

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of April 17, 2018 Board Meeting

IN ATTENDANCE:

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

Dan Daly (Non-Voting Member)
Gregg Sutton (Executive Director)
Jane Sabo (DEHMRA Assistant)

Legal Counsel: William Denman

Other Attendees: Susan Hairgrove, St. Jones Landing

I. Call to Order:

Mr. Carroll called the meeting to order at 1:30 p.m. All Board members were present.

II. Review and Approval of Minutes:

Mr. Carroll asked the Board if anyone had any comments or corrections to the March 6, 2018 meeting minutes, and if not, requested that the Board consider approval of the minutes. Mr. Meldrum made a motion to approve which was seconded by Mr. Strine. The motion passed 5:0.

III. Executive Director's Report:

Mr. Sutton noted that since the last board meeting, the following has occurred:

- We received an inquiry from Councilman Tackett's office regarding an allegation that Glasgow Court was renting mobile homes that had been previously reported as demolished. Mr. Sutton advised the councilman's office that these types of inquiries should be reported to the Deputy Attorney General's office (Consumer Protection Unit).
- Received a FOIA request in the form of an email from Nicole Faries, Esquire, from the office of Baird, Mandalas, and Brockstedt requesting copies of any and all rent justification arbitration decisions. Ms. Faries was sent a copy of the proper form for submitting FOIA requests.
- Investors Realty sold Shepherds Place in February 2018. It is now known as Frederick Lodge, LLC and still managed by Investors Realty. They were advised to contact the Division of Revenue to be assigned a new account number and receive new LQ 9 payment coupons.

- The owner of Pine Point Mobile Home Park contacted this office and advised the Authority of her intent to sell the community, requesting contact information of mobile home community owners in Sussex County.
- The office is reviewing and updating the Executive Director's handbook, deleting any obsolete information while adding any new information.

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

Mr. Carroll advised the Board of a request from Representative Baumbach for the Board to weigh in on proposed legislation. The proposed legislation, among other things, would require DEMHRA to remit payments from the Trust Fund that would otherwise be due to landlords with delinquent tax debts to pay off the landlord's delinquencies. As Chairperson, Mr. Carroll shared the concerns raised by his colleagues, one being wary of a precedent being set regarding the attachment of RTF payments. He stated that this "Attachment Bill" in particular, would increase the administrative responsibilities on the Authority and its minimal staff. He stated that it would also undoubtedly result in an increased expense to the Authority and would ultimately be borne by those contributing to DEMHRA's Trust Fund.

Additionally, Mr. Carroll noted that the Attachment Bill does not address contested tax amounts whereby the community owner challenges the amount of the delinquency. He further stated that as currently written, the bill places a considerable amount of administrative duties on DEMHRA staff simply if a county or municipality notifies DEMHRA that a landlord is delinquent. This would place DEMHRA in the position of either having to side with counties/municipalities or the landlord and risk incurring the ire of those same counties/municipalities for not having intercepted allegedly owed tax payments. He stated that litigation in response to either option risks the trust funds that the Board has earnestly administered and defended since DEMHRA's inception.

V. Financial Activity & Report

A. Financial Report

Mr. Sutton provided a financial summary for January and February and a Relocation Trust Fund Account Summary for the month of March. This report was for informational purposes only.

B. Approval of Financial Matters:

Legal Counsel invoices:

The Board reviewed the invoices from Mr. Denman for the months of February and March 2018. Mr. Strine made a motion to approve February's legal counsel invoice which was seconded by Mr. Dunn. Mr. Meldrum made a motion to approve March's legal counsel invoice which was seconded by Mr. Strine. Both motions passed 5:0.

C. Approval of Arbitrator Invoices

- **Reger, Rizzo & Darnall, LLP (Louis Rizzo):** Ms. McGinn made a motion to approve the arbitrator's invoice which was seconded by Mr. Meldrum. The motion passed 5:0.
- **Baird, Mandalas & Brockstedt (Steven A. Spence):** Mr. Meldrum made a motion to approve this invoice which was seconded by Mr. Dunn. The motion passed 5:0.

