

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**

1675 S. State Street  
Dover, Delaware

Minutes of May 8, 2014

**IN ATTENDANCE:**

Authority: Mitch Crane  
Andy Strine  
John Morris  
George Meldrum  
Susanne Lantz (Executive Director)  
Kevin Carroll (left at 2.15 P.M.)

Absent: Bill Dunn

Legal Counsel: William Denman

Other Attendees: Jill Fuchs, Tenant Barclay Farms  
Bobbie Hemmerich, Tenant McNicol Place

**I. CALL TO ORDER:**

Mr. Crane called the meeting to order at 1.30 p.m.

**II. REVIEW AND APPROVAL OF MINUTES:**

Mr. Crane asked the Board to approve March 6, 2014 meeting minutes. Mr. Meldrum made the motion to accept the meeting minutes. Mr. Morris seconded the motion. The Board approved the March 6, 2014 meeting minutes unanimously.

**III. Executive Directors Report:**

Ms. Lantz stated that she wanted to start her report on a good note and report that all parks that were supposed to be registered had now done so. Shady Oak Trailer Park was the last one to register which meant a success rate of 100%.

Ms. Lantz stated that she has had a few issues with some parks using the wrong CPI-U lately. One park had used the wrong CPI-U, and then rounded up the amount. Ms. Lantz had to explain that the correct CPI-U needed to be used, that no rounding of the amounts should be done, as it would change the CPI-U percentage rate. The park complied and issued a corrected rent increase notice.

Ms. Lantz said she has deposited checks for arbitration requests into the bank account and has notified the arbitrator of his appointment and has copied petitioner and respondent.

Ms. Lantz stated she worked on amendments for the Emergency Regulations and forwarded them to Mitch Crane, Andy Strine and Bill Denman.

Ms. Lantz said she drafted agendas with Mr. Crane and posted them on the website.

Ms. Lantz further stated she had created spreadsheets to keep track of costs associated with arbitration and rent increase notices. This includes keeping track of staff time spent on those matters.

Ms. Lantz said she had transcribed the minutes for both previous Board Meetings and emailed to the Board.

Ms. Lantz stated approved minutes and financial statements have been posted on Demhra's website.

Ms. Lantz created work order form for Mr. Speraw to inspect Morris Mills MHP, whose tenants rent the homes and therefore don't fall under the Relocation Authority.

Ms. Lantz said she worked with BDO on the financial statements which reflected the wrong amounts for the arbitration fee.

Ms. Lantz said she added Bayside HOA and Coveside HOA to our website. She sent letters to the Community Owner and letter to CDSHA to inform them that CDSHA can no longer represent Coveside tenants in matters regarding Rent Justification and Right of First Offer.

Ms. Lantz stated she prepared the Board Package for March and May, copying, binding and collecting all necessary information to get it prepared.

Ms. Lantz said she dealt with Pine Ridge in regards to the Judgment that Mr. Hastings owes, he passed the park on to his daughter. Ms. Lantz discussed the payment plan with the Collection Committee. Ms. Lantz reviewed the drafted settlement agreement for Pine Ridge and communicated with Mr. Denman on that. Ms. Lantz stated Pine Ridge signed the settlement documents. Ms. Lantz then worked with Ms. Hambleton from the DOR to create the coupons and a payment plan which was sent to Pine Ridge. Pine Ridge is paying and tries to pay 2 weeks in advance of the due date.

Ms. Lantz stated she has tried to solicit proposals for a new accounting firm, since Mr. Dunn had brought that up a few months ago; two companies never responded, one declined and one proposal was received.

Ms. Lantz stated Ms. Hambleton from the DOR and herself have audited all the accounts and then sent out letters to parks to find out why there is a discrepancy on the accounts, it could be due to a math error or because a tenant did not pay the relocation fee.

Ms. Lantz shared a letter with Mr. Crane that was drafted by Mr. Testa, a previous Chair; to get the HOA's to send updated HOA information to the Authority.

Ms. Lantz stated she had her computer upgraded from Windows XP to Windows 7 and had worked on getting all the files imported into the new system.

Ms. Lantz had BDO send FSMHA an invoice for their share of the Internet cost. FSMHA sent Ms. Lantz a check, which she deposited into the bank account.

