

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of June 5, 2018 Board Meeting

IN ATTENDANCE:

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

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

Legal Counsel: William Denman

Other Attendees: William Kinnick, DMHOA
Clara McNichol, DMHOA
Jeri DeMoss, DMHOA
Susan Hairgrove, St. Jones Landing
Robert Ray, Sandhill Acres
Jen Allen, FSMHA
Joel Lichtenberg, Barclay Farms

I. Call to Order:

Mr. Carroll called the meeting to order at 1:30 p.m. All Board members except Mr. Strine were present, who arrived at 1:45p.m.

II. Review and Approval of Minutes: Mr. Carroll asked the Board if anyone had any comments or corrections to the April 17, 2018 meeting minutes, and if not, requested that the Board consider approval of the minutes. Ms. McGinn made a motion to approve which was seconded by Mr. Meldrum. The motion passed 4:0:1 with Mr. Strine arriving after the vote.

III. Executive Director's Report:

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

- The CPI-U changed from .6% to .7% as of May 15, 2018.
- The office is developing a list of frequently asked questions (FAQs), from concerned callers, regarding DEMHRA, which will be posted to the DEMHRA website pending Board approval.
- Received an email from Mr. Strine regarding proposed legislation sponsored by Representative Baumbach and Senator Ennis recommending a change to the adjudication process, changing the arbitration process to an administrative hearing. Mr. Strine stated that so far, no action has been taken on this recommendation.
- Mr. Dunn has not had the opportunity to meet with Mr. Sutton to look at data to justify the feasibility of reducing the monthly assessment from \$5.00 to a lesser amount. A subsequent meeting is planned in July.
- In the appeal to the Supreme Court filed by DMHOA, and former St. Jones Landing tenants Breanna Walz and George Makdad against Investors Realty, K-4 Management and DEMHRA, on May 31, 2018, the Court ruled in favor of K-4 Management and DEMHRA.
- Due to the close out of the State's financial records, the Division of Revenue will not be issuing any checks until the process is completed.

IV. Chair's Report:

- Mr. Carroll stated that concerning the monthly assessment, it is something that we will be hearing more about in the near future.
- He further noted that unlike in previous years, the State of Delaware is in a good position financially and it is unlikely that the State will use the trust fund for other than its intended purpose.
- He encouraged visitors who were present who had any concerns about the trust fund to weigh in during the public comment session of the meeting.

V. Financial Activity & Report

A. Financial Report

Mr. Sutton provided a financial summary for March 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 month of April 2018.

Mr. Dunn made a motion to approve April's legal counsel invoice which was seconded by Mr. Strine. The motion passed 5:0.

C. Approval of Arbitrator Invoices

- **Reger, Rizzo & Darnall, LLP (Louis Rizzo):** Mr. Dunn made a motion to approve this invoice which was seconded by Mr. Strine. The motion passed 5:0.
- **Magna Legal Services Court Reporter:** Mr. Dunn made a motion to approve this invoice which was seconded by Mr. Strine. The motion passed 5:0.
- **L&W Insurance Agency:** Mr. Meldrum made a motion to approve this invoice which was seconded by Ms. McGinn. The motion passed 5:0.
- **Raymond F. Book & Associates:** Mr. Strine made a motion to approve this invoice which was seconded by Ms. McGinn. The motion passed 5:0.
- **BDO:** Mr. Strine made a motion to approve this invoice which was seconded by Ms. McGinn. 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 a decision from Superior Court.
2. **Docket # 9-2017 (Rehoboth Bay Community HOA vs. Hometown America)** Rent increase approved for \$74.85 plus CPI-U. Appealed to Superior Court March 31, 2018.
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)** Rent Increase denied. Appealed to DE Superior Court May 13, 2018.
5. **Docket # 2-2018 (Whitehouse Beach HOA vs. Whitehouse Beach Inc.)** Awaiting an arbitrator decision from Adam Gerber.

B. Compliance Matters

1. Appleby Trailer Park made no payments during 2017. The community also owns Cloverleaf. Legal Counsel sent letter sent to Mr. William Mullin.
2. Cloverleaf Trailer Park has not made any payments in 2017. Legal Counsel sent letter to Mr. William Mullin.
3. Countryside Mobile Estates has not paid in 2017. Will send Compliance Officer to contact Eastern Shore Property Management Office.
4. Layton's Riviera has been sold and is delinquent since 2015. Mr. Sutton contacted the new owner, Mr. Larry Absher and told him to contact the Division of Revenue to set up an account to pay delinquent assessment fees.