VI. Other Reports:

A. Arbitration Matters:

1. **Docket # 4-2017 (Sandhill Acres HOA vs. ARCAP, LC)** Rent increase above CPI-U approved. Case appealed and awaiting Superior Court decision
2. **Docket # 9-2017 (Rehoboth Bay Community HOA vs. Hometown America)** Rent increase approved for \$74.85 plus CPI-U. Awaiting Superior Court decision.
3. **Docket # 10-2017 (Wild Meadows HOA and Fred Neil vs. Wild Meadows MHC, LLC)** Arbitration scheduled for March 15, 2018. Awaiting arbitrator decision.
4. **Docket # 1-2018 (Donovan Smith HOA vs. KDM Management)** Awaiting arbitrator decision
5. **Docket # 2-2018 (Whitehouse Beach HOA vs. Whitehouse Beach, Inc.)** Arbitrator Assigned. Awaiting arbitrator decision.

B. Compliance Matters

1. Appleby Trailer Park made no payments during 2017. Also owns Cloverleaf. Will attempt one more contact prior to turning over to counsel for collection action.
2. Cloverleaf Trailer Park has not made any payments in 2017. Also owns Appleby. Will attempt one more contact prior to recommending collection action.
3. Countryside Mobile Estates has not paid in 2017. Will make one more attempt to contact prior to recommending collection action.

VII. Unfinished Business:

- A. **Update on St. Jones Landing:** Need to approve the three applications that could not be approved at March 6, 2018 Board meeting
- B. **Update on Lighthouse Cove:** Complete with the last demolition check being paid on March 9, 2018

VIII. New Business:

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

Eric Cramer, 30 Edgewater Drive, Magnolia, DE. Mr. Cramer applied for \$8,000.00 in relocation benefits. The Board reviewed his request based on the documents provided. Mr. Dunn made a motion to approve which was seconded by Mr. Meldrum. The motion passed 4:0:1 with Mr. Strine abstaining.

Arlene Hines, 27 Edgewater Drive, Magnolia, DE. Ms. Hines applied for \$8,000.00 in relocation benefits. The Board reviewed her request based on the documents provided. Mr. Dunn made a motion to approve which was seconded by Mr. Meldrum. The motion passed 4:0:1 with Mr. Strine abstaining.

John Laccessaglia, 38 Riverview Drive, Magnolia, DE. Mr. Laccessaglia applied for \$8,000.00 in relocation benefits, The Board reviewed his request based on the documents provided. Mr. Meldrum made a motion to approve which was seconded by Mr. Dunn. The motion passed 4:0:1 with Mr. Strine abstaining.

Andrea Smith, 32 Edgewater Drive, Magnolia, DE. Ms. Smith applied for \$8,000.00 in relocation benefits. The Board reviewed her request based on the documents provided. She did not identify a park where she would be relocating. Mr. Dunn made a motion to approve on the condition that a payment would not be disbursed until she designated a mobile home community within a 25-mile radius. Ms. McGinn seconded the motion based on those conditions being met. The motion passed 4:0:1 with Mr. Strine abstaining.

- B. **CPI-U Update. The CPI-U is still .6%.** The next update will be posted in June. Mr. Strine questioned how the three-year average was derived. Mr. Sutton advised him that he gets his updates from the Delaware State Housing Authority

C. Email regarding two conflicting De Code Sections

Mr. Sutton advised the Board of two different dates in Del Code 25 Section 70 with regard to notification of rent increases. One section gives a 60-day notice while a later section gives a 90-day notice. The Board will make a recommendation to delete the 60-day notification since the 90-day notification is used by community owners in notifying tenants.

D. Update on Right of First Offer (Sale of parks). Investors Realty sold Shepherds Woods in February 2018.

E. FOIA Request (Discussed under Executive Director's Comments)

F. Legislator concerns regarding the Trust Fund

Mr. Strine advised the Board that a legislator had questioned him about the amount of money in the relocation trust fund. The Board discussed several options to include, considering lowering the assessment payments. Mr. Dunn will work with Mr. Sutton and provide data to present to the Board to determine how the Board should address the legislator's concerns.

IX. Public Comments: None

X. Executive Session: By motion made and duly seconded the Board went into Executive Session at 2:39pm to discuss arbitrations and any pending litigation for the purpose of receiving legal advice pertaining to such matters.

XI. Next Meeting Date – Adjournment:

The Board set the next meeting date as June 5, 2018.

Mr. Meldrum made a motion to adjourn the meeting. Ms. McGinn seconded the motion. The motion passed 5:0. As there was nothing further to discuss, the Board adjourned at 2:42pm.

Respectfully submitted,

Gregg Sutton
Executive Director