

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of May 27, 2015

IN ATTENDANCE:

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

Legal Counsel: William Denman

Other Attendees: Richard Lemire, Tenant Maple Square
John Morris, Tenant Camelot Meadows
Bobbie Hemmerich, Tenant McNicol Place
Joan Peculski, Tenant Bon Ayre
Richard Ruben, Tenant Bon Ayre
Milton Stroup, Tenant Bon Ayre
Jill Fuchs, Tenant Barclay Farms
Lillian Reynolds, Tenant Camelot Meadows
John Walsh, Tenant Colonial East
Jennifer Allen, First State Manufactured Housing Association

I. CALL TO ORDER:

Mr. Crane called the meeting to order at 1.30 p.m. Mr. Crane introduced two of the former Board Members, John Morris and Mr. Morris' predecessor, Rick Lemire.

II. REVIEW AND APPROVAL OF MINUTES:

Mr. Crane asked the Board to approve the March 31, 2015 and April 28, 2015 meeting minutes. Mr. Meldrum made the motion to approve the respective meeting minutes as presented and Mr. Strine seconded the motion. The Board approved both meeting minutes unanimously.

III. Executive Directors Report:

Final Meeting Minutes May 27, 2015

Ms. Lantz noted that since the last Board Meeting she:

1. Notified tenants in Layton's Riviera and Fords MHP of the Notice of Sale of each respective park;
2. Has advertised for the Second Compliance Investigator and Office Assistant position in the Newspaper;
3. Has received an appeal of the arbitrator's decision for Dockets 1 and 2-2015 relating to Bon Ayre
4. Has set up the second workstation for the Office Assistant that will be hired.

IV. Chair's Report:

Mr. Crane stated his term expired May 14, 2015, but the Governor's office has not yet named a new Chairman. Accordingly Mr. Crane will serve until his successor has been appointed. Mr. Crane stated the Authority's responsibilities have changed since he became Chairman. Mr. Crane believed the rent justification law still had flaws that needed to be dealt with. Mr. Crane stated the Authority is presently processing benefit applications for two communities going through a Change of Use. With the improvement in the economy, he expects to see more Changes in Uses taking place. Mr. Crane stated about \$427,000 have been paid out to date for relocations within both communities. About \$600,000 has been approved for Glasgow Court and about \$220,000 for Lakeland. Mr. Crane stated 28 tenants in Glasgow Court have not filed for relocation assistance, out of those, several have not paid rent and are facing eviction. Mr. Crane explained several bills are being talked about regarding the rent justification law, rewriting Chapter 70 and giving tenants in mobile home communities deeds to their homes.

V. Approval of Financial Activity & Reports February 2015:

Ms. Lantz reviewed the financial statement. Ms. Lantz stated \$26,000 was paid for relocation assistance in February 2015 and for the entire fiscal year \$207,000 was paid out as of February 2015. Mr. Dunn made the motion to approve the financial statement and Mr. Meldrum seconded the motion. The Board approved the financial statement unanimously.

A. Approval of other Financial Matters:

1) Approval of Legal Counsel Invoices for March and April 2015:

Ms. Lantz stated both invoices are standard invoices that were preapproved by Mr. Meldrum and Mr. Strine. Mr. Strine made the motion to approve both invoices. Mr. Dunn seconded the motion. The Board approved the Legal Counsel invoices unanimously.

2) Approval of Arbitrator Invoice Dockets 1 & 2-2015:

Ms. Lantz asked that the Board approve the invoice from Ms. Sherlock for the Bon Ayre arbitrations. Mr. Crane remarked this was not including the Court Reporter fee. Mr. Meldrum made the motion to approve the invoice and Mr. Strine seconded the motion. The Board approved the invoice unanimously.

3) Approval of Arbitrator Invoice Docket 5-2014:

Ms. Lantz asked the Board to approve the invoice from Mr. Poppiti for arbitration of the Wild Meadows rent increase. Mr. Crane stated Mr. Poppiti had reduced his fee voluntarily. The arbitration was a very lengthy. Mr. Strine made the motion to approve the presented invoice. Ms. Boucher seconded the motion. The Board approved the invoice unanimously.

4) Approval of Court Reporter Invoice Docket 1 & 2 -2015:

Ms. Lantz stated the invoice was for the Court Reporters attendance for the Bon Ayre arbitrations. Mr. Strine made the motion to approve the invoice as presented, Mr. Dunn seconded the motion. The Board approved the invoice unanimously.

