

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of February 26, 2019 Board Meeting

IN ATTENDANCE:

Authority: Kevin Carroll
William Dunn (arrived late)
Andy Strine
George Meldrum (left early)
Jill Fuchs

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

Legal Counsel: William Denman

Other Attendees: Jen Allen, First State Manufactured Housing Association
William Kinnick, Delaware Manufactured Homeowner's
Association (DMHOA)
Henry Clum, Angola Beach
Rich Hrycyshyn, Barclay Farms

I. Call to Order:

Mr. Carroll called the meeting to order at 1:30 p.m. A quorum was present. Mr. Dunn arrived late at 1:55 PM, and Mr. Meldrum left early at 2:00 PM.

II. Review and Approval of Minutes:

Mr. Carroll asked the Board if anyone had any questions, comments or corrections to the January 15, 2019 meeting minutes. A motion to approve the minutes was made by Ms. Fuchs and seconded by Mr. Meldrum. The motion carried 4:0:1 with one in absentia.

III. Executive Director's Report:

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

- Mr. Sutton received a phone call from the owner of Ascot Landing (formerly Glasgow Pines I), informing him that Ascot landing is now down to one home paying lot rent in their manufactured home community. Mr. Sutton advised the owner that they can cease paying assessment fees and were informed to let us know if their status changes.
- Mr. Sutton received a policy renewal from L&W Insurance for director and officer insurance. This coverage prevents them being sued individually. This is separate from the liability insurance and will cost \$2,000 yearly. He will provide the invoice for approval when received.

- Mr. Sutton attended a joint finance committee meeting on February 13, 2019 at Legislative Hall. The Attorney General presented her budget to the finance chair. The ombudsman position funding was met with positive support and approved. The ombudsman will work out of the AG's office. The request for additional support staff for this position was denied.
- A request was received from Raymond F. Book's office requesting the number of individuals paying assessment fees. This information is taken from the Annual Registration Forms. Currently there are 19,727 individuals paying into the assessment. Based on this figure we should be collecting about 1.83 Million per year. This information will continue to be tracked.

IV. Chair's Report:

- Mr. Carroll reported that there was a House Committee Meeting on January 23, 2019. He had not been notified and did not attend. The House Committee Meeting bill was considered. He will reach out to be sure we get notified of the meetings going forward.

V. Approval of Financial Matters:

A. Recent Financial Activity and Report (Information Only)

Mr. Sutton reviewed the financial reports for December 2018 and January 2019. This report was presented for informational purposes only and will be posted on the DEMHRA website.

B. Approval of Legal Counsel invoices

The Board reviewed the invoice from legal counsel for the month of January 2019. Mr. Strine made a motion to approve the invoice which was seconded by Mr. Meldrum. The motion carried 4:0:1 with one in absentia.

C. Approval of Arbitrator Invoices

Docket #05-2018 (Murray Manor). Mr. Meldrum made a motion to approve this invoice which was seconded by Ms. Fuchs. Mr. Carroll noted the hourly rate seems high. The motion carried 4:0:1 with one in absentia.

Docket #06-2018 (Rehoboth Bay). Mr. Strine made a motion to approve this invoice which was seconded by Mr. Meldrum. The motion carried 4:0:1 with one in absentia.

Docket #07-2018 (Wild Meadows). Mr. Meldrum made a motion to approve this invoice which was seconded by Mr. Strine. The motion carried 4:0:1 with one in absentia.

VI. Reports:

A. Compliance Matters (Executive Director):

1. Delinquent Parks:

At the last meeting, Mr. Denman made a request to simplify the report as there seemed to be some confusion as to when the parks were actually delinquent. The report was revised only showing those parks that have not paid for six quarters or more. Mr. Denman requested that going forward, the report should show the history of delinquent payments with the number of homes reported and dollar amounts for all quarters not paid. This will provide detailed information if legal action is pursued.

J&J Mobile Home Park – Mr. Denman would like to know how many quarters and how much money they are behind. It seems they are delinquent approximately \$1,500. It was questioned how much it would cost for legal action. Mr. Denman thought \$1,000 to \$1,500 but stated that those costs could be recovered. Mr. Denman requested a copy of J&J's last payment documentation, the most recent registration form, and each quarter delinquent with dollar amounts. A motion was made to pursue legal action by Mr. Carroll and seconded by Mr. Strine. Motion carried 4:0:1 with one in absentia. Mr. Carroll stated that if J&J would come to the table after the legal action, there could be some type of agreement crafted for recover payment. The Board would be more inclined to give J&J a break if this can be resolved prior to legal action.

Some parks have credits. Efforts have been made by phone contact and letters to inform the parks to reduce their assessments by the amount of credit to zero out the balance.

2. Compliance Investigator Report: Nothing to report

B. Open Dockets Arbitration Matters & Status:

1. Docket # 10-2017 (Wild Meadows HOA and Fred Neil vs. Wild Meadows MHC, LLC):

The petitioners lost and a citation was received last week from the sheriff's department. The decision is being appealed in Superior Court. Information was mailed to the Prothonotary and Mr. Morton's office.

2. Docket # 4-2018 (Pot-Nets Bayside HOA vs. Pot-Net Bayside LLC): A request was made to produce a list of the leaseholders who were sent a rent increase notice. Mr. Sutton will follow up for a status update.

