

**HALFMOON TOWNSHIP OPEN SPACE PRESERVATION BOARD
REGULAR MEETING-MINUTES
APRIL 3rd, 2013**

1. CALL TO ORDER

Chair Ron Hoover called the meeting to order at 7:15pm. Other members present were Bob Eberhart, Ben Pisoni, Joe Tylka and Andy Merritt. Staff present was Susan Steele, Manager, Amy Smith OSPB Administrator and Rebekah Seymour, Recording Secretary. No audience was present.

2. PLEDGE OF ALLEGIANCE

3. MINUTES

- ***MOTION: Mr. Eberhart moved to approve the minutes of February 6, 2013 as submitted; Mr. Tylka seconded; Vote 5-0-0; Motion carried.***

4. LAND RATING SYSTEM

Mr. Hoover stated that from the last Board of Supervisors' meeting there were concerns discussed about the program (i.e. high acreage, position of Township to mortgage holders) Mr. Hoover further stated that a concern that came up was that if additional acres were to come into the program the current land rating scale was not rigorous enough to prioritize/rank the properties. Ms. Steele stated that the Board of Supervisors had agreed the review of the land rating system needed to be discussed at the next OSPB meeting and made reference to suggestions posted in an e-mail from Mr. Stevenson (not present).

Mr. Tylka inquired about the outcome of the attorney opinion that had been sought in regards to the referendum language's consistency with the current lease program in place. Ms. Steele stated that the outcome had been discussed in the Board of Supervisor's meetings in March and the feelings were that the language was consistent with the current program. Mr. Merritt stated that of the opinions received they looked more closely at the one from Ms. Yurchack's firm as it gave thorough citation of case law examples to back up the opinions given.

Mr Tylka agreed there were serious concerns with the program and questioned if a consensus had been reached on it the program would remain a lease or if it would change to purchase program. Ms. Steele stated that there had been no decision made on that point. Mr. Tylka stated that if the Board of Supervisors were undecided then perhaps the OSPB should discuss opinions and issues to help the Board of Supervisors in their final decision and perhaps the land rating system was not a priority at this time. Ms. Steele stated that was why she had wanted a joint meeting between the two boards but as of right now staff was told to facilitate discussion on this item.

Mr Tylka stated that the current program needed to be polished so that it can continue and that currently there are no consistent procedures and standards in place. Mr. Tylka further stated that he felt basics of the program might need to be worked on first instead of one specific item and listed some items as follows:

1. To set standards for timely finish of legal documents needed to close deals on acquiring new property into program
2. To create lists of documents needed so all information is available through the duration of the 100 year lease.
3. Review current documentation that could be subject to interpretation
4. Assure that accountants can work with and understand the cash flow statement/model and possibly upgrade accountants if they can't.

Mr. Tylka stated that these issues would need fixing before any more money is spent on new properties. Ms. Steele stated that no applications were being accepted until December 2013. Mr. Hoover suggested perhaps the OSPB needed to list these issues needing to be addressed to give to the Board of Supervisors.

There was a brief discussion on past acceptance of properties where the township was in an inferior position to mortgage holders and if the OSPB had an understanding of the risk that was. Mr. Eberhart stated that they did not understand the risk when they accepted those properties.

Mr. Pisoni stated that the Board of Supervisors reviewed a power point with a list of questions about the program, the first being if it would become a purchase or lease program (there was no consensus on this), the second was about the land rating system and it was agreed it needed to be revised. Mr. Pisoni further stated that they did not get any further than that in their discussions. Mr. Eberhart pointed out that if they did not decide for certain if it was going to be a lease or purchase program and the land rating system only applies to the lease program he agreed that it might not be a priority right now. Mr. Tylka suggested that there needed to be a prioritized list of issues to discuss looking at what had happened, why it happened, how it happened and ensure it does not happen again. Mr. Merritt asked Mr. Tylka on recommendations of where to start. Mr. Tylka gave these recommendations to the OSPB to send to the Board of Supervisors for review and discussion:

1. Leaseholders who are receiving compensation from the organization should not serve on the OSPB or Board of Supervisors because this would create a conflict of interest as these persons would be voting on laws dictating how compensation is to be given.
2. The money collected by the tax levy for the program should be professionally managed instead of the pay as you go manner that is currently in place. This would help keep funds protected so they would be available for the future.
3. A document should be written up that states subordination would be required for new properties so that the Township would not be put in the junior position again.

4. The Township should work with present leaseholders to help them if any problems should arise but the fees associated with this should be the responsibility of the lease holder alone.
5. Allow for current accounting firm to run a forecasting model of funds or if current accountants cannot look into a professional accounting firm that can and run it when a new application comes in to ensure lease payments may be made over a 99 year period.
6. Law is a specialized field and there is concern of the appropriateness of current law firm's opinion in conjunction with the law of commercial real estate as it does not list this as one of its specialized services. It would be worthwhile then to hire someone well versed in this type of law to give advice on the future of the program.
7. In regards to advances, where the Township is subordinate to the mortgage holders, the Township is in a long-term unsecured risk. This might not be wise choice in the future if there is no possible plan to secure them.
8. To set a list of standards on what closing documents are needed/wanted in regards to acceptance of new applications in the future. In essence the goal would be to create standards in regards to documentation needed to contract the lease and have all necessary documentation needed for the next 99 years.

Ms. Steele stated that she would draft a memo with these suggestions and send it to the Board of Supervisors for their opinion and asked if Open Space members would be present to help discussion since there would be staff as well as attorneys present at the meeting.

There was a brief discussion about lease agreements and property value in conjunction with the lease.

5. OTHER BUSINESS

Mr. Eberhart stated that at the last meeting there was discussion about the Centre County Farmland Trust and that there were at least four properties in the program who received a letter from them. Mr. Eberhart further stated that he had drafted a letter to the leaseholders about the program. Ms. Steele read this letter to the group and all agreed it sounded good.

There was a brief discussion about the legal opinion that had been received regarding the consistency of language of the referendum to current program and if OSPB members could see these opinions. Mr. Pisoni stated that he would bring up this issue at the next Board of Supervisor's meeting.

6. CITIZEN'S COMMENTS

There were no citizen's comments.

7. ADJOURNMENT

The meeting was adjourned at 9:10pm. Ms. Steele left at 8:52pm. Mr. Merritt left at 9:07pm

- ***MOTION: Mr. Eberhart moved to adjourn the meeting at 9:10pm; Mr. Pisoni seconded; Vote 4-0-0; Motion carried.***