boucher stated she did not think there was an acceptable reason to alter his responsibilities. Ms. Boucher stated the RTA is charged with

administering a Fund that has been collected from community and home owners alike. Ms. Boucher stated the RTA must not fail in its duty to follow procedures that were put there to protect the Fund. Ms. Boucher explained she understood a large number of homes were involved now, but did it allow us the option of shortcuts or violating the rules and procedures put in place for this reason? Ms. Boucher stated she thought it was important to have an independent Compliance Investigator do the job. Ms. Boucher thought it was possible when a community owner was closing a park or a section of a park that he notifies the RTA and the tenants involved and consolidate the information so that the Compliance Investigator only had to make 5 – 10 trips to investigate the homes in a timely manner. Ms. Boucher thought these procedures should not be shortcut for any reason and it would take off some burden of the people here in this group and puts it back on the community owners. Mr. Crane asked are there any comments? Ms. Boucher stated she would like to make a motion to let the Compliance Investigator check out thoroughly any relocatable or abandoned homes; hopefully the community owner would notify the RTA so we could do them in a timely manner. Mr. Crane clarified the motion was that the Compliance Investigator should always be sent to a community to verify that homes that we believed had been abandoned are indeed abandoned and to determine whether or not a home is not relocatable. Mr. Crane stated he seconded it for discussion purposes.

The Board then discussed the motion. Mr. Strine stated that to inspect homes that in fact are going to be relocated was a total waste of time, because they are going to be moved and have been approved to be moved. Mr. Strine stated if someone is abandoning their home and getting the bare threshold of benefits, that is their choice; the tenant is saying it is not worth more or they don't want go through the process to get more. Mr. Strine said there would be no need for the Compliance Investigator to inspect these homes. Ms. Boucher disagreed with Mr. Strine.

Mr. Crane said the Authority had a job description for the Compliance Investigator; the issue is the Compliance Investigators duties and responsibilities and not the person who has the job. Ms. Boucher agreed. Mr. Crane said the job allowed or required direction by the Board or Executive Director to make inspections. Mr. Crane said it was already in the job description and once it is created and in place he thought it was his job or the Executive Directors, as far as he was concerned it was the Executive Directors, to decide when there was a need for an inspection. Mr. Crane stated the Executive Director had the ability to carry out the policies of the Board and make decisions. Mr. Crane did not want to have the Board to make those decisions. Mr. Crane did not see a direct need for the Compliance Investigator to go out and look at Glasgow Court or any other community without a reason. Mr. Crane stated Mr. Speraw was being utilized when there was a need. Ms. Boucher thought the abandoned homes might not have to be on the list, but non-relocatable or relocatable homes needed discussion. Ms. Boucher thought the Compliance Investigator should decide when there is a need to go, not the Chairman, the Board or the Executive Director. Mr. Meldrum asked what was it the Authority was not doing? Mr. Crane stated Mr. Speraw was not sent to investigate another community that was undergoing a Change of Use because Ms. Lantz had not determined a need to go there. Mr. Crane asked Ms. Lantz if that was correct? Ms. Lantz confirmed this. Mr. Meldrum asked if the system that we have in place is working? Ms. Lantz stated it was. Mr. Crane stated what Ms. Boucher is saying is that if we receive an application for benefits for a change of use situation, we should send the Compliance Investigator out and report back. Ms. Boucher agreed. After extensive discussion on the issue, Mr. Crane asked who was in favor of the motion and who was against? Ms. Boucher voted for the motion, Mr. Strine, Mr. Meldrum and Mr. Crane voted against. The motion was not approved by the Board.

Estimate from Movers:

Ms. Boucher then discussed issues regarding the detail provided by the movers when they submit their invoice or estimate for the cost of moving a home. Ms. Boucher stated she thinks the movers should justify and itemize their costs. Ms. Boucher requested that the Authority go back to the original rules and

