

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**

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

Pursuant to 29 Del. Code 10004, the Board of Directors of the Delaware Manufactured Home Relocation Authority shall convene a meeting on **April 29, 2021** commencing at **1:30 P.M.** at 1979 S. State Street, Dover, Delaware 19901.

**Minutes of April 29, 2021 Board Meeting**

**IN-ATTENDANCE:**

Authority:	Mitch Crane William Dunn George Meldrum Richard Hrycyshyn Andy Strine Pat Malone (Non-Voting Member) (Absent)  Gregg Sutton (Executive Director) Lorraine Hrycyshyn (Office Assistant)
Legal Counsel:	Melissa Rhoads
Other:	None

**I. Call to Order:**

Mr. Crane called the hybrid Zoom meeting to order at 1:31 p.m. No one joined the meeting via Zoom.

**II. Review and Approval of Minutes:**

A motion to approve the March 11, 2021 minutes was made by Mr. Hrycyshyn and seconded by Mr. Strine. The motion carried 5-0.

**III. Chair's Report:**

- HB 5 was discussed at the last meeting. There was a motion made and approved relative to contacting sponsors of the bill (Rep. Williams and Sen. Walsh) about making amendments to

that bill as it did not provide for representatives of the Authority to attend the meetings. Also noted was the neglect to address HOA's and the owners themselves to attend meetings.

- Mr. Crane stated that he had a phone call with former Board Chair Mr. Kevin Carroll where they discussed the possibility of Mr. Carroll serving in another capacity with DEMHRA.
- Mr. Crane noted he had issues with invoices not having delineation of charges. Going forward, all invoices must outline the charges. Mr. Strine and Mr. Meldrum were asked to review the invoices to ensure the invoices were not being padded.

#### **IV. Executive Director's Report:**

Mr. Sutton noted that since the last regular Board Meeting on March 11, 2021, the following has occurred:

- We were notified that community owners can now pay their assessment fees on-line. We were not notified of this by the Department of Finance. We only found out from a homeowner who had called with a question regarding the on-line payment. Mr. Sutton contacted the Department of Finance to see if they had notified the community owners
- and he was told that they are still in the process of notifying them. Had DEMHRA known about this, we could have sent letters to the community owners. Mr. Strine suggested this information be sent to Jen Allen of First State MHA and she would be able to get this information out to them. Mr. Sutton will send Ms. Allen the pertinent information once we receive it.
- Pine Point Park in Millsboro is going through a change in use of land. There are 20 lots, with 12 manufactured homes. Tenants will be given applications to apply for relocation benefits. The law firm of Morton, Valihura & Zerbato represents Pine Point Park.
- The relocation applications had to be revised as some of the sections referenced from Chapter 70 have changed. The updated applications will be placed on the DEMHRA website. Attorney Valihura has been notified of the revisions to the applications and will be responsible for communicating this information to the landowner.

#### **V. Legal Counsel Report:**

Ms. Rhoads provided an update on delinquent park accounts. Since her last report on March 11, 2021, the following has occurred:

- Dismissed complaints for the following communities as they have paid: Naaman's MHP, Kings Cliffe, Forest Park, Pine Haven, and County Seat.
- Complaints filed and still pending: Towers MHP, Bowers MHP, Minquadale, and Sussex Manor.
- Appleby is delinquent. They received a copy of default judgment making them aware there is a court order indicating that they still owe. Our request for the shifting of attorney fees is waiting for the court to sign off on it. At that point that will be sent to Appleby as well.

## **VI. Approval of Financial Matters**

### **A. Recent Financial Activity and Report (Information Only):**

The March 2021 Financial Report was reviewed and has been posted on the DEMHRA Website. Mr. Strine suggested that Mr. Sutton include the monthly arbitration costs in his discussion of the Financial Reports. Going forward, Mr. Sutton will provide year-to-date, and running total of arbitration costs.

