

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

1979 S. State Street
Dover, DE 19901

Minutes of June 4, 2020 Board Meeting via Conference Call

In accordance with Governor Carney's emergency order, this meeting was conducted via teleconference for those who could not attend.

CALL-IN PARTICIPANTS: Technical difficulties prevented the public to call via teleconference as Mr. Sutton was unable to get a PIN number for them to do so. Ms. Rhoads called in via the office phone and Mr. Harris called in on a Board member's cell phone. Both were put on speaker for meeting. The following board members and visitors were in attendance:

Authority: Mitch Crane
William Dunn
Andy Strine
George Meldrum

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

Legal Counsel: Melissa Rhoads (Called in)

Other: LaVincent Harris – Attorney General's Office (Called in)
Richard Hrycyshyn – Barclay Farms

I. Call to Order:

Mr. Crane called the meeting to order at 1:38 p.m. All board members were present.

II. Review and Approval of Minutes:

A motion to approve the April 23, 2020 meeting minutes was made by Mr. Meldrum and seconded by Mr. Dunn. The motion carried 4-0.

III. Chair's Report:

- The Chair, Mr. Crane, thanked board member Mr. Strine, Executive Director, Mr. Sutton, and DEMHRA Assistant, Ms. Sabo for their efforts in relocating and making the transition from the Camden office to our new State Street location. He especially thanked Mr. Strine for his assistance in making the office move-in ready by this board meeting.
- With regard to BDO/Falcidian, our accountants, Mr. Crane stated that approximately six (6) weeks ago, we received an invoice from BDO for \$2,088.00 for preparing financial reports for the months of December and January. Although the invoice was initially approved, upon reviewing it, Mr. Crane noticed that the charges were excessive in comparison to previous invoices. He asked the Executive Director to contact BDO for an explanation and they stated that the original invoice was in error and that it should have been for the months of December, January, and February. They resubmitted an invoice with no breakdown of the charges.

- Due to this error, the Chair asked Mr. Sutton to request an engagement letter from both BDO and Falcidian explaining the scope of work and the cost of their services.
- Falcidian provided an engagement letter two years ago which raised their rates from \$450 to \$600.
- Falcidian provided a new engagement letter but BDO has yet to provide one. The Chair stated that BDO's invoice could not be approved until they provide a detail account of services rendered and an engagement letter.
- Upon further inquiries, Mr. Sutton also discovered that BDO and Falcidian are now two separate entities. The accountant at Falcidian suggested that they could perform the same services as BDO.
- The Chair requested that Falcidian resubmit a new engagement letter indicating their current services and also including the services originally performed by BDO.
- Once the Board receives the new engagement letter from Falcidian, we will no longer use BDO's services.
- Mr. Crane also stated that in the future, these services will be advertised for competitive bidding.
- The Chair has also directed Mr. Sutton to review all invoices for accuracy and completeness prior to submitting them for approval to Mr. Meldrum and Mr. Strine.
- In other business, the Chair stated that there are two vacancies on the DEMHRA Board, Jill Fuchs, tenant representative, who has relocated to New York, and Dan Daly, representative from the Attorney General's office, has retired. The Attorney General's office has advised the Chair that they will be hiring someone to replace Mr. Daly. In the meantime, they have asked Mr. LaVincent Harris, who was on this conference call, to fill in as Mr. Daly's replacement. Mr. Crane stated that he contacted Mr. Bill Kinnick, the President of DMHOA to find out the status of Ms. Fuchs' replacement and Mr. Kinnick advised him that the names have already been submitted to the Governor's office. The Chair contacted the Governor's office, and after going back and forth with the Governor's Board of Commissions, he was finally told that we probably would not get an answer until after the legislature was back in session in a few weeks.
- Mr. Crane brought to the Board's attention that during the last board meeting she attended, Ms. Fuchs recommended that the DEMHRA office have administrative help five days a week as opposed to the two days we have coverage now. Our current DEMHRA Assistant, who is retired does not want to work the other three days. Therefore, Ms. Fuchs suggested that DEMHRA hire an administrative assistant for those days Ms. Sabo is not in the office to assist the Executive Director with administrative duties. Mr. Crane asked Mr. Sutton to submit a proposal to the Board to have someone work five hours per day, three days a week on the days that Ms. Sabo does not work.
- The Chair also discussed two communities that were possibly not in compliance with Chapter 70. One was a community in Seaford, Delaware that had not registered in years because they no longer had two or more tenants paying lot rent but have subsequently gained more than two tenants. The owner who is out of state, has given the issues related to COVID 19 as the reason for her not responding to our requests. She has since assigned someone in her office to follow-up with us on our request.
- The Chair stated that the second issue is more complex. We received an email complaint from an individual residing in Fieldwood, a Rehoboth Beach Community. The gentleman alleges that he received an eviction notice from his landlord back in December because his lot was being sold and was requesting relocation assistance. We asked him to provide documentation to prove his claim and after several emails, he provided a lease from his landlord indicating that in addition to his lot rent, he had to pay a monthly assessment. The documentation indicated that he had been paying this monthly assessment for the past five years. He was asked to provide the names of other individuals who had been paying this monthly assessment but he could not. The Chair asked the Executive Director to send a compliance investigator to Fieldwood for the purpose of documenting the addresses of all manufactured homes in Fieldwood. The compliance investigator reported 36 addresses but also reported that there was a combination of manufactured homes and stick-built homes in this community. Mr. Crane asked our legal counselor, Ms. Rhoads to do a document search to determine the legal ownership of these manufactured homes. After

