

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

**1979 S. State St.
Dover, DE 19901**

Minutes of July 16, 2020 Board Meeting

IN-ATTENDANCE:

Authority: Mitch Crane
William Dunn
George Meldrum
Richard Hrycyshyn

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

Legal Counsel: Melissa Rhoads

Other: Jennifer Allen – First State Manufactured Housing Association
Gary Fritz
David Weglinski, Wild Meadows
Tom Braksatof, Wild Meadows
John Jones, DEMHRA Compliance Investigator

I. Call to Order:

Mr. Crane called the meeting to order at 1:30 p.m. All members were present except Mr. Strine.

II. Review and Approval of Minutes:

A motion to approve the June 4, 2020 minutes was made by Mr. Meldrum and seconded by Mr. Hrycyshyn. The motion carried 4-0.

III. Chair's Report:

- Mr. Crane announced that he would be meeting with the chairs of the two legislative committees that oversee Manufactured Housing before January 2021. He would like suggestions from homeowners and community owners regarding changes to the Code before he meets with them. There are many issues with the Code that should be looked at for revisions, clarification or additions.
- Mr. Crane welcomed Mr. Rich Hrycyshyn to the Board.
- Commencing with these minutes, and going forward, Mr. Crane wants a Legal Counsel report to follow the Executive Director's report.

IV. Executive Director's Report

Mr. Sutton noted that since the last regular Board Meeting June 4, 2020, the following has occurred:

- Mr. Hrycyszyn was appointed to the Board for a two-year term.
- The handicapped entrance sign is installed.
- We received the BDO Engagement Letter but it still did not have an itemized breakdown of services. This will be addressed in more detail under financial matters.
- The total for all renovations, etc. for the new office was \$14,084.74. This was part of the lease agreement that we pay for the renovations and the first month's rent will be deferred until September.
- We engaged a new cleaning service. The owner works for Dr. Thomas in this building so she already has keys to our office. She charges \$75.00 a week.
- The website has been updated at the Chair's request to reflect that after his name it states that he was appointed by the Governor, Mr. Hrycyszyn was added to the Board contact list, and DEMHRA's new address has been posted.
- Effective July 15, 2020, the CPI-U increased to 1.367%, up from 1.058%. This has been posted on the website. The next report will be out in September.

V. Legal Counsel Report:

Ms. Rhoads provided an update on delinquent accounts as follows:

Minquadale Village – Suit filed, not yet served.

Countryside – Suit filed. Service perfected. Motion for default filed. Hearing scheduled for July 24, 2020 at 2:00 p.m.

J&J – Suit filed. Service perfected. Motion for default filed. Assessments paid; account brought up to date, all attorney fees and other penalties were paid. After confirmation from the Division of Revenue confirming payments this case will be dismissed.

Appleby – Suit filed. Service perfected. Filed a motion for default. On hold per Mr. Sutton's instructions.

Woodland – Letter sent. On hold per Mr. Sutton's instructions.

Forest Park – Letter sent, no response.

Village of Cool Branch – Letter sent. Paid.

Leisure Point – Letter sent. On hold per Mr. Sutton's instructions.

Ms. Rhoads was asked what service perfected means. She explained that although the legal paperwork has been filed with the clerk for the sheriff to serve, there is currently a backlog due to COVID-19 restrictions.

VI. Approval of Financial Matters

A. Recent Financial Activity & Report (Information Only)

Mr. Sutton reviewed the Financial Report for May 2020. This report is for informational purposes only and has been posted on the DEMHRA website.

B. Legal Counsel Invoice:

The Board reviewed the May and June invoices in the amount of \$ 2,292.25, and \$3,030.00 respectively. A motion was made to approve the invoices by Mr. Dunn which was seconded by

Mr. Meldrum. The motion carried 4:0.

C. Arbitrator Invoices:

The Board reviewed the invoice from Moore & Rutt for legal fees for Docket 07-2018 (Writ of Prohibition, Wild Meadows) in the amount of \$\$6,613.75. A motion was made to approve the invoice by Mr. Meldrum and seconded by Mr. Hycycshyn. The motion carried 4-0.

The following invoices were reviewed collectively.

WSFS Credit Card -May invoice in the amount of \$950.30 and June invoice in the amount of \$423.10.

Staples – July invoice in the amount of \$1,463.15.

Martel – June invoice in the amount of \$400.78.

Kent Signs – June invoices (2) in the amounts of \$175.00 and \$400.00

Book & Associates – FYE 2019 Audit in the amount of \$9,500.00

L&W Insurance – Amend General Liability Exposure in the amount of \$6.00

BDO Invoice – Financial Statement Preparation. Because BDO did not comply with numerous requests to itemize their invoices, Mr. Crane asked for the Board’s opinion on whether to pay the invoice as there was never an engagement letter and the work had been subcontracted to them by Falcidian. No motion.

A motion to approve the above invoices collectively was made by Mr. Dunn and seconded by Mr. Meldrum. The motion carried 4-0.

VII. Reports:

A. Compliance Matters (Executive Director):

1. Delinquent Parks Report:

Going forward this section will only include DEMHRA’s documentation of parks that are delinquent more than 1 quarter, and those delinquents more than 1 quarter to be voted on to refer to legal counsel.