Ms. Lantz also had, per Mr. Crane's request, worked with DMV to get Mr. Crane a badge for entry into Legislative Hall without problems.

Ms. Lantz also stated on a last note, as of 15 April 2014 the Authority has spent \$10,864.00 to reimburse Mr. Denman for costs associated with rent increase matters. Staff time on rent increase matters was \$1,165. Ms. Lantz further stated so far the Authority has spent \$17,373.50 on arbitration matters and staff time on that was \$320.50. Fees collected from petitioners and respondents were \$4,000.

Mr. Strine asked the costs for Mr. Denman was that for the regulations? Ms. Lantz stated no, they were for his involvement in rent increase matters. Mr. Denman stated that this was since the inception of SB33. Mr. Strine asked, some of these were non-recurring? Ms. Lantz confirmed that all costs were from August of last year until 15 April, 2014.

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

Mr. Crane stated since the Legislature went back into session he has been working on two items of legislation that the Board is familiar with. Mr. Crane stated the Legislature had to amend the original law to delete the section that required the Authority to restate the assessment by January 31, 2006. Mr. Crane was pleased to announce the bill went through to committee very quickly; that weekend Mr. Crane contacted the Speaker to ask to have it on the agenda quickly. It was on the Senate agenda the next day and the Governor signed it the next Monday. Mr. Crane stated the synopsis of the law is the Authority has met its obligation. The Department of Justice agrees with it and so does the legislature.

Mr. Crane said the second bill was a remedial bill to correct obvious deficiencies and problems in the Rent Justification bill. One was the effective date of the bill and what it affects, one arbitrator determined that it includes any lease as it renews, even long-term, that language was changed. Mr. Crane further stated they also changed the language concerning the meeting time, date and place; it now merely states that the community owner sets meeting time, date and place and if the Authority finds it reasonable, this is set. Mr. Crane said the third part of the bill has been amended that the Authority can request the names of the homeowners, instead of just receiving lot numbers, etc. This bill has come out of committee and is on the House ready list.

Mr. Crane has worked on finally getting the Board Members reappointed, as their terms had expired months ago. Mr. Crane stated that the Pro Temp and the Speaker have both reappointed Mr. Dunn and Mr. Meldrum. Mr. Crane also found out from Mr. Carroll that he had finally been reappointed.

Mr. Crane stated in regards to the HOA's that Ms. Lantz had brought up, there is nothing to empower the Authority to have the HOA's update their information with the Authority. Mr. Crane said the Authority posts the registered HOA's on our website. The Right of First Offer and Rent Justification requires the Authority to have that information. It was brought to Mr. Crane's attention that a lot of the contact persons for the HOA's were no longer valid. Mr. Crane has asked to send out a letter to the HOA's to remind them they need to update their information with the Authority, at some point the Authority might have to regulate it.

Mr. Crane has had and still has discussions with HOA's who think they are a member of the Authority. The only members of the Authority are the Board Members of the Authority. Mr. Crane confirmed that the HOA's are merely registered with the Authority and the Authority only recognizes the HOA's in connection with Rent Justification and Right of First offer situations. Mr. Crane stated he continues to go to HOA meetings where he has been invited to attend.

## **V. UNFINISHED BUSINESS:**

### **1. Layton's Riviera**

Mr. Carroll stated he pulled some information in regards to the park. On February 6, 2014 there was a stipulated judgment and as far as he knows the judgment has not been executed, also the foreclosure action has been closed.

Mr. Crane asked what is the next step?

Mr. Carroll stated the file had been archived and Mr. Crane asked what the next step was?

Mr. Denman asked if the Authority had a judgment against them? Ms. Lantz stated she believed a settlement a few years ago, but that was paid. Mr. Carroll stated he did not have access to further information. Ms. Lantz stated she had heard they were under foreclosure and she just wanted to know how this would affect the Authority. Mr. Crane stated if we had nothing further this matter was closed.

## **VI. Approval of Financial Activity & Report January, February and March 2014:**

Ms. Lantz stated she hoped the Board has reviewed all the statements. Ms. Lantz asked the Board to go ahead the March statement, which was the most accurate one and pointed out the changes she had made with BDO. Ms. Lantz pointed out on the first page of the statement, the second paragraph on the first page showed how much other income, meaning the arbitration fees from petitioners and respondents, was received. Under Expenditures, the second paragraph showed how much in arbitration cost the Authority has spent as of March 31, 2014. Ms. Lantz asked the Board if they liked the wording or if they wanted to have that changed? The Board did not see a need to change. Ms. Lantz went over all the numbers on what was spent. Ms. Lantz asked if the Board had any questions? As there were no questions Mr. Strine made the motion to approve the financial statements as presented. Mr. Meldrum seconded that motion. The Board approved the financial statements unanimously.