VI. Reports

A. Compliance Matters (Ms. Lantz):

1. Annual Registration Report, Registered Parks:

Ms. Lantz stated as of today Layton's Riviera and Oak Way Inc still had not registered. Mr. Crane suggested to send the Compliance Investigator to the park, Ms. Lantz agreed. Mr. Crane agreed with Ms. Boucher that the park still had obligations to register and pay the Trust Fund assessment. Mr. Denman stated he would discuss this with the attorney for the park.

Ms. Lantz asked what was the Board's decision on Oakway Inc. Ms. Lantz thought the park was paid up. Mr. Strine made the motion to have Mr. Denman take action to get Oakway Inc. to register and take legal action if necessary. Mr. Dunn seconded the motion. The Board agreed unanimously.

2. Arbitration Matters and Status:

Ms. Lantz explained that the Wild Meadows Community Owner has filed an appeal in Superior Court which the Authority did not receive. There is also a pending lawsuit against the Authority from the Wild Meadows Community Owner regarding this arbitration. Mr. Crane explained the Issue was that the Community Owner believes the incorrect HOA filed the petition and that by Law the correct HOA only can file a petition. Mr. Denman explained this would be discussed in Executive Session. Ms. Lantz stated the Bon Ayre HOA filed an appeal regarding the decision on Dockets 1 and 2-2015 which was received last week. Bon Ayre HOA also filed a new petition for arbitration which has been docketed as 3-2015. Mr. Crane stated the HOA's of the Pot-Nets communities have filed an appeal regarding the arbitrator's decision who thought the petitions were filed too late. The appeal was filed March 9, 2015.

VII. Old Business:

1. Glasgow Court Update:

Ms. Lantz stated the Board Package contains the last quarterly update filed by the community owner as required by law. Ms. Lantz explained that a list of tenants approved is also included and the amount approved so far is about \$672,000. Ms. Lantz stated the deadline for vacating the park is June 30, 2015 and 28 tenants have yet to file for benefits. Ms. Lantz stated she has about 38 tenants that have been approved for benefits to either relocate or abandon their home, five have filed for non-relocatable benefits. Ms. Lantz explained one of the tenants that was approved, has passed away and the family is working out the legal steps to take over that home to file for benefits.

2. Lakeland Park Update:

Ms. Lantz stated the Board Package contains the last quarterly update filed by the community owner as required by law and the list of tenants that have been approved so far. Ms. Lantz said the total approved amount so far is \$220,000, with about 10 more applications to go.

VIII. New Business:

1. Approval of Glasgow Court Tenant Applications:

Ms. Lantz noted that a spreadsheet was distributed at the beginning of the meeting that shows all Glasgow Court applications and the amount approved by the Committee. Thirteen of the tenants were filing for relocation, two for non-relocatable and one for abandonment benefits. Ms. Lantz asked if the Board wanted to review and vote individually or vote on all of them at once? Mr. Strine made the motion to approve all of them together and Mr. Meldrum seconded the motion.. Mr. Dunn agreed. Ms. Boucher stated she disagreed, so did Mr. Crane. The motion passed with a vote of 3:2. Mr. Strine made the motion to approve all applications with the approved amounts as presented on the spreadsheet, Mr. Meldrum seconded the motion. Ms. Boucher wanted her vote recognized that she still opposed any approvals of relocations within the community, as she did not think it was a good use of the Trust Fund and as long as the Attorney General's office had not given their opinion on this matter. The motion passed 4-1, Ms. Boucher voting no.

The following tenants were approved:

Sorocco Constantio \$8,000 for relocation benefits
Daniel Thomas \$8,000 for relocation benefits
Clarissa Harvey \$1,500 for abandonment benefits
Roland Halsey \$8,000 for relocation benefits
German and Carmen Guzman \$8,000 for relocation benefits
Linda Jenkins \$8,000 for relocation benefits
Genaro Flores \$8,000 for relocation benefits
Moises Nava-Garcia \$12,000 for relocation benefits
Madel Carmen Vivero \$3,500 for non-relocatable benefits
Hermilio Ortiz \$8,000 for relocation benefits
Ricardo Cazares-Sanchez \$4,500 for non-relocatable benefits
Adalberto Arredondo \$8,000 for relocation benefits
Fidel Ortiz \$8,000 for relocation benefits
Victor Sanchez-Secundino \$8,000 for relocation benefits
Fermin Ceballos \$8,000 for relocation benefits.