### **B. Legal Counsel Invoice:**

The Board reviewed the March invoice from Tighe and Cottrell in the amount of \$3,205.05.

### **C. Arbitrator Invoices:**

The Board reviewed the following invoices:

Jamie Sharp (Docket 07-2018 Wild Meadows HOA vs. Wild Meadows LLC – Writ of Prohibition) in the amount of \$70.0

Robert Gibbs (Docket 01-2021 Shady Park HOA vs Shady Park MHC) in the amount of \$1,175.00.

Jeffrey Young (Docket 04-2020 Wild Meadows HOA vs Wild Meadows LLC) in the amount of \$8,797.50.

Invoice from Computerization 1on 1 in the amount of \$500. This is the IT company we have used almost every week. The owner, Mr. Johnny Page is proposing a flat rate of \$500.00 per month for services rendered up to 10 hours per month. There will be no charge for services over 10 hours per month. Mr. Crane instructed Mr. Sutton to have the invoice itemized. A log will be kept by DEMHRA to record the monthly hours of the IT company's time and service provided. After discussing what services this company provides, Mr. Crane asked Mr. Sutton to draw up a Service Contract that will be reviewed by our Legal Counsel and it will be presented for approval at the next Board Meeting.

A motion to approve the above invoices collectively was made by Mr. Strine and seconded by Mr. Meldrum. The motion carried 5-0.

### **D. Trust Fund Operating Account Replenishment Letter:**

The letter to request replenishment of the account in the amount of \$60,000 was for informational purposes only.

## **VII. Reports:**

### **A. Compliance Matters (Executive Director):**

#### **1. Delinquency Report:**

Mr. Sutton discussed the delinquent parks report. The following parks are now two quarters late Bethany Crest, Bowers MHP, Cubbages Estates, Hartly MHP, Holly Hill Trailer Park, Magnolia Estates, Upcountry MHP. A motion to sue was made by Mr. Hrycyshyn and seconded by Mr. Dunn. The motion carried 5:0.

Bree Street was also discussed. Ms. Rhoads verified that there are nine (9) separate tax parcels in the community with one home on each parcel, and therefore should not fall under Chapter 70. Mr. Crane asked Mr. Sutton to contact Mr. Stumpf and have him send a written request to be excluded from paying assessment fees. The Board will discuss at the next meeting and decide whether he should be excluded from paying assessment fees.

Minquadale Village is ongoing regarding assessment fees. Mr. Crane suggested that until we have clarification that says they do not owe us anything, and they do not have to continue to pay, we have an obligation to try to collect the assessment fees. This might get them to get the legislation to do something or go to court for resolution.

Oakway still has not paid. Mr. Sutton contacted the park on 3/19/21 and was told they will send their payment. They have been referred to our legal counsel for further collection action.

Riverdale Park is still delinquent. Mr. Sutton will contact Mr. Clark regarding the credit on the Riverdale Park account and will ask Mr. Clark to contact Ms. Hambleton at the Division of Revenue to apply the credit to his account.

## **2. Compliance Investigator Report:**

Compliance Investigators were sent out to four parks to be audited. All communities were within the margin of error ( $\pm 5$ ).

## **B. Arbitration:**

### **1. Open Dockets for Arbitration Matters and Costs:**

#### **Rehoboth Bay vs. Hometown America (Docket 07-2016 & 08-2016 Combined):**

This docket was re-opened and stayed pending Supreme Court determination on another case. It is no longer pending as the Supreme Court's determination on that other case agreed that the arbitrator has the right to request certain documents in discovery. A meeting with the affected parties will be held to rule on this docket.

#### **Wild Meadows HOA vs. Wild Meadows MHC (Docket 10-2017 & 04-2019 Combined):**

This docket was re-opened and stayed pending Supreme Court determination on another case. It is no longer pending as the Supreme Court's determination on that other case agreed that the arbitrator has the right to request certain documents in discovery.