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

### **1) Approval of Legal Counsel Invoice February, March and April 2014:**

Ms. Lantz stated that she had just received the April one yesterday. Mr. Crane asked if the Board had any questions on the invoices? There were none. Mr. Meldrum made the motion to approve the legal counsel invoices. Mr. Strine seconded the motion. The Board approved the invoices unanimously.

### **2) Approval of Invoice BDO for January, February and March 2014:**

Mr. Crane stated the invoice received needed to be approved. Ms. Lantz explained that the invoice was a combination of January, February and March. Mr. Strine made the motion to approve the invoice as received. Mr. Crane seconded the motion. The Board approved the invoice unanimously.

### **3) Arbitration Invoices:**

Ms. Lantz stated none were received at this time.

### **4) Approval of Compliance Investigator Timesheet & Mileage:**

Mr. Crane stated in reviewing Mr. Speraw's Timesheet and Mileage, as stated in Ms. Lantz'

report this was something Mr. Crane had requested upon receiving inquiries from HOA's and other organizations. The park had a change of use at one time, but after an inspection by Mr. Speraw it was determined that the tenants living in the park rented the homes, not the lot. Mr. Strine made the motion to approve the timesheets and mileage and Mr. Morris seconded the motion. The Board approved the timesheet and mileage unanimously.

## **Reports:**

### **A. Compliance Matters**

#### **1. Judgments Filed and Unsatisfied:**

**Hilltop MHP:** Ms. Lantz said a default motion was filed and went to Chancery Court, where the Judge issued an Injunction Order. Ms. Lantz stated the park has not contacted the Authority nor has the park paid the Trust Fund assessment, since 2004, she believed. Ms. Lantz said Mr. Denman would have more information on this. Mr. Denman confirmed that he was working with Mr. Undorf from the Attorney General's office who is conducting an investigation. Mr. Denman has forwarded all pertinent information to Mr. Undorf. Mr. Denman sent the Injunction Order to Ms. Kelley, the Property Manager and point of contact, via certified mail, which came back, regular mail and email. Mr. Denman thought the big concern from the AG's perspective is that the community is collecting the \$1.50 fee, but is not turning it over to the Authority. Mr. Carroll asked if the Authority or Mr. Denman knew who the registered agent was for the park? Ms. Lantz stated she did not know, neither did Mr. Denman. Mr. Denman did not know if they even had a registered agent in the state of Delaware. Mr. Denman said the park was only two miles up the street from this office.

**Pine Ridge MHP:** Ms. Lantz stated since signing the settlement agreement they have paid towards the judgment and the park is paying early. Mr. Morris asked if the park was paying quarterly? Ms. Lantz stated no, the park was paying on a monthly basis. The judgment was around \$8K and they would be paying the next 3 years. Pine Ridge had advised her that they were not able to pay more than \$200, Mr. Dunn thought they should pay more; then went park and forth with the owner who at one time thought to go to an attorney, but then decided to agree to a settlement and the Collection Committee then agreed to the monthly \$200 installments.

**The Crossings at Oak Orchard:** Ms. Lantz stated the park had started paying \$200 towards the judgment and what they owe, but then stopped. Mr. Denman sent them a letter in March, but they are still behind and owe \$200 for March, April and May 2014. Ms. Lantz did not know what the Board wanted to do.

Mr. Denman stated this was a very problematic community and he did not know of any prior mortgages. Ms. Lantz stated the park was paying off the judgment plus whatever money that was not paid after 2009, which did not include the interest. The park was not up to date on the current quarter due, but it was only due two weeks ago. Mr. Crane stated they were still in breach of the agreement. Mr. Denman had sent a notice in March. Ms. Lantz stated she believed the park had major financial difficulties, Ms. Hambleton has communicated with her due to the wrong usage of the worked out coupons and Ms. Lantz had sent an email without a reply. Mr. Denman suggested the Authority could send a letter stating the park was in breach of the agreement which was no longer in effect and to send the Authority the full amount. Mr. Strine asked what was the other option? Mr. Denman stated the other option was to foreclose on the park. Mr. Crane suggested sending the letter, does everyone agree?