2. Approval of Lakeland Park Tenant and Community Owner Applications:

Ms. Lantz stated there are nine tenant applications and five from the community owner.

Ms. Lantz said except for the Rothenbacher's all applications had been approved by the Committee. Mr. Dunn made the motion to approve all applications as presented, except for the Rothenbacher application. Mr. Meldrum seconded the motion. Ms. Boucher and Mr. Crane disagreed and Mr. Strine, due to his conflict, abstained. The motion failed. Accordingly, the Board reviewed each application individually.

DeShauna Perry: The tenant had applied for relocation benefits in the amount of \$8,000 to move her home to Whispering Pines. Mr. Meldrum made the motion to approve the application. The Board approved the application 4-1; Mr. Strine abstained due to a conflict.

Cathy MacDonald: The tenant applied for relocation benefits in the amount of \$8,000. Mr. Denman advised that the Board needed to know where the tenant was moving to before writing a check. Mr. Crane agreed. Ms. Lantz explained the tenant was either staying in Lakeland or was moving into another park owned by Mr. Strine, the decision had not been made yet, but all parks were within the 25 mile range limited by law. The Board approved the application 3-2; Mr. Strine and Ms. Boucher abstained.

Mr. Denman suggested the Board revisit the MacDonald application. Ms. Boucher made the motion to reconsider this application. Mr. Dunn seconded the motion. The Board agreed 4-1, Mr.

Strine abstained due to a conflict. Ms. Boucher made the motion to table this application until the next meeting. Mr. Dunn seconded the motion. The Board agreed 4-1, with Mr. Strine abstaining due to a conflict.

Leroy Ridgeway: The tenant applied for relocation benefits in the amount of \$8,000 to Relocate his home within Lakeland Park. Mr. Dunn made the motion to approve the application, Mr. Meldrum seconded the motion. Ms. Boucher wondered what the note attached to the application was. Ms. Lantz stated it was a note from the Tax Office stating the tenant was on a payment plan to pay the Property Taxes owed. In order for a home to be able to be moved and get the required permit, all taxes had to be paid. Ms. Boucher made the motion to table this application until the next meeting and until all taxes had been paid. The motion carried 4-1, Mr. Strine abstained due to a conflict.

Barbara Henry: The tenant had applied for relocation benefits in the amount of \$12,000 but had not decided where the home could be moved to, due to the home being a double wide. Ms. Lantz stated the Committee had approved the application for \$11,500. Ms. Boucher made the motion to table the application until the next meeting until the tenant had decided where to relocate to. The Board agreed unanimously.

James and Rose Green: The tenants had applied for relocation benefits in the amount of \$12,000 to relocate their home within Lakeland Park. The Committee had approved \$11,500. Mr. Dunn made the motion to approve the application for \$11,500. Mr. Meldrum seconded the motion. The Board agreed 3-1, Ms. Boucher voted no and Mr. Strine abstained due to a conflict.

Timothy Stegner: The tenant had applied for relocation benefits in the amount of \$8,000 to relocate the home to Beechwood MHP. Mr. Dunn made the motion to approve the application and Mr. Meldrum seconded the motion. The Board approved the application 4-0, Mr. Strine abstained due to a conflict.

Douglas Testerman: The tenant had applied for abandonment benefits in the amount of \$1,500. Mr. Meldrum made the motion to approve the application, Ms. Boucher seconded the motion. The Board 4-0, Mr. Strine abstained due to a conflict.

Michael Quarto: The tenant had applied for relocation benefits in the amount of \$8,000 to relocate his home within Lakeland. Mr. Meldrum made the motion to approve the application, Mr. Meldrum seconded the motion. The Board approved the application 3-1, Ms. Boucher voted no, Mr. Strine abstained due to a conflict.

Tony and Maria Rothenbacher: The tenants had applied for non-relocatable benefits in the amount of \$5,000. The Compliance Investigator had determined the home could be moved. Ms. Boucher thought the tenant had received mixed signals. The Board discussed the application. Mr. Crane thought the tenant needed to look to relocate the home. Mr. Crane made the motion to approve the application. The motion did not carry, the application was denied.