**Wild Meadows HOA vs. RHP Wild Meadows MHC (Docket 07-2018):**

This case is no longer pending and can go forward since the Supreme Court determined that the arbitrator has the right to request certain documents in discovery. The Writ of Prohibition part of this docket is closed.

Since Mr. Weidman recused himself, Mr. Sutton had to solicit another arbitrator. He was able to engage Mr. Robert Cahill to replace Mr. Weidman. Mr. Sutton hand-carried all the documentation for this docket to Mr. Cahill's office in Newark, Delaware. A representative from Mr. Cahill's office signed for the documents and will return them to us when this case is closed.

**Murray Manor vs. RHP Properties (Docket 03-2019):**

This docket is no longer pending the Supreme Court determination on another case since the Supreme Court's determination on that other case agreed that the arbitrator has the right to request certain documents in discovery.

**Winterset Farms HOA vs. Winterset Farms MHP (Docket 01-2020):**

This docket is also no longer stayed pending Supreme Court determination on another case since the Supreme Court's determination on that other case agreed that the arbitrator has the right to request certain documents in discovery.

**Murray Manor HOA vs. RHP Properties (Docket 03-2020):**

This docket is also no longer stayed pending Supreme Court determination on another case since the Supreme Court's determination on that other case agreed that the arbitrator has the right to request certain documents in discovery.

**Wild Meadows HOA vs. Wild Meadows LLC (Docket 04-2020):**

This docket is also no longer stayed pending Supreme Court determination on another case since the Supreme Court's determination on that other case agreed that the arbitrator has the right to request certain documents in discovery.

**Shady Park HOA vs Shady Park MHC LLC (Docket 01-2021):**

This docket is also no longer stayed pending Supreme Court determination on another case since the Supreme Court's determination on that other case agreed that the arbitrator has the right to request certain documents in discovery.

**Ridgewood Manor HOA vs Ridgewood Manor II MHC, LLC (Docket 02-2121):**

Pending – Mary Sherlock agreed to arbitrate.

**VIII. Unfinished Business:**

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

**Bree Street MHP** – Previously Discussed.

**Lynch's MHP** – Park is owned by Mr. John Moore who is represented by Attorney Jamie Sharp. Park has been sold. They wanted DEMHRA to inform the tenants again

that they have a right to form an HOA. There never was an HOA formed. The statute does not require us to notify the affected tenants again as they had the opportunity to form an HOA more than a year ago and did not. The attorney was notified that DEMHRA will not send another letter.

**Paradise Cove (Formerly Malone's Bayside Marina)** - We found out that there are 41 lots, seven (7) of which are vacant. There are two (2) residents living there year-round. There are 28 residents who should be paying into the Trust Fund and have not. They are not registered and have not been paying. Mr. Sutton sent a compliance investigator to do an audit. Mr. Crane clarified that the exemptions from having to pay have to do with seasonal parks. The entire park must be seasonal to be deemed that type of park. Since there are at least two residents living there year-round, and the utilities are on year-round, all residents are responsible to pay the monthly assessment. Mr. Sutton will send a letter to the owner stating that all residents will have to pay into the Trust Fund.

**Ridgewood Manor II** – We will follow-up regarding when they set up their Trust Fund Account with the Division of Revenue.

**Silver Oak Trailer Park** – Sale is pending. Mr. Sutton will follow-up with Attorney Rago and give him 7 days to provide us with an update.

**Towers MHP** – We were informed this was in Chancery Court due to on-going legal issues. Ms. Rhoads had checked on this and saw no evidence that it was referred to Chancery Court.

**Willow Tree MHP** – Sold. Mr. Lopes. Ms. Hambleton was contacted to find out if Mr. Lopes has set up his Trust Fund account.

**Vanessa MHP** – Chancery court has assigned an attorney to handle the sale. The Park will be going up for auction. It will be advertised in the local newspapers.