Mr. Morris asked what about their Business License? Mr. Strine stated that a judgment does not affect the business license. The Board had no issues with sending the letter and Mr. Denman stated he would follow up with that.

## 2. Arbitration Matters and Status:

Ms. Lantz stated on Page 39 – 40 is the current information of arbitration matters. Ms. Lantz received arbitration in early April and an arbitrator was appointed. Ms. Lantz further explained that at the end of April another petition for arbitration was received by the same park. Mr. Crane stated the arbitrator was asked to consolidate for financial reasons. Mr. Ramunno, the park owner, has objected. Mr. Crane stated there was talk to change the law to have them come together every 90 days and that is why the Authority was trying to make it more economical, as every month, there will be people coming up for rent renewals. Ms. Lantz stated the arbitrator has not commented on the letter from Mr. Ramunno. Ms. Lantz does not know when the arbitration hearing was going to be held, but since the attorney for the HOA and tenants is the same, she would think she would find out about the hearing date soon.

## **VIII. Old Business:**

- 1. The Crossings at Oak Orchard – as discussed above**
- 2. Hilltop MHP – as discussed above**

## **IX. New Business**

### **1. Ratification of Board decision January 31, 2006 regarding assessment:**

Mr. Crane stated the Board needed to discuss ratifying the decision by a previous Board. Mr. Denman suggested he had a brief report but would like to discuss this specific issue in Executive Session. Mr. Crane agreed.

Mr. Strine made the motion the Board of Directors of the Delaware Manufactured Home Relocation Authority (the "Authority"), hereby ratifies the action taken by the Board of Directors on January 31, 2006 in voting to continue the monthly assessment for deposit into the Delaware Manufactured Home Relocation Trust Fund (the "Trust Fund") at a monthly rate of \$3.00, with one-half of the monthly assessment being the obligation of the tenant and one-half of the assessment being the obligation of the landlord; resolved further that the aforesaid monthly assessment shall continue at a monthly rate of \$3.00 until changed by the Board of Directors pursuant to 25 Del. Code Section 7012(f); Mr. Meldrum seconded the motion. The Board agreed unanimously.

### **2. Census Form**

Mr. Crane stated the Authority has a very sketchy census that communities fill out when they send in the registration annually. Mr. Crane was in front of the Manufactured House Committee and Representative Briggs-King asked if the Authority had a detailed census that could be attached to an arbitration request for the arbitrator or for public record. Mr. Crane said he had drafted a document and discussed input with Ms. Lantz and Mr. Strine. Mr. Crane stated he was looking for some basic annual information that would be sent out with the registration form asking the communities to voluntarily fill out the information. Mr. Crane further said when being asked by legislators he does not have the answers to most of them and this would help. Mr. Crane stated hopefully it will work out

nicely, maybe at some point it becomes mandatory. Mr. Crane was not asking to pass this now, but people to look at it and then discuss it further at the next meeting. Mr. Strine said the law does not stipulate that this is required. Mr. Strine said some people would not have a problem filling it out, others might, especially when it is being forced instead of it being voluntarily. Mr. Strine stated even an HOA could fill out this information. Mr. Crane said not all parks have a HOA. Mr. Crane stated that is why he changed it to say Census Form. Mr. Strine said even his industry has tried that, but not everyone wants to give such detailed information, especially referring to rent amounts. Mr. Crane stated it would be nice to know the amount of single wide versus double wide in the park, it would be good information for the Authority to have, especially since the Authority has about \$6 Mil in the Trust Fund which has not been used since 2009. Mr. Crane further stated he has been asked by legislators several times and would like to have the facts, this would also help to determine the cost when it comes to relocation. Mr. Morris agreed that as long as it was voluntary. Mr. Morris thought maybe something like this would work well when included in an arbitration request. Mr. Crane thought this was a great idea but would require the Authority would have to change the Regulations. Mr. Crane also said he cannot tell the arbitrators what to request. Mr. Morris thought some might get sent in while other's get thrown out, he agrees with Mr. Strine on that. Mr. Meldrum said he understands the value of this, is this information available through the Census of the state? Mr. Carroll thought most of that information was available online. Mr. Strine confirmed that when he sends in the quarterly coupons he states how many rented lots he has and asked Ms. Lantz if she got that information. Ms. Lantz stated the quarterly vouchers went to the Division of Revenue. Mr. Strine stated some information is not reported, resort, 55+ and so on, some of this is known. Ms. Lantz confirmed that some details could be gotten from the communities website, but only the larger ones have a website. Mr. Crane stated he had two thoughts on this, if the consensus was that it was not worth pursuing as there is nothing valuable to gain from it, then the Authority did not need to pursue. Mr. Crane said if something could be gained from this and it was worth pursuing; let's put it on the agenda for next month and everyone could talk to their people to get more opinions on it and then the Authority could go forth with this voluntary form, was it alright with everyone? Mr. Strine thought it would be helpful to let people know why this form was requested, it would give the communities a better idea. Mr. Crane thought he had thought of doing this anyway. Mr. Strine still thought it was difficult to compare communities, as you still would only have a snapshot. Mr. Morris could not more information be requested from the DMV? Mr. Crane thought all these ideas were great, but he only wanted to go further if needed; let's put it on the next agenda and then discuss it further.