Lakeland Park Application for Removal and Disposal of Hampton, Holotanko, Fleeger, Blount and Thompson homes:

Ms. Lantz stated the park is applying to remove the listed homes where the tenants had previously applied for benefits and have since abandoned the properties. The park is applying for \$3,000 for each respective home. Mr. Crane made the motion to approve all of the landlord applications together. Mr. Meldrum seconded the motion. The motion carried. Ms. Boucher had questions

regarding the process of demolishing the homes and the monies that the community owner might make. Mr. Denman confirmed that per law, the Community Owner would have to show any profits made and reimburse the Trust Fund. Ms. Lantz explained she did not know how it was handled in the past, but suggested to send out the Compliance Investigator to make sure the homes actually have been removed. Mr. Crane agreed. Mr. Strine suggested the mover could certify that the home was removed and demolished. Ms. Polesky thought it would be better if the Community Owner certified that the home had been removed and demolished. Mr. Crane instructed Ms. Lantz to draft a letter to the Community Owner to that effect. The Board approved Lakelands applications for removal and demolishing the homes at \$3,000 each 4-0, with Mr. Strine abstaining due to a conflict.

3. Notice of Sale Layton's Riviera:

Ms. Lantz stated the notice of sale had been received and mailed out to 19 tenants in the park.

4. Notice of Sale Fords MHP:

Ms. Lantz stated the notice of sale had been received and mailed out to 6 tenants in the park.

5. Audit Proposal:

Mr. Crane stated Book & Associates had provided a proposal to audit the Authority for the next three years. Mr. Meldrum made the motion to keep the same auditor and accept the proposal as presented. Mr. Strine seconded the motion. The motion carried.

IX. Unfinished Business:

1. Authorize Executive Director to hire Second Compliance Investigator (Mr. Crane):

Mr. Crane stated the Board had made a prior decision to hire a Second Compliance Investigator. Ms. Lantz had advertised for this position and Mr. Crane thought Ms. Lantz should have the authorization by the Board to hire for this position. Mr. Dunn made the motion to give Ms. Lantz that authorization and Mr. Meldrum seconded the motion. Ms. Boucher disagreed and thought the Board should be part of the decision making. Mr. Crane stated any member of the Board could attend the interview, if they were so inclined. Ms. Lantz stated the position was for Sussex County only. The Board made the unanimous decision to authorize Ms. Lantz to hire a Second Compliance Investigator.

2. Authorize Executive Director to hire Assistant for Office (Mr. Crane):

Mr. Crane stated it was time to hire a second person for the office to assist Ms. Lantz on a part time basis. This was discussed at the March Board Meeting. Ms. Lantz has advertised for this position and anyone wishing to see the resumes could talk to Ms. Lantz. Mr. Meldrum made the motion to authorize Ms. Lantz to hire an Office Assistant on a part-time basis. Ms. Boucher asked to see the resumes and Ms. Lantz agreed. Ms. Lantz stated she has advertised in several places and several people said 10 hours a week was not enough. Mr. Crane said if this would create an issue than the Board could revisit the time the person is needed. The motion carried.

X. Public Comments:

Members of the public in attendance were given an opportunity to make comments or ask questions.

Mr. Crane explained the legislators had extended the Authority for another 5 years and the cap of the Trust Fund was set to \$15,000,000; with the anticipation of more Changes of Use coming in. Mr. Crane further explained that a Change of Use could cost as much as \$1,000,000 each, if all Pot-

Nets communities decided to undergo a Change of Use, it would wipe out the Trust Fund and all of that had to be weighed in.

XI. Executive Session:

Mr. Meldrum made the motion to go into Executive Session at 3.10 p.m. Mr. Strine seconded the Motion. Unanimous approval was given by all members present by voice vote.

Mr. Dunn made the motion to come out of Executive Session at 3.35 p.m. Mr. Meldrum seconded the motion. Unanimous approval was given by all members present by voice vote.

XI. NEXT MEETING DATE - ADJOURNMENT:

Mr. Strine expressed his frustration, due to the circumstances and being the only landlord representative, he just wanted to add that the applications that were talked about today were all complete.

Mr. Strine stated that the application should have a field for the tenant to explain where the home was being moved to, if that is a requirement for approval. Mr. Crane agreed.

The Board set the next meeting date to June 17, 2015, for the purposes of voting on tenant and landlord applications only. The meeting for the next General Meeting date was set at July 23, 2015.

As there was nothing else before the Board the meeting was adjourned at 3.40 p.m.

Respectfully submitted,

Susanne Lantz
Executive Director