**B. Update on Policies and Procedures:**

**C. Update on Lynch's Sale of Park:** This was previously discussed.

**D. Update on Paradise Cove (Previously Malone's Bayside Marina):** This was previously discussed.

**E. Update on Bree Street Tax Parcel Clarification:** This was previously discussed.

**F. Approval of Employee Policy on Annual, Sick, and Holiday Leave:**

This was discussed at the last meeting in Executive Session. It was later determined that one of the Board members should have recused himself because his wife is employed by DEMRHA, and a vote must be taken with that Board member recusing himself. A motion to approve was made by Mr. Strine and seconded by Mr. Meldrum. The motion passed 4:0 with one in absentia.

**IX. New Business:**

**A. MHR Tax Form Update:**

MHR stands for Manufactured Home Relocation. This form was revised by the Division of Finance. The year has been omitted and the account number is not listed. The reason they did this was so that the form does not have to be updated every year. Mr. Sutton noted that on the top of the form, the assessment amounts listed are confusing as to who pays what. It does say the community owner pays \$2.50 but is credited fifty cents. It should just say they pay \$2.00. Since it is a Division of Revenue form, Mr. Crane suggests we contact the Division of Revenue to define this more clearly on the form. Also, Mr. Sutton stated that the form does not include information on the portal to access to pay on-line. Mr. Sutton will send a letter to the Department of Finance and request a copy of the letter they sent to the community owners for instructions on how to pay on-line.

**B. Update on Attorney Dave Weidman Replacement for Wild Meadows LLC vs. Wild Meadows HOA:** This was previously discussed.

**C. Legal Fund Assessments Paid by ROC's:**

Mr. Sutton questioned that if the community owners must pay \$2.50, why are communities owned by the residents paying just \$2.00 instead of \$2.50 of which \$.50 goes to the legal fund when they are unable to use it? Mr. Crane stated that if there is an interest in changing this, the elected officials must be contacted.

**D. Removal of ROC's from List of HOA's on DEMHRA Website:**

**E. Update on Procedures for Requesting Rent Increases:**

When a community owner requests a rent increase, they must send us a list of the affected tenants and their addresses. Mr. Sutton was advised by Mr. Morton that the Statue does not require community owners to submit the names and addresses of affected tenants. Mr. Sutton also stated that Glasgow Court was not notifying DEMHRA of rent increases. He was told by their attorney that we did not have to be notified unless the rent increase exceeded the CPI-U. Mr. Sutton stated that even if the rent increase is not over the CPI-U, DEMHRA must be notified.

Mr. Strine disagreed stating that there is no arbitration if the rent increase is not over the CPI-U and said DEMHRA should not waste time pursuing this. Mr. Crane suggested that Mr. Sutton make a formal proposal for next month's board meeting to discuss for a vote. Mr. Crane asked Ms. Rhoads to look into this as well.

Mr. Sutton requested that if approved by the Board that we add this in DEMHRA's Policies and Procedures.

**F. Posting of Meeting Notices on the State Website Calendar of Events:**

This was previously discussed.

**G. Supreme Court Decision on Docket 07-2018:**

This was previously discussed.

**H. Court Reporter Solicitation Letter:**

Mr. Sutton had concerns with some of the rates charged by court reporters, and suggested that DEMHRA be able to contract court reporters based on their hourly rate. We have sent letters to several agencies requesting that they submit a proposal for their services.

**I. Action Items:**

Paradise Cove must be contacted to let them know they have to continue to pay assessment fees.

Bree Street must be contacted to submit a written request to stop paying Assessment fees.

Glasgow Court has been requested to send their rent increase letters to us.

**X. Public Comments:**

Mr. Crane welcomed any comments or questions from the public.

**XI. Executive Session:** The Board may discuss, in Executive Session, pending arbitration cases, personal 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 June 3, 2021 1:30 p.m.

The regular meeting was adjourned at 3:03 p.m. Zoom Meetings will continue until the Board decides to discontinue them.

Respectfully submitted,

Gregg Sutton  
Executive Director