2. Compliance Investigator Report:

Per Mr. Crane’s request, Mr. Sutton invited compliance investigator John Jones to the meeting and Mr. Jones reported on his audit of Pot Nets Bayside Community. He spent 7 hours counting homes and found there to be 1,030 occupied, 45 abandoned, 335 vacant for a total of 1,410. This count was consistent with a previous count on 9/10/2019.

B. Arbitration:

1. Open Dockets for Arbitration Matters and Status:

Docket 07-2016 & 08-2016 (Combined), Rehoboth Bay

This docket was re-opened and has been appealed to Superior Court.

Docket 10-2017 & 04-2019 (Combined), Wild Meadows

This docket has been appealed to Superior Court and is stayed until discovery dispute is settled

Docket 07-2018, Wild Meadows Writ of Prohibition

This docket is awaiting dismissal from Superior Court

Docket 03-2019, Murray Manor

This docket has been appealed to Superior Court

Docket 01-2020, Winterset Farms

Pending, docket was just opened. The arbitrator originally engaged accepted and later discovered a conflict of interest. He withdrew, but still submitted an invoice. Mr. Crane instructed Mr. Sutton not to pay this since it falls on the arbitrator to be sure there is no conflict of interest.

2. Open Dockets for Arbitration Costs:

Mr. Sutton reviewed costs incurred to date which was for informational purposes only.

VIII. Unfinished Business:

A. Lakeside Community – Email received indicating payment has been sent. Awaiting Confirmation of same.

B. Fieldwood Tax Parcel Information Update:

Mr. Sutton received a phone call from a resident who is going to be evicted. He told Mr. Sutton that he has been paying assessments into the Trust Fund. This community consists of both stick built and manufactured homes. Mr. Crane stated that this community has never been registered with DEMHRA and there is no record of any account being set up and anyone paying into the Trust Fund. The Department of Justice has been informed of possible fraud and said they would take this up. To date, nothing has been done.

Legal Counsel was asked to look into whether or not this community existed as a legal entity and was subject to our jurisdiction. The law defines a community as a parcel of land where two or more lots are rented or offered for rent for the placement of manufactured homes. There is no case law directly on this that has been argued in the Superior or Supreme Courts. There is other case law that helps you understand the terminology of the community as defined here; lot, parcel, other ways of describing pieces of land. Because of the fact that the wording specifically for us says the community exists when there is a parcel, it's been implied and interpreted like other cases using the term parcel to mean tax parcel. While there might be an individual who has ownership interest in more than one of those properties, they are on separate tax parcels so they would not fall under the code as it is understood and implied. It is unclear as it appears that nothing about Fieldwood would be considered a community under the code. Mr. Crane will bring this up when he meets with the legislature in January.

C. White Oak Update:

The last check for demolition benefits has been processed and this park can be closed out.

D. Magnolia Crossing (Past Ownership Timeline):

Mr. Kinnick from DMHOA apprised Mr. Sutton that he had a phone call from one of the residents that the park had two ownership changes in the last two years. The Division of Revenue provided a timeline of ownership. It is unclear whether the park is now owned by Magnolia Estates or Magnolia Crossing. Our Legal Counsel was asked to look into this.

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

Ridgewood Manor is for sale and Right of First Offer letters have been sent to the tenants. No HOA was formed in the last 30 days.

F. BDO Engagement Letter Update:

This was previously discussed.

G. Falcidian Engagement Letter Update:

This was previously discussed. A motion was made by Mr. Meldrum and seconded by Mr. Hrycyshyn to accept the engagement letter. The motion passed 4-0.

H. Village of Cool Branch Update (Referred to Legal for Non-Compliance to Register with DEMHRA):

This was previously discussed.

IX. New Business:

A. Raymond Book Audit and Understanding of Services Agreement:

A motion to approve was made by Mr. Meldrum and seconded by Mr. Dunn. The motion passed 4-0.

B. Richard Hrycyshyn Appointment to the Board:

This was previously discussed.

C. Consider Proposal for Additional Staffing:

Mr. Sutton reviewed the hours, duties and salary for the position. A motion to approve the position was made by Mr. Meldrum and seconded by Mr. Dunn. The motion carried 3-0-1 with Mr. Hrycyshyn abstaining. Mr. Sutton recommended hiring Mrs. Lorraine Hrycyshyn, wife of board member, Rich Hrycyshyn for the position. There is no conflict of interest since she could see anything a member of the board is entitled to see. The Board saw no need to vote on this issue and unanimously agreed that Mr. Sutton could hire Mrs. Hrycyshyn without a vote. Mr. Hrycyshyn recused himself from this discussion.

D. Action Items:

Mr. Sutton recommended continuing our banking with WSFS unless problems arise in the future.

Cool Branch has registered with Demhra and payments are up to date.

X. Public Comments:

Mr. Weglinski, President of Wild Meadows HOA, stated that all arbitration matters for Wild Meadows are over as far as they are concerned so the only open arbitration is the new one filed in 2020.

- XI. 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.

XII. Next Meeting Date - Adjournment

The Board set the next meeting date as August 27, 2020 at 1:30 p.m. Mr. Crane did not accept a motion to adjourn as all the topics in the agenda were addressed. The meeting was adjourned at 2:45 p.m.

Respectfully submitted,

Gregg Sutton
Executive Director