

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of May 2, 2017 Board Meeting

IN ATTENDANCE:

Authority:

Kevin Carroll
William Dunn
Elizabeth (Beth) McGinn
George Meldrum
Andy Strine (Absent)

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

Legal Counsel:

Bill Denman

Other Attendees:

William Kinnick (DMHOA)
Leonard Sears, Briarwood Manor MHP
Susan Hairgrove, St. Jones Landing
Jen Allen, First State Manufactured Housing Association
Michael Morton, Attorney

I. Call to Order:

Mr. Carroll called the meeting to order at 1:30 p.m. Mr. Carroll noted that Mr. Strine was absent 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 March 21, 2017 meeting minutes, and if not, requested the Board to consider approval of the minutes. Mr. Dunn made a motion to approve the minutes but he wanted the minutes to reflect that he attended a meeting at legislative hall on March 22, 2017 where there was discussion on pending legislation HB 44. The motion was seconded by Mr. Meldrum. The Board approved March's meeting minutes, noting Mr. Dunn's request, 4:0 with one in absentia.

III. Executive Directors Report:

- Mr. Sutton stated that since the last Board meeting on March 21, 2017, there have been several developments that require the Board's action/attention.
- On June 1, we will be relocating our offices to the second floor which will result in a savings of approximately \$30.00 per month in rent and utilities. We are currently paying \$593.00 per month under the existing lease. The rent for the two new offices is \$580.00 per month. Our current electric bill averages \$100.00 per month. Our new bill will be around \$80.00 per month. This

requires a new lease effective June 1, 2017. A motion was made by Mr. Meldrum and seconded by Mr. Dunn to approve the new lease as written. The motion passed 4:0 with one in absentia.

- We found a recycling facility in Cheswold where we can shred excess documents at no cost.
- Lighthouse Cove was reminded that since they submitted their Change-In-Use notification to our office, only one out of the eight affected tenants have submitted a request for relocation assistance. The owner was reminded that the tenants have five months left before they must vacate the property.
- During the month of April, we received notifications that three mobile home communities were for sale. None of these communities had an HOA at the time of this notification so our office had to mail over of 700 letters notifying each tenant that their property was for sale.

IV. Chair's Report:

Mr. Carroll stated that there have been inquiries regarding whether or not the Authority should pay for the hiring of mediators in rent increase disputes. He said that although the Authority had done so in the past, he wanted the Board to weigh in on this practice. He stated that this was a result of a request from the arbitrator in the Wild Meadows HOA vs. Wild Meadows LLC where both parties determined that mediation was warranted. Mr. Michael Morton, an attorney representing Wild Meadows, LLC was asked to weigh in. He advised the Board that mediating such cases would be in the best interest of all parties involved and less expensive as well. Since prior mediation expenses had already been approved by the Board, and both parties in the arbitration agreed that it would be in their best interest to mediate, the Board agreed to this request and solicited the assistance of the Executive Director in facilitating this action. The motion to pay for arbitrator/mediator expenses was made by Mr. Meldrum and seconded by Mr. Dunn. The motion passed 4:0 with one in absentia.

V. Financial Activity & Report

A. Approval of Financial Report

Mr. Sutton reviewed the financial report and Trust Fund expenditures for the month of April 2017. Mr. Meldrum made a motion to approve the financial report and the motion was seconded by Ms. McGinn. The motion passed 4:0 with one in absentia.

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 March 2017. Mr. Dunn made a motion to approve the legal counsel invoices which was seconded by Ms. McGinn. The motion passed 4:0 with one in absentia.

Approval of Arbitrator Invoices

- The Board reviewed the invoice for arbitrator fees arising out of Docket # 5-2016 (Pot Nets Lakeside Vs. Tunnell Companies, L.P.), in the amount of \$3,262.50 for services rendered by the arbitrator, Ronald Stoner. Mr. Meldrum made a motion to approve this current invoice and the motion was seconded by Mr. Dunn. The motion passed 4:0 with one in absentia.
- The Board also reviewed an interim invoice for arbitrator fees arising out of Docket # 3-2017 (Mobile Gardens MHP vs KDM Development Corporation). The invoice is in the amount of \$280.00 for services rendered by the arbitrator. A motion to approve the payment of the invoice was made by Mr. Dunn and seconded by Mr. McGinn. The motion passed 4:0 with one in absentia.

VI. Reports

A). Compliance Matters

1. Mr. Denman stated that he will review the files for delinquent parks to determine if filing a

lawsuit will be necessary.

2. There are still four 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. Independent Auditor's Final Report

1. Mr. Sutton gave each Board member a copy of the final audit
2. A motion was made by Mr. Meldrum to approve the final audit as written. The motion was seconded by Ms. McGinn and approved 4:0 with one in absentia.
3. Mr. Carroll asked Mr. Sutton to contact the auditor, Book and Associates, to request an audit for 2016-2017.

B. Update on Phase 2 of the St. Jones Relocation Plan

There was one application presented at this meeting. That leaves five applicants eligible for relocation assistance.

C. Update on Lighthouse Cove Relocation Plan

Mr. Sutton stated that as of May 2, 2017, only one application for relocation assistance has been submitted to DEMHRA.

D. D & O Liability Insurance Quote

Although the amount of the annual premium, \$2,195.00 is more than the general liability insurance, a motion was made by Mr. Dunn, and seconded by Meldrum to approve this coverage. The motion passed 4:0 with one in absentia.

VIII. New Business:

A. Application for Approval of Relocation Benefits (St. Jones Landing Phase 2):

Mary Catherine Conner-Yatsko: Ms. Conner-Yatsko applied for \$7,750.00 in relocation benefits for her single-wide home. The Board reviewed her request based on the documents that were provided. Mr. Dunn made a motion to approve the relocation benefits. The motion was seconded by Mr. Meldrum. The motion passed 4:0 with one in absentia.

B. Right of First Offer Letters: Frederick Lodge, Park Place, and Murray Manor

1. Mr. Sutton stated that in excess of 700 proof of mailings were sent out to residents of these three manufactured home communities advising them that their mobile home community was for sale. The letter further advised them that if they formed a Homeowners Association within 30 days of the mailing, that they had the right of first offer to purchase that property.

C. List of Approved Mobile Home Movers

1. Mr. Sutton stated that he was in the process of compiling a list of approved mobile home movers
2. He sent a form letter to all current and prospective mobile movers advising them to submit their current Delaware (movers) license and Proof of liability insurance.
3. Ms. Jen Allen from First State Manufactured Homes interjected that this information can be obtained from the Division of Professional Regulations

D. D. Status of Compliance Investigator Position

1. Ms. McGinn inquired again on our search to fill the vacant compliance investigator positions

2. It was noted that although they are used infrequently, we should have a few on our staff
3. A motion was made by Mr. Meldrum and seconded by Ms. McGinn to advertise for a compliance investigator. The motion passed 4:0 with one in abstentia
4. Mr. Sutton was tasked with drafting a job description for the compliance investigator position to present at the next Board me

IX. Public Comments: None

X. Executive Session:

By motion made, duly seconded, and by a vote of 4:0, with one in absentia, the Board moved to go into Executive Session at 2:54 pm to discuss pending litigation. The Board went into Executive Session to discuss pending arbitration cases and litigation for the purpose of receiving legal advice pertaining to such matters. Ms. McGinn excused herself 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, who was absent, 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 3:04 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 June 19, 2017. As there was nothing further to discuss, the Board adjourned at 3:06 pm.

Respectfully submitted,

Gregg Sutton
Executive Director