determining ownership, Ms. Rhoads reported that there are at least three (3) couples that each own two (2) properties. Although there are multiple units on each property, it is difficult to determine if they fall under Chapter 70. At issue is when there are multiple owners, whether or not the law covers partial ownership of properties. Mr. Dunn asked how many of the 36 homes fell under Chapter 70 but no one could answer that question. Mr. Strine asked if there were multiple units on one tax parcel and Ms. Rhoads said that she would look into that to give a more definitive answer. Mr. Strine suggested that she look into tax mapping and stated that if there is a sub-divided lot with a single manufactured home on it, it does not fall under Chapter 70. However, a manufactured housing community could have one tax parcel with 500 units and fall under Chapter 70. With regard to Fieldwood, Mr. Crane stated that apparently we have an individual who has been paying monthly assessments for over five (5) years but is not eligible for relocation assistance because his landlord collected the assessments but did not pay into the Trust Fund. Mr. Dunn suggested that the landlord could be charged with consumer fraud for every lease where he required the tenant to pay the assessment payment.

- Mr. Crane stated that the gray area in this case is that although the community is called Fieldwood, it is not a manufactured home community, but actually a subdivision with a combination of manufactured homes and stick-built homes. You have individuals who own lots who are leasing them to tenants in manufactured homes. He stated that this particular case is outside of the purview of DEMHRA and suggested that the DOJ perhaps investigate. He asked Mr. LaVincent Harris, the DOJ's representative at this board meeting, whether or not this matter had been turned over to Mr. Brian Eng, the Manufactured Housing Ombudsperson and Mr. Harris stated that he was not aware if it had been or not. Mr. Crane asked Mr. Harris if he would look into this matter and get back to the Board on the DOJ's findings.

IV. Executive Director's Report:

- Mr. Sutton stated that since the last board meeting on April 23, 2020, we have moved into our new location at 1981 S. State Street in Dover in the same building as Dr. Wayne Thomas Dentistry.
- Although we are physically located at 1981 S. State Street, our mailing address is 1979 S. State Street, Dover, DE 19901.
- The exterior and interior signage identifying our new office location has been installed.
- The building is handicap-accessible from the rear.
- We have begun notifying all of our contacts of our new location and address.
- We were able to get our computers "hard-wired" so as not to be totally dependent on WIFI.
- We have also changed our office address on our website.
- As of May 29, 2020, we had fax and phone service activated.
- We have been opened for business since June 1, 2020.
- We have established a mail log where we annotate all incoming and outgoing mail.
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V. Approval of Financial Matters:

A. Recent Financial Activity:

Mr. Sutton reviewed the Financial Reports for April 2020. The report is for informational purposes only and has been posted on the DEMHRA website.

B. Legal Counsel Invoice: Tighe & Cottrell in the amount of \$2,155.00

C. Arbitrator Invoices: Moore & Rutt for Wild Meadows Docket 07-2018 (Writ of Prohibition) in the amount of \$490.00.

- C. BDO Invoice:** December 2019, January 2020, February 2020 for Preparation of Financial Statements in the amount of \$2,088.00. This invoice will not be paid until it is satisfactorily corrected and resubmitted.
- D. L&W Insurance:** Renew professional liability insurance in the amount of \$2,248.00. The deductible was reduced.
- E. L&W Insurance:** Renew workers' compensation insurance in the amount of \$258.00. The deductible was increased to \$2,500.00.
- F. United Electrical Supply:** Electrical work for new office in the amount of \$99.64
- G. KW Flooring:** New office carpeting and materials in the amount of \$3,000 and installation of Carpet in the amount of \$1,579.50.
- H. Louis D'Andrea:** Painting for new office in the amount of \$1,250.00

Mr. Crane noted that all of the invoices relating to the relocation are covered as we are not paying the first four months rent . A motion to approve the above invoices collectively was made by Mr. Strine and seconded by Mr. Meldrum. The motion carried 4-0.

VI. Reports:

A. Compliance Matters (Executive Director)

1. Delinquent Parks Report:

Angola Crest: Q4 2019: Email sent 5/1/20

Appleby: Q4 2018. Ms. Rhoads reported they have been served and once the courts reopen we can go forward with the motion to depose.