guidelines, which had already been voted down. Ms. Boucher would like to make the motion that all estimates in the future show a complete breakdown of the estimate by the mover. Ms. Boucher stated that if it takes a little longer, so be it, but we must protect what we have been entrusted with. Ms. Boucher stated since the Authority was paying for the relocation she thought we had the right to know and receive a break down. Ms. Boucher thought the movers were holding the Authority hostage and she understands that the Authority did not negotiate the estimate, but it will hold the mover accountable and save the RTA some money in the long run. Mr. Crane stated he absolutely understood Ms. Boucher's points. Mr. Crane said the Authority did homework on what reasonable costs were in relocating the homes and that is how the Authority came up with the \$8,000 and \$12,000 respectively. Mr. Crane confirmed he also believed the movers know that and they know that this is all they can get and that is what they are asking for. Mr. Crane stated in a normal world he would be happy to ask for more details, but the issue is that we have very few movers that are willing to move a home and go through all that process. Mr. Crane agreed with her main purpose and he agreed to what Mr. Garcia had said earlier, that we were serving the tenants, but in this case, the homeowners are being hurt. Ms. Boucher stated she was on the RTA Committee and was neither on the homeowners nor community owner's side; she was working for this organization. Ms. Boucher did not want this organization hijacked and she thought sometimes people needed to be held accountable and in this case more so. Ms. Boucher stated she heard that there are problems with the movers and understood that. Mr. Meldrum stated he did not think the Authority was held hostage and we had very detailed discussions and number of presentations to figure out the cost of the moves. Mr. Meldrum stated he thought the Authority was very careful with the money. Mr. Crane stated what was the harm in asking for this? Ms. Lantz stated she could send a letter as suggested by Ms. Boucher but again she wanted to emphasize that the homeowner was the one that received the quote from the mover. Ms. Lantz stated if the quote was not what we wanted we could always request that it be broken down. Ms. Lantz stated there already was an issue with movers working up in New Castle County; she only had two that had a special license to operate up there. Ms. Lantz stated it would be a problem if we were to lose any of those movers. Mr. Crane stated he thought Ms. Lantz could write a letter to the movers, thank them for their efforts and request that the mover from now on detail the estimate for the move. Mr. Strine said the worst that could happen was that the mover declined to work up there. Mr. Walsh suggested that when a home owner applies and Ms. Lantz sends a letter back with the procedures that she put in the letter asking for a breakdown of the movers quote. Ms. Lantz stated she can do that when she talks to the tenants on the phone, otherwise the tenants just send in their application with the quote. Mr. Walsh suggested sending a letter to the movers strongly suggesting that a breakdown of the estimate is required. Ms. Lantz stated she believes there is one mover that actually does break down the estimate, the one that does the major work does not. Ms. Lantz said a mover has to be licensed and certified in the State of Delaware, but New Castle County required their own license for a mover to operate. Therefore a lot of movers are not willing to work up there. Ms. Boucher understood that and wondered if it needed to be voted upon? Mr. Crane thought that was not necessary, but thought the Board should see a draft.

X. Public Comments:

Mr. Garcia and Mr. Walsh made comments as outlined in the minutes.

Mr. Walsh asked if it was possible to ask Mr. Meldrum something in regards to AARP. Mr. Crane concurred. Mr. Walsh stated the AARP has backed the relocation law and the rent justification law and anything that this organization is able to do to ensure a smooth operation of those laws, he believed would be solely supported by the AARP. Mr. Meldrum stated just to clarify Mr. Walsh and himself both serve on the Executive Committee of the AARP.

Mr. Crane said he just wanted to state the AARP could be very helpful on. Mr. Crane stated he had a number of discussion with key legislators with the subject of manufactured homes and that people know that there is some more in the works. Mr. Crane stated the only response he has gotten is that the legislators do not want to deal with any more manufactured housing issues. Mr. Crane stated SB 234 has gone a long way, but there are still issues that need to be dealt with and since the AARP is a

separate organization maybe they can help in that regard.

XI. Executive Session:

Mr. Meldrum made the motion to go into Executive Session at 3.15 p.m. Ms. Boucher seconded the motion. Unanimous approval was given by all members present by voice vote.

Mr. Strine made the motion to come out of Executive Session at 3.25 p.m. Mr. Meldrum seconded the motion. Unanimous approval was given by all members present by voice vote.

Mr. Meldrum made the motion to approve the financial compensation for the Executive Director plus an extra week of paid vacation. Mr. Strine seconded the motion. The motion carried.

XII. NEXT MEETING DATE - ADJOURNMENT:

The Board has discussed and set the next meeting date to February 3, 2015.

As there was nothing else before the Board the meeting was adjourned at 3.30 P.M.

Respectfully submitted,

Susanne Lantz
Executive Director