3. Docket #7-2018 (Wild Meadows HOA vs. RHP Properties/Wild Meadows LLC): A decision was stayed pending information from Supreme Court pending ruling on another case. Arbitration will be scheduled if necessary. Mr. Carroll requested Mr. Sutton to follow up and that the two open Wild Meadows cases be cross-referenced.

C. Open Dockets – Arbitration Costs:

2017: Total to Date for 2017 \$64,542.15

2018: Total to Date for 2018 \$18,510.00

VII. Unfinished Business:

A. White Oak Relocation Plan: Sherry Fulmore applied for abandonment benefits. Taxes have been paid and original title was submitted. Mr. Strine made a motion to approve abandonment payment which was seconded by Mr. Dunn. Motion carried 4:0:1 with one in absentia. One tenant remains and she has not applied for relocation benefits.

B. Update on Right of First Offer (Sales, Closings, Change in Use of Land):

1. Shady Park is not sold yet. April 30, 2019 will be one year since the Right of First Offer letters were sent out.

2. Vanessa Mobile Home Park has a buyer. Right of First Offer letters were sent out January 23, 2019 informing the tenants that an HOA must be formed within 30 days of the notification. They have not formed an HOA. One resident of the park wanted to purchase the property along with siblings who don't live there. Mr. Sutton informed her that she cannot because there is no HOA and the siblings do not live at the park.
3. White Oak MHP – Ms. Tinsley is the remaining tenant and she has not applied for relocation benefits. The park is closing on June 27, 2019.
4. Parks Owned by HOA's – Timber Acres and Minquadale. Will be discussed later in this meeting.

C. Update on Community Owner Annual Registration:

1. There are 11 communities who have not turned in their registration forms.
2. Compliance investigators will be sent to verify the number of homes.

D. Update on Reimbursements for Minquadale and Timber Acres:

In summary, the following was discussed:

Timber Acres and Minquadale were purchased by their respective HOA's. The two parks have continued paying into the Trust Fund since they purchased the community. Timber Acres has paid approximately \$10,000 and Minquadale approximately \$20,000. Neither park has been reimbursed yet and Ms. Fuchs had an issue with the Trust Fund holding the assessment fee money. She proposed sending the reimbursements to the president of the HOA and let him/her decide how to distribute the money. She was informed that DEMHRA is responsible for the disbursement of the funds and it wouldn't be appropriate to handle it by letting it up to the president to disburse to the residents

Minquadale decided they would not apply for relocation benefits and wanted to be reimbursed for the money paid into the Trust Fund. They submitted documentation for this request. Timber Acres wants to continue to pay the assessment fees because they want the relocation benefits when the park goes through a change of use. It was suggested that perhaps the easiest solution would be to let the legislature clarify the issue. The controversy between Minquadale and Timber Acres is that we think the statute is unclear and we could ask the court to answer that question or we could ask for a formal opinion from the Attorney General's office.

In Chapter 70, it is clearly defined that seasonal parks are excluded from the provisions of Chapter 70. However, Chapter 70 has various subchapters which address manufactured home communities are not clearly defined and should be looked at to make a policy determination.

It was decided that no action will be taken at this time and we will pursue legislative fixes. Mr. Denman will contact Brian Ellis, attorney for Timber Acres, to frame the payment issue.

This will be revisited when we have more information.

E. Update on Board Re-appointments for Messrs. Meldrum and Daly:

- Mr. Meldrum contacted Mr. Swartzkopf's office. He hasn't heard anything yet.
- Mr. Daly has heard nothing. Mr. Carroll will follow up with the Attorney General's office.

F. Updating the DEMHRA Website: Mr. Sutton will not pursue training for posting on the DEMHRA website as there is a new contact who will be working with DEMHRA to update the website.

VIII. New Business:

A. Action Items:

- Mr. Kinnick will send RTF funding letter to the Board.
- Mr. Strine presented preliminary data on the increase in the cost of moving homes. It looks like there has been an 18% increase for single-wide and 14%-15% for doublewide. Current allowances are about \$1,000 to \$1,500 light. Mr. Carroll requested that Mr. Strine provide a final report with a more detailed breakdown of costs. When completed, it will be presented to the Board for review. After approved, he would like to have it placed on the agenda and invite the public and movers to comment on any proposed changes..
- Roster of court reporter fees has been created.
- Mr. Carroll has drafted the WSFS letter to allow Mr. Sutton to view bank statements on-line and it has been submitted to the bank.

B. 2018 List of Court Reporters and Fees Charged:

A list has been created and it will be updated when invoices are received.

C. Email from Ms. Fuchs Requesting Outdated Letter on Assessment Fees to be Discussed at the February 26, 2019 Board Meeting:

This was discussed earlier in the meeting.

IX. Public Comments:

Mr. Kinnick was informed there is another tenant from Glasgow Court whose home was damaged when it was moved. She will be contacting the County Council to help her.

X. Executive Session: As there were no items to discuss, the Board did not go into Executive Session.

XI. Next Meeting Date - Adjournment

The Board set the next meeting date as April 9, 2019 at 1:30 p.m. Mr. Dunn made a motion to adjourn the meeting which was seconded by Mr. Strine. The motion carried 4:0 with one in absentia. As there was nothing further to discuss, the Board adjourned at 2:52 p.m.

Respectfully submitted,

Gregg Sutton
Executive Director

