

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**  
**1979 S. State Street**  
**Dover, DE 19901**

**Minutes of the May 9, 2024 Board Meeting**

Authority: Jerome Rogers  
Richard Hrycyshyn  
George Meldrum  
William Dunn  
Andy Strine

Legal Counsel: Melissa Rhoads

Gregory Sutton – Executive Director  
Jane Sabo (Assistant to the Executive Director)

Other: Dietmar Panzig – Southern Meadow Community  
Lynda Lucido - Pine Haven  
Joy Kaiser – Pine Haven

**I. Call to Order:**

Mr. Rogers called the meeting to order at 1:30 p.m. There was a quorum. Mr. Malone (non-voting member) was absent.

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

The April 4, 2024 minutes were reviewed. A motion to accept the minutes as written was made by Mr. Hrycyshyn and seconded by Mr. Dunn. The motion passed 5-0.

**III. Chair's Report:**

- DEMHRA staff has been busy since the last meeting.
- Hedgerow Hollow MHP and Mt. Pleasant MHP are for sale.

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

Since the last meeting, the following has occurred:

- R. F. Book, our auditor, has merged with another company and two entities were created. Savant Tax Consultants will be handling wealth management and investments, and Atlantic Blue Advisors will continue to provide auditing services.
- Every three years, DEMHRA solicits bids from at least two auditors. Mr. Sutton will be sending the letters this month to Atlantic Blue Advisors and another auditor. In the eight years, we have always utilized the services of R. F. Book as they were always the lowest bidder.  
We received an email from Atlantic Blue Advisors inquiring if we want our audit prepared in accordance with Generally Accepted Auditing Principles (GAAP) procedures. There would be an additional cost of \$400-\$800 for this. Mr. Sutton checked our regulations, and nowhere does it indicate that DEMHRA must use the GAAP procedures in our audit. Mr. Rogers was of the opinion that he does not see a need to spend the extra money for this service. Mr. Strine added that this was looked into years ago, and at that time it was decided that it was not worth the extra cost. Mr. Strine made a motion that was seconded by Mr. Hrycyshyn to not have our audit prepared in accordance with the GAAP procedures. The motion passed. Mr. Sutton will notify our auditor.
- There are two parks for sale, Hedgerow Hollow and Mt. Pleasant. Since neither has HOA's, it is DEMHRA's responsibility to send the Right of First Offer (ROFO) notification letters to the tenants. Letters were sent to

Hedgerow Hollow on May 7, 2024. Mr. Pleasant notification was just received today, and the Right of First Offer letters will be sent by the end of the week. Mr. Strine made a suggestion that the seller provide mailing labels to cut down on the time involved with the ROFO notification process.

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

Ms. Rhoads had no written report this month and stated that everything that had been assigned to her previously had been resolved.

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

### **A. Recent Financial Activity & Report:**

Mr. Sutton reviewed the April report. This report is for informational purposes only and will be posted on the DEMHRA website. Petty cash was replenished to bring it back up to \$500

Mr. Dunn added that the trust fund is capped at \$15,000,000, and consideration should be given to reducing the amount of assessment fees collected from owners and tenants by \$1.00 each to delay reaching that amount. Mr. Strine suggested that if it is decided to follow through with this initiative, it makes sense to begin working on it now so that owners can be notified of the change by July, with an effective date of January 1, 2025.

Mr. Strine asked Mr. Sutton to compile a report for the next meeting comparing the current income/expenses from assessments and projecting what it would be with the proposed decrease. He suggested using a 12-month aggregate of total income and expenses, dividing it by four quarters, then dividing it by the \$4.50 now received and change that number to the proposed reduction of \$2.00 to compare the gross collections. He also added that DEMHRA does not need legislative approval for this. This will be placed on the next meeting agenda.

### **B. Approval of Invoices:**

The following invoices were presented for approval:

Tighe & Cottrell for legal services for April in the amount of \$2,145.35.

The Spanish Group for translation of February minutes in the amount of \$199.58.

Moore & Rutt for legal services for Docket 2021- A, Ridgewood Manor, in the amount of \$255.00.

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

## **VII. Reports:**

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

#### **1. Compliance Investigator Report:**

As previously discussed at the last board meeting, per Mr. Strine's suggestion, compliance investigators will only audit those parks that have not completed an annual registration form in two years. A report will be emailed to the board members showing the annual registrations not returned to date.

#### **2. Delinquent Parks Report:**

There were no new delinquent parks to refer for legal action.

#### **3. Community Owner Annual Registration Forms Returned:**

A report has been compiled showing the number of communities that are not required to pay into the trust fund (resident-owned communities, communities on separate tax parcels, and seasonal and mixed-use communities). This will be discussed at the next meeting.

Mr. Strine discussed the possibility of amending the law for some things that do not function well from an operational standpoint. One example is the annual community registration forms and the necessity to have the communities send them in annually. In his opinion it seems like it involves too much busy work, as this information is provided quarterly by the communities when they remit their assessments. Mr. Rogers added that the time spent sending forms to communities and tracking those not returning the forms in a timely manner may not be worth the effort.

Mr. Strine proposed consulting Ms. Rhoads to determine what functions could be streamlined from an operational standpoint before presenting to the legislators. The residents and landowners would be

consulted to be sure it works for them. Once that is accomplished, it would be presented to the legislators for consideration.

