

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

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

Minutes of January 23, 2020 Board Meeting

IN ATTENDANCE:

Authority:

Mitch Crane
William Dunn
Andy Strine
George Meldrum
Jill Fuchs
Dan Daly (Non-Voting Member)

Gregg Sutton (Executive Director)
Jane Sabo (DEHMRA Assistant)

Legal Counsel:

Melissa Rhoads

Other Attendees:

Jen Allen, First State Manufactured Housing Association
Brian Eng, Department of Justice
Richard Hrycyshyn, Barclay Farms

I. Call to Order:

Mr. Crane called the meeting to order at 1:30 p.m. All members were present with the exception of Mr. Strine who arrived late, and Mr. Daly who was absent.

II. Review and Approval of Minutes:

A motion to approve the December 19, 2019 minutes was made by Mr. Dunn and seconded by Mr. Meldrum. The motion carried 4:0 with 1 in absentia.

III. Executive Director's Report:

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

- Mr. Sutton welcomed Ms. Melissa Rhoads, who has replaced Mr. Bill Denman as DEMHRA's Legal Counsel.
- A request to replenish the Trust Fund's operating was made on December 19, 2019. The account was not replenished until January 16, 2020 resulting in January invoice payments being sent out late.
- The heating units in the Executive Director and Assistant offices were malfunctioning. The temperatures in both offices were below 60 degrees. They were repaired by January 15th.
- The new January 2020 CPI-U is 1.416. This has been posted on the DEMHRA website.
- Received a Citation on Appeal from the Superior Court on behalf of Mr. Michael Morton in reference to Murray Manor whose rent increase was denied. Mr. Sutton to confer with Ms. Rhoads regarding requested documents.

IV. Chair's Report:

- Mr. Crane thanked Ms. Rhoads for completing all of her assigned tasks.
- The Trust Fund replenishment continues to be a problem. This is the second time a large delay has occurred and Mr. Crane will contact a higher authority to resolve the issue if it happens again.
- The Executive Director's desk drawer has broken. He was authorized to get a new desk. Mr. Sutton was authorized to apply for a credit card so he wouldn't have to pay out of pocket for future incurred expenses.
- The current location of DEMHRA is not handicap-accessible and has had other challenges that have made it necessary to consider relocating.
- The current lease was reviewed and it was determined that there are no restrictions on non-renewal prior to the end of the current lease.
- Mr. Sutton was asked to consider other alternatives for office space and report his findings at the next Board meeting.
- With respect to arbitrations, some lawyers continue to file motions or make additional requests of the arbitrator. This continues to be a problem. Once an arbitrator finishes his or her opinion, there should be no more invoices for additional payments.

V. Approval of Financial Matters

A. Recent Financial Activity:

Mr. Sutton reviewed the November Financial Report. This was for informational purposes only, and it has been posted on the DEMHRA website.

B. Legal Counsel Invoice:

The Board reviewed the final December invoice from Mr. Denman.

C. Arbitrator Invoices:

The Lawson Firm, Docket #03-2019, Murray Manor
Depositions Delaware, LLC, Docket #03-2019, Murray Manor
Moore & Rutt, Docket 07-2018, Writ of Prohibition for Wild Meadows

D. BDO Invoice:

Accounting Service for Financial Summaries July through November 2019

Note: Mr. Crane requested a motion be made to approve all of the above invoices collectively. Mr. Dunn made a motion to approve all the invoices which was seconded by Ms. Fuchs. The motion carried 5:0.

VI. Reports:

A. Compliance Matters:

1. Delinquent Parks:

Appleby – Q 4 2018 – Referred to Ms. Rhoads for legal action.

Countryside Mobile Estates – Q 1,2,3 2019. Legal action letter sent 1/6/20.

Dackerg MHP – Q 1,2,3 2019. Legal action letter sent 1/6/20.

J&J MHP – Quarter 2, 3 & 4 2017; Quarters 1, 2, 3 & 4 2018; Quarters 1, 2 & 3 2019. Motion to sue made by Mr. Strine and seconded by Mr. Dunn. The motion carried 5:0.

Minquadale – Quarter 2, 3 & 4 2018; Quarter 1, 2 & 3 2019. A motion was made by Mr. Strine to send letter giving them 10 days to settle account and sue if they do not comply. The motion was seconded by Mr. Meldrum. The motion carried 5:0.

Naaman's – Q 2, 3 2019. A motion to sue was made by Ms. Fuchs which was seconded by Mr. Dunn. The motion carried 5:0.

Oakway – Quarter 1,2, & 3 2019. Legal action letter sent 1/6/20.

Pine Haven – Q2, 3 2019. Mr. Strine made a motion to sue which was seconded by Mr. Meldrum. The motion carried 5:0.

Stage Village – Q2, 3 2019. Mr. Strine made a motion to sue which was seconded by Mr. Meldrum. The motion carried 5:0

Sussex Manor – Quarter 2 2019. Mr. Strine made a motion to sue which was seconded by Mr. Meldrum. The motion carried 5:0

The Crossings at Oak Orchard – Quarter 2, 3 2019. A motion to sue was made by Mr. Dunn which was seconded by Mr. Meldrum. The motion carried 5:0.