VII. Unfinished Business:

- A. **Update on St. Jones Landing Relocation Plan:** We are in phase 3 and there are 13 applicants to move. None has moved as of this date and the earliest move date is June 25, 2018. Only two tenants are remaining to apply for relocation benefits.

VIII. New Business:

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

All American Capital Inc. (Maris/Lindale), 20 Edgewater Drive, Magnolia, DE: Tenants filed for bankruptcy and Ms. Hairgrove stated that All American Capital is the lienholder. Mr. Denman questioned the validity of All American Capital's ability to apply for relocation benefits. Mr. Denman further suggested that the lienholder provide some documentation proving their right to apply for relocation benefits. The Chair ruled the application as incomplete until such time that the lienholder can prove their claim to the property.

Johanna Truax, 35 Riverview Drive, Magnolia, DE: Ms. Truax applied for \$8,000 in relocation benefits. The Board reviewed the request based on the documents provided and a motion to approve was made by Mr. Dunn and seconded by Mr. Meldrum. The motion passed 4:01 with Mr. Strine abstaining.

Tiyana Powell, 33 Edgewater Drive, Magnolia, DE: Ms. Powell applied for \$8,000 in relocation benefits. The Board reviewed the request based on the documents provided and a motion to approve was made by Mr. Meldrum and seconded by Mr. Dunn. The motion passed 4:0:1 with Mr. Strine abstaining.

Kim Norris Ekes, 24 Edgewater Drive, Magnolia, DE: Ms. Norris-Ekes applied for \$1,500 in abandonment benefits. The Board reviewed the request based on the documents provided and based on the fact that there was no title to prove ownership and delinquent taxes owed, this application was ruled incomplete and will be considered at a later date when such documents can be produced.

Traci Mills, 28 Edgewater Drive, Magnolia, DE: Ms. Mills applied for \$8,000 in relocation benefits. The Board reviewed the request based on the documents provided and a motion to approve was made by Mr. Dunn and seconded by Mr. Meldrum. The motion passed 4:0:1 with Mr. Strine abstaining.

B. Update of Right of First Offer (Sale of Parks)

C. FOIA Request from Mr. Kinnick of DMHOA for Magnolia Crossing: The request was completed in a timely manner.

D. Public Officials Management & Employment Practices Liability Insurance: Information Only.

F. Lease Renewal DEMHRA Camden Office: The office lease expired on May 31, 2018 and Mr. Carroll signed a new office lease on 21 May 2018. The new lease commenced at 0800 hours on June 1, 2018 and ends at 1800 hours on June 1, 2019.

G. Timber Acres – Sale of Park: Mr. Kinnick copied the Authority on email correspondence directed to and from the Deputy Attorney General's Consumer Protection Unit (CPU) regarding the notice of the sale of Timber Acres. The emails informed the Deputy Attorney General's office that the land owner of Timber Acres was in violation of Chapter 70 under Section 7026 Right of First Offer. This section of the code requires land owners who are selling their manufactured home community to provide notice of such intentions to the home owner's association, if one exists, of their right to first offer to purchase all or part of the community. The statute also states that the land owner must notify the Delaware Manufactured Home Relocation Authority (DEMHRA), and the Delaware Manufactured Home Owner's Association (DMHOA). Mr. Dan Daly, a Compliance Investigator with the Deputy Attorney General's office visited the property and discovered that the statute did not apply to the residents of Timber Acres because they owned the property.

H. Authorization to Access WSFS Bank Checking Account:

I. Report on the Establishment of a Pilot Manufactured Housing Office:

J. Audit Report received from Raymond F. Book & Associates. No

IX. Public Comments: Mr. Kinnick expressed his concern on behalf of the residents of Magnolia Crossing stating that the tenants complained that they received rent increases over the CPI-U on numerous occasions without the benefit of a meeting to explain the purpose(s) of the increase above the CPI-U. Mr. Carroll asked if Mr. Kinnick had brought this matter to the Deputy Attorney General's Consumer Protection Unit. Mr. Kinnick advised Mr. Carroll that he had not; the residents had to file a complaint and that their complaint was forthcoming. Mr. Carroll asked Mr. Kinnick if he could provide DEMHRA with a copy of this complaint and he agreed to send DEMHRA a copy.

X. Executive Session: By motion made and duly seconded the Board went into Executive Session to discuss arbitrations and any pending litigation for the purpose of receiving legal advice pertaining to such matters. The Board went into Executive Session at 2:57pm. A motion was made to come out of Executive Session, which motion was seconded and unanimously approved, at which time the Board came out of Executive session at 3:05 pm.

XI. Next Meeting Date – Adjournment:

The Board set the next meeting date as July 30, 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 3:05pm.

Respectfully submitted,

Gregg Sutton
Executive Director