Bethany Crest: Q4 2019: Emailed 5/11/20

Big Oaks: Q4 2019: Emailed 5/11/20

Blanton's: Q4: 2019. Emailed 5/11/20

Countryside Mobile Estates: Q1-Q4 2019. Complaint filed. Cannot get served due to COVID-19.

Forest Park: Q3 & Q4 2019: 2/9 email sent 4/9 letter sent. The Board agreed to refer to legal.

Hecker Properties: Q4 2019 Email sent 5/11/20

Holiday Acres: Q4 2019 Email sent 5/11/20

J&J MHP: Ms. Rhoads was unsuccessful in her attempts to resolve this is issue via settlement letter. Mr. Case insists he has paid but it is not reflected in the Division of Revenue Report. Once the courts open, she will file a motion for default.

Kings Cliffe: Q 4 2019: Email sent 5/11/20.

Magnolia Crossing: Q4 2019. Email sent 5/11/20.

Minquadale: Q2,3,4 2018; Q1,2,3,4 2019. Suit filed; peding due to the court's delay in service.

Riverdale: Q 4 2019.: Email sent 5/11/20.

Sussex Manor: Q2 2019. Complaint filed, being served.

Woodland Park: Q3, 4 2019: Bad Check and short check. Letter sent 4/13/20 notifying them of the same. The Board agreed to refer to legal after looking at the amount owed.

2. **Compliance Investigator Report** – A log of Contractor Costs 2019 and 2020 was for informational purposes only. Mr. Crane asked Mr. Sutton to schedule Mr. Jones to attend our next board meeting.

B. Arbitration:

1. **Open Dockets for Arbitration Matters and Status 2016-2017-2018-2019:**
Docket 7-2016 & 08-2016 (Combined) Rehoboth Bay - Case was re-opened and has been appealed to Superior Court.
Docket 10-2017: Wild Meadows – Appealed to Superior Court and stayed until discovery dispute is settled.
Docket 7-2018: Wild Meadows Writ of Prohibition – Awaiting dismissal from Superior Court
Docket 3-2019: Murray Manor: - Appealed to Superior-pending
Docket 4-2019: Wild Meadows (Combined with Docket 10-2017) – Appealed to Superior Court Stayed until discovery is settled.
2. **Open Dockets for Arbitration Costs 2016-2017-2018-2019:** Mr. Sutton reviewed arbitration costs
3. **Arbitration Costs 2016-2017-2018-2019:** Per Mr. Crane’s request, the arbitration costs was submitted for informational purposes only.

VII. Unfinished Business:

- A. **Lakeside Community:** Trust Fund account has been set up. Will follow-up with Ms. Foglio regarding delinquent payments due to office closure during COVID-19.
- B. **Update on White Oak MHP:** The last home on Lot # 1 was verified by a compliance investigator to have been demolished.
- C. **Update on Right of First Offer (Sales, Closings, Change in Use of Land)**
- D. **Update on DEMHRA Office Relocation**
Enchanted Acres: Still for Sale: ROFO letter sent 2/5/20. There is no HOA. Follow up in August if sold.
Canterbury Crossing: Agreement has been reached. The same entity owns the park.
J&J: Trust Fund account has been set up with Division of Revenue.
Village of Cool Branch: Sold to Hometown America on 3/6/20. They still have not set up a Trust Fund account with DOR. Board agreed to refer to legal.
Leisure Point: Sold to Sun Communities 9/23/19. Still have not set up a Trust Fund account yet. Board agreed to refer to legal.
Lynch’s MHP: ROFO letter sent 6/3/19. Called the owner on 5/18/20 and the park still has not been sold.
Vanessa MHP: Contacted the owner’s attorney and was informed still no settlement date.

VIII. New Business:

- A. **Fieldwood Community:** Previously discussed.
- B. **CPI-U Update:** As of May 2020, the CPI-U is 1.058%
- C. **Move Trust Fund Account to M&T Bank;** Tabled for now due to COVID-19

D. Winterset Farms Rent Increase Meeting (Virtual Meeting Due to COVID-19): Nicole Faries has been sending DEMHRA the list attendees attending the virtual meetings

E. Magnolia Crossing (Past Ownership Timeline) File not readily accesible

F. Leisure Point & Village of Cool Branch – Failure to Register New Ownership Account with DOR. This was previously discussed.

G. Action Items; All had to do with relocating to new office and have been complet

IX. Public Comments:

Mr. Hrycyshyn stated that he submitted his application to DMHOA for the vacant tenant representative board position.

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 July 16, 2020 at 1:30 p.m. A motion was made by Mr. Dunn to adjourn the meeting which was seconded by Mr. Strine. The meeting was adjourned at 2:43p.m.

Respectfully submitted,

Gregg Sutton
Executive Director