Vanessa MHP – Quarters 1, 2 & 3 2019. This park is being sold and was supposed to make Settlement this month. Mr. Sutton contacted the lawyers for an update but hasn't heard back yet. Mr. Crane requested a motion be made to sue. A motion to sue was made by Ms. Fuchs to sue which was seconded by Mr. Meldrum. the motion carried 5:1. If they do not pay the assessment fees, there will be a request made by DEMHRA to include the delinquent payments at the time of settlement .

Woodside – Quarter 1 2018. The credit has been applied and no longer is on the report. Quarter 1 2018 still has not been paid. Mr. Crane requested a motion be made to give 10 days to pay and if not paid then sue. A motion was made by Mr. Dunn and seconded by Mr. Meldrum. The motion carried 5:0.

It was agreed to hold the following parks over until the March 2020 Board meeting:

Fords MHP

2. Compliance Investigator Report:

Per Mr. Crane's request, Mr. Sutton invited the compliance investigators to the Board meeting. Mr. Jones had surgery and could not be present. Mr. Goldsborough was in attendance. He discussed his duties and said that when driving through the parks he felt the tenants were apprehensive not knowing who he was when he was driving through their parks and taking pictures. He placed a sign on his car that reads "compliance investigator." Mr. Goldsborough said it seems to be working out well.

Mr. Sutton reported that there were 43 work orders last year for a total cost of \$6,757.89.

B. Arbitration Matters & Status:

1. Open Dockets – Arbitration Matters:

Dockets 10-2017 Wild Meadows:

Stayed until the discovery dispute can be settled.

Docket 07-2018 Wild Meadows:

Court order received to file for dismissal by January 20, 2020 for the Writ of Prohibition.

Docket 03-2019 Murray Manor:

Rent increase above CPI-U was denied. Appealed to Superior Court.

Docket 04-2019 Wild Meadows:

This docket was combined with another docket from two years ago. Demhra agreed to stay the arbitration until the discovery dispute is settled by the court.

2. Open Dockets – Arbitration Costs:

Mr. Sutton reviewed the arbitrations costs for the above open dockets. Mr. Crane is concerned that when communities raise rents every month, it results in DEMHRA incurring high arbitration fees, and that there should be a way they can consolidate the rent increases to occur at the same time. Mr. Strine said at least, they should try to consolidate into three to six months so that may cut down on the arbitrations filed. Mr. Crane would like to revisit this to try to cut down on the arbitration costs.

VII. Unfinished Business:

A. Update on White Oak Relocation Plan:

Lot #1 still not demolished. Compliance Investigator will verify demolition when we are notified it has been done.

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

Badger's Lair sold to Dempsey Farms. They only have one tenant and are no longer required to pay assessment fees. Mr. Sutton will schedule inspections every 3 months for verification that there is only one tenant.

Cool Branch is sold.

Leisure Point – Sold to Sun Communities. Mr. Sutton will follow up with new owner to contact the Division of Revenue to set up their Trust Fund Account.

Vanessa Park – Mr. Sutton will follow up for settlement date.

C. Update on Changes to the Quarterly Assessment Payments:

Mr. Sutton has been in touch with the Division of Revenue regarding the new coupons and they should be on the website this March. The Annual Registration forms will be updated with the new changes

VIII. New Business:

A. New Mileage Rate for 2020: This was previously discussed.

B. Action Items:

The Homeowners' Checklist will be posted on the website before the next Board meeting. Mr. Sutton is developing a FAQ section for the website.

IX. Public Comments:

Mr. Brian Eng, the Ombudsperson from the Department of Justice, offered a suggestion to have Minguadale convert themselves into a co-op or community so they would not fall under Chapter 70. Mr. Crane disagreed with this suggestion.

Mr. Eng also discussed the upcoming changes to the Rent Justification Act. New York recently passed a manufactured home statute that may be worth looking at. It gives a 3% freebee, and a 3% to 6% for certain things that can be challenged by the homeowners, and over 6% can be challenged by the homeowners.

Mr. Eng stated that in the past CLASI handled leases coming due at different times by notifying tenants that the rent increase would take effect at the next lease renewal after the date of the notice sent. This limits a rent increase to once a year, resulting in only on potential arbitration a year. The fact that the CPI-U changes may create a problem. Mr. Strine said it could get confusing.

- X. Executive Session:** The Board may discuss, in Executive Session, pending arbitration cases, personnel matters, and litigation for the purpose of receiving legal advice relating to such matters.

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 March 5, 2020 at 1:30 p.m. Ms. Fuchs made a motion to adjourn the meeting which was seconded by Mr. Dunn. The motion carried 5:0. The meeting was adjourned at 2:40 p.m.

Respectfully submitted,

Gregg Sutton
Executive Director