Ms. Lantz stated in regards to requiring this information for the arbitration, a lot of times the communities brought this to an arbitration hearing. Mr. Crane stated if the communities are smaller we don't really know. Mr. Morris stated some communities claim they have certain things and they don't.

Ms. Hemmerich stated that she thought the Authority had a right to request information, the Authority was not asking for secrets. Ms. Hemmerich understood Mr. Strine's position, but it would be nice to know why landowners would oppose it? Mr. Strine stated some folks will probably claim that it is not in the law and therefore reject it. Mr. Crane was not sure that the Authority had the authority to require it, he would like to see the information voluntarily, if not, the Authority would have to see how to go from there.

Ms. Hemmerich thought the Authority had the authority and with the responsibility it had now, how was the Authority to conduct business without the proper information?

Mr. Crane agreed and stated he was sure that legislation would give the Authority the authority for that purpose. Ms. Fuchs thought this should be mandatory. Mr. Strine stated the Authority did not arbitrate, it just managed the arbitration process and was not empowered to do more. Mr. Crane stated the law clarified what must be provided to the Authority. Ms. Fuchs thought it would be so much easier for the arbitrator having that information. Mr. Meldrum thought it should be available from the respective counties. Mr. Crane said as most manufactured homes were in Sussex, there was no interest by the council members to do that. Ms. Hemmerich suggested a cover letter should be required that would encourage cooperation. Mr. Crane thanked both Ms. Hemmerich and Ms. Fuchs for their comments.

### **3. Updating Community HOA information/Updating Requirements for HOA registration – Letter to HOA's**

Ms. Lantz stated did we want to discuss this letter? Mr. Crane stated that the letter requests updated information on changes to the HOA officers and everyone could review and give input on the letter. Mr. Morris stated he had discussed this with Ms. Lantz previously that for his HOA he had changed the addressing for the HOA so that it is being sent to the HOA mailbox instead of the individual's mailbox, Mr. Crane replied that the Authority could not require something like that. Mr. Crane stated we need to be able to notify people especially in regard to the Right of First Offer and the Rent Justification, without the correct information how can we inform people of what was going on? Ms. Lantz claimed the original letter that was sent out to the HOA was only confusing people and she did not receive many responses. Mr. Crane stated the original letter did not make any sense, it was simplified now. The Board could review the letter and make comments on it, other than that it could be sent out, as the Authority needed the correct contact information for the Board of an HOA, especially in regards to arbitrations.

### **X. Public Comments:**

Ms. Hemmerich and Ms. Fuchs made comments – see above.

### **XI. Executive Session:**

Mr. Morris made the motion to go into Executive Session at 2.25 p.m. Mr. Meldrum 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 2.32 p.m. Mr. Morris seconded the motion. Unanimous approval was given by all members present by voice vote.

### **XII. NEXT MEETING DATE - ADJOURNMENT:**

The Board has discussed and set the next meeting date to July 10, 2014.

As there was nothing else before the Board the meeting was adjourned at 2.35 P.M.



Respectfully submitted,

Susanne Lantz  
Executive Director