He added that we, as a board, must function as smoothly and efficiently as possible. Mr. Rogers added that it is worthwhile to pursue. He would like a list of topics be presented for discussion at the next meeting to include annual registration forms, rent /increases, clarification of different types of communities (definition of community owned, seasonal, mixed), etc. Mr. Sutton suggested that the issues presented to the legislators a few years ago and not acted upon, be revisited. This will be placed on the next meeting agenda.

**B. Arbitration:**

**Docket 04-2019 (Wild Meadows HOA vs. Wild Meadows LLC):**

In Superior Court. As of April 30<sup>th</sup>, it was been fully briefed. Arguments are scheduled for June 11, 2024.

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

In Superior Court. As of April 30<sup>th</sup>, it has been fully briefed and argued, and the matter is now under submission.

**Docket 02-2021 (Ridgewood Manor vs. Ridgewood Manor II LLC):**

In Superior Court. An email was received by Attorney Sharp on 3/20/24, indicating that the parties are preparing the entirety of the record including the transcript for his review.

**Docket 03-2021 (Canterbury Crossing):**

In Superior Court - As of 4/30/24 there is no change.

**Docket 04-2021 (Pot-Nets Lakeside HOA vs. Lakeside Community):**

In Superior Court - As of 4/30/24 no change in status and briefing is complete.

**C. Rent Increase Certification Requests (April):**

There were 39 rent increase certifications for the month of April.

**VIII. Unfinished Business:**

**A. Update on Parks for Sale:**

It was previously discussed that Hedgerow Hollow and Mt. Pleasant communities are for sale. Dalton's MHP is still for sale. Mr. Strine added that it will be over one year by the time of the next board meeting. Mr. Sutton will check what is required by code, and if mandated, Dalton's will be contacted to let them know that the Right of First Offer must be renewed if they still have intentions of selling the park.

**B. Update on Parks Going Through Change in Use:**

**Pine Haven** – There were 36 affected tenants, and there are 23 remaining. There is one application for approval that needs to be explained in more detail. This will be discussed in the approval of applications section later in this meeting.

**Timberlane:**

There were no new applications. Two checks were disbursed, one for moving a home and one to reimburse a tenant for interim housing allowance (hotel stipend).

**C. Approval of Applications:**

**Timberlane: 22525 Corey Drive, Lincoln, DE 19960**

**Abandonment benefit request for home in the amount of \$3,000.**

The home was purchased from the previous owner, Dale Cohee and a title was not given to the tenant. The tenant stated that she did not receive the change in use notification letter as it was sent to the wrong address. There is confirmation from the community's legal counsel that the tenant received a notification letter. The DOJ has been involved in this case, and an excerpt from the DOJ transcript indicates that the tenant resided there but there is no indication that she owns the home. DEMHRA board previously approved applications when there was no title. The tenant has made attempts to contact the previous owner to get the title but there was no response. Mr. Strine asked Ms. Rhoads if in her opinion the threshold was reached. Her response was that the tenant received the change in use notification, no one else claimed ownership or applied for benefits, and there is documentation confirming that the tenant resided there. Mr. Strine added that in his opinion, the tenant should be given benefit of the doubt, and should be able to take advantage of the benefits in order to be consistent with what was done in

the past with other tenants who did not have a title. A motion was made by Mr. Dunn and seconded by Mr. Meldrum to approve abandonment benefits in the amount of \$3,000. The motion passed.

**IX. New Business:**

**A. Request Yearly Audit Proposals:**

This was previously discussed.

**B. Threshold for Approving Financial Transactions:**

Mr. Sutton looked at the policies and procedures currently in place for approving financial transactions. He found that two board members must approve financial transactions.

He amended the policy to clarify what disbursements require prior approval by two board members, identified disbursements not requiring pre-approval, and added that all disbursements over \$500 must be pre-approved by two board members. Other disbursements under \$500 can be submitted without approval of the Board of Directors.

**C. New Community Owner Checklist to be Posted on DEMHRA Website:**

Some new owners were unaware of the procedures to follow when purchasing a community. This information will be sent to new owners and will also be posted on the DEMHRA website. Ms. Jen Allen of First State Manufactured Housing Association was sent a copy of this. Ms. Rhoads suggested that an effective date be noted at the bottom of the document. This will be done before posting.

**D. Additional Cost from R. F. Book for adding GAAP Financial Statements to the Audit:**

This was previously discussed.

**X. Public Comments:**

The Pine Haven attendees expressed their appreciation to DEMHRA for their help with going through the change in use. The Board expressed their appreciation for their input.

At this time Mr. Rogers asked the board members if they had any comments or questions. Mr. Strine reminded the Board to come up with a list of items for the next meeting regarding the streamlining of functions from an operational standpoint.

**XI. Executive Session:**

As there were no items to discuss, the Board did not go into an executive session.

**XII. Next Meeting - Adjournment:**

The Board set the next meeting for Thursday, June 20, 2024, at 1:30 PM.

Respectfully submitted,

Gregory Sutton  
Executive Director

Pursuant to 29 Del. Code Section 10004(e), this agenda may be changed to include additional items (including executive sessions) or the deletions of items (including executive sessions) which arise at the time of the Authority's meeting.