

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of March 21, 2017

IN ATTENDANCE:

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

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

Legal Counsel: Bill Denman

Other Attendees: William Kinnick (DMHOA)
Jen Allen, First State Manufactured Housing Association

I. Call to Order:

Mr. Carroll called the meeting to order at 1:30 p.m. Mr. Carroll noted that Mr. Meldrum had indicated that he would be late but that a quorum was present.

II. Review and Approval of Minutes:

Mr. Carroll asked the Board if anyone had any comments or corrections to the February 7, 2017 meeting minutes, and if not, requested the Board to consider approval of the minutes. Mr. Dunn made the motion to approve the meeting minutes and the motion was seconded by Mr. Strine. The Board approved February's meeting minutes 4:0 with one in absentia.

III. Executive Directors Report:

- Mr. Sutton stated that on February 22, 2017, he met with Board member Beth McGinn and Susan Hairgrove of K-4 Management to discuss the Executive Director's and DEMHRA Assistant's day-to-day activities at DEMHRA.
- Ms. McGinn was able to look at the overall operation from another perspective as Ms. Hairgrove was able to give her the community owner's perspective.
- We discussed the change-in-use notification process between the community owner and the tenant, rent increase notification letters, and DEMHRA's role when we receive arbitration petitions.
- This meeting lasted about one hour and all participants agreed that the information shared was very valuable.
- Mr. Sutton was able to send a spreadsheet to the New Castle County Tax Assessor's office with the names and addresses of former tenants from Glasgow Court who had paid their taxes and received a non-relocation allowance after their homes had been deemed to be non-relocatable.

The purpose of this action was to hopefully eliminate the distribution of delinquent tax notices to these tenants after they had moved out of their homes due to a change-in-use notification.

- Mr. Sutton also stated that his office had received four new petitions to arbitrate rent increases since January of 2017 and that an arbitrator has been selected for each docket.

IV. Chair's Report:

Mr. Carroll noted that HB 44 was pending in the general assembly. This legislation is an act to amend Chapter 70 requiring proof of ownership prior to renewing any lease. He stated that this legislation would be presented on March 22 and any member was free to attend the session but that DEMHRA would not take any position on this proposed amendment. Ms. McGinn inquired as to who the bill's sponsor was and Mr. Carroll stated that the bill's sponsor was Representative Baumbach. Mr. Sutton inquired as to whose responsibility it would be to monitor this new bill for compliance. The answer was that it was the landlord's responsibility to monitor compliance and if necessary, report any violations to the Attorney General's office.

V. Financial Activity & Report

A. Approval of Financial Report

Mr. Sutton reviewed the financial report and Trust Fund expenditures for the months of January and February 2017. Mr. Strine made a motion to approve the financial report and the motion was seconded by Mr. Meldrum. The motioned passed 5:0.

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 January and February. Mr. Dunn made a motion to approve the legal counsel invoices which was seconded by Ms. McGinn. The motion passed 5:0.

Approval of Arbitrator Invoices

- The Board reviewed the invoice for arbitrator fees arising out of Dockets # 7 & 8 (Hometown Rehoboth Bay). The invoice is in the amount of \$14,931.00 for services rendered by the arbitrator, Jeffrey Young. It was also noted that there was an interim invoice approved in November of 2016 in the amount of \$5,265.00. The Board noted that the arbitrator was required to address numerous collateral issues relating to the proposed rent increase. Mr. Strine made a motion to approve this current invoice and the motion was seconded by Mr. Meldrum. The motion passed 5:0.
- The Board reviewed the invoice for arbitrator fees arising out of Docket # 10 (Villagebrook II). The invoice is in the amount of \$7,100.16 for services rendered by the arbitrator. A motion to approve the payment of the invoice was made by Mr. Strine and seconded by Mr. Meldrum. The motion passed 5:0.
- The Board reviewed the invoice for arbitrator fees arising out of Docket # 6 (Sandhill Acres). This arbitration petition was dismissed by the arbitrator. The invoice is in the amount of \$3,075.00. Mr. Strine made a motion to approve this invoice and the motion was seconded by Mr. Dunn. The motion passed 5:0.

VI. Reports

A). Compliance Matters

1. Mr. Sutton stated that for Dockets # 2 and 5, the rent increases above CPI-U were denied and Docket # 6 was dismissed by the arbitrator because the community owner stated that Mr. Robert Ray erroneously received a rent increase notice. For Dockets 7&8 and 10, the rent

increases above the CPI were approved.

2. There are still several community owners who are over two quarters late sending in their quarterly assessment payments. They will be sent a letter from our attorney.

VII. Unfinished Business:

A. Update on the Audit Engagement Letter

Mr. Sutton stated that the auditor requested the names and amounts for all funds paid on relocation expenses for 2016. The challenge was matching the check amounts with the names as some of the check amounts paid out were for multiple residents. Mr. Sutton was able to match the amount spent with the names of the individuals and forwarded this information to the auditor.

B. Update on Phases 1 and 2 of the St. Jones Relocation Plan

There were no applications presented since the last meeting.

C. Update on Lighthouse Cove Relocation Plan

Mr. Sutton stated that as of March 21, 2017, only one application for relocation assistance has been submitted to DEMHRA. This gives the tenants only five more months to request relocation assistance from DEMHRA.

VIII. New Business:

1. Approval of Relocation Benefits for Lighthouse Cove:

Randy and Judy Hill: Mr. and Mrs. Hill applied for \$12,000.00 in relocation benefits for their double-wide home. The Board reviewed their request and the documents that were provided. Mr. Dunn made a motion to approve the relocation benefits with the understanding that they would receive a letter informing them that their maximum relocation benefits would not exceed \$12,000.00. The motion was seconded by Mr. Meldrum. The motion passed 5:0.

IX. Public Comments: None

X. Executive Session:

By motion made, duly seconded, and by a vote of 5:0, the Board moved to go into Executive Session at 2:38 pm. 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 and Ms. McGinn excused themselves from the Executive Session in order to eliminate any appearance of impropriety since the Board would be discussing the pending litigation filed against the Authority and the owner of Saint Jones Landing. Mr. Strine has a financial interest in St. Jones Landing, and Ms. McGinn is a member of the Board of DMHOA, one of the Plaintiffs in that litigation. Mr. Meldrum made the motion to come out of Executive Session at 3:16 pm. Mr. Dunn seconded the motion. The motion to come out of Executive Session was approved 3:0:2 with Mr. Strine and Ms. McGinn being absent.

XI. Next Meeting Date - Adjournment:

The Board set the next meeting date as May 2, 2017. As there was nothing further to discuss, the Board adjourned at 3:16 pm.

Respectfully submitted,

Gregg Sutton
Executive Director