

**HALFMOON TOWNSHIP OPEN SPACE PRESERVATION BOARD  
REGULAR MEETING-MINUTES  
MAY 1<sup>st</sup>, 2013**

**1. CALL TO ORDER**

Chair Ron Hoover called the meeting to order at 7:15pm. Other members present were Bob Eberhart (arrived at 7:17p), Ben Pisoni, Joe Tylka, Christine Braken-Piper, 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**

Mr. Tylka gave two grammatical corrections to the minutes.

- ***MOTION: Mr. Merritt moved to approve the minutes of April 3, 2013 as submitted and ammended; Mr. Tylka seconded; Vote 6-0-0; Motion carried.***

**4. DISCUSSION ITEMS AS IDENTIFIED BY THE BOARD OF SUPERVISORS**

Mr. Hoover stated that as a result of the joint meeting with the Board of Supervisors there were some issues identified that the Board of Supervisors would like the OSPB to work through and give recommendations on.

**Liens and Subordination**

Mr. Tylka stated that rather than focus on where the program is at right now but rather focus on where to go from here. Mr. Tylka further stated that currently there are 2 situations present within the programs concerning lien placement and those were as follows:

1. There are properties where there is a mortgage in front of the Township lien putting the Township in the junior position meaning if the property was foreclosed upon the lien attachment would be cleared.
2. There are properties that are "free and clear" and have no mortgage in front of the Township lien. The only problem that would arise is if the landowner would want to secure a mortgage in the future, who would pay for the documentation (the township or the landowner).

Mr. Tylka elaborated asking if the OSPB elected to do nothing about those liens where the Township is in an inferior position should any more advance payments be made? Mr. Tylka stated his thoughts would be to have the Board of Supervisors put in the ordinance that the Township would no longer take a junior position. There was brief discussion about what should be put into the law regarding the Township being in first position, how a lawyer would help to get the Township there and current financial situations regarding unsecured risk and advance payments documenting/recording in memorandum of lease.

Mr. Tylka suggested putting in place a policy for the acquisition of future land for the program that would document all papers needed to secure a lien for the Township and protect the Township's position. There was a brief discussion about documents that might be needed and what the Township would require lawyers to do for the future. Mr. Hoover suggested looking at the goals of the program to try to help translate these ideas into the ordinance. Ms. Steele stated that it would be better to write these suggestions into a policy rather than the ordinance because putting them into law does not give the Township much leeway to be flexible for programming purposes. Mr. Tylka stated that the law should only have general statements such as Township must be in first position, Township lien must survive all transfers and the attorney is the one who looks at the law and gets the documents required to make those general statements happen. Ms. Steele agreed stating that no two properties are going to be the same so to create more detailed law would take away the ability to take in diverse properties into the program. There was brief discussion about putting items into the ordinance to which Mr. Tylka stated that some of Mr. Hoover's ideas were business points and not legal points which do not need to be written into a law because they are negotiable issues that can be decided on a case by case basis whereas the other legal points should not be negotiable such as being in first position.

Mr. Tylka reviewed what had been said so far as follows:

1. No new deals without adequate documentation
2. Creation of a policy where a law firm outlines what documents are needed to process the transaction.
3. What should be done about properties in which the Township is in an inferior position? Should anything be done? Mr. Tylka stated his recommendation was no to which Ms. Steele agreed.
4. If nothing is done to these properties should they be given more advance payments in the future? Mr. Tylka stated his opinion was that no advance payments should be made unless the landowner restructures it so that the Township lien is in first position. Mr. Tylka stated it was not an unreasonable position when it has been proven there are banks that will do subordination.

Mr. Hoover questioned if landowners come in after the re-structuring is over and argue they don't have to follow the new policy because it was not in place when their leases were signed. Mr. Tylka said it is possible but it's a risk that would have to be taken. Ms. Steele stated that as long as certain specifics are in the lease such as how often advance payments are made then the law could change and the landowner would have to abide by that. Mr. Tylka continued with his review of what had been said as follows:

1. Should the Township pay for a landowner with no mortgage in the program to work with the bank to get a mortgage? Ms. Steele agreed that the Township can work with them but the paperwork should be paid for by the landowner. There was a brief discussion about recording advance payments for the leases and how it relates to title searches.

There was a brief discussion about how the Board of Supervisors needs to ensure it does not get into this position again. There was also brief discussion about proper legal counsel (i.e. Township Solicitor or new lawyer specializing in field).

Ms. Steele suggested taking their recommendations and creating a white paper to send to the Supervisors so that only one motion needed to be made to send recommendations. Mr. Tylka offered to proofread draft before it was sent to the Board of Supervisors. Ms. Smith recommended tabling the rest of the points to discuss until the first white paper draft recommendations could be approved and sent to which the board agreed.

#### **5. OTHER BUSINESS**

There was a discussion about where help was coming from to professionalize the business model Mr. Tylka came up with so it can be used for future forecasting of funds. There was brief discussion about the OSPB being able to take a look at the attorney opinion that was given to the Board of Supervisors about the referendum language being consistent with the current structure of the program.

#### **6. CITIZEN'S COMMENTS**

There were no citizen's comments.

#### **7. ADJOURNMENT**

The meeting was adjourned at 8:21pm. Ms. Steele left at 8:08pm.

- ***MOTION: Mr. Merritt moved to adjourn the meeting at 8:21pm; Mr. Tylka seconded; Vote 6-0-0; Motion carried.***