

**HALFMOON TOWNSHIP OPEN SPACE PRESERVATION BOARD
REGULAR MEETING-MINUTES
MAY 16TH, 2012**

1. CALL TO ORDER

Chair Ron Hoover called the meeting to order at 7:05pm. Other members present were Bob Eberhart, Ben Pisoni and Andy Merritt. Staff present was Susan Steele, Manager, Amy Smith, OSPB Administrator and Rebekah Seymour, Recording Secretary. No audience present.

2. PLEDGE OF ALLEGIANCE

3. MINUTES

- ***MOTION: Mr. Pisoni moved to approve the minutes of April 18th, 2012; Mr. Merritt seconded; Vote 4-0-0; Motion carried.***

4. 10% EXCEPTION LANGUAGE

Ms. Smith stated that Ms. Yurchak (not present) had redrafted two clauses for advance repayment under the 10% exception rule that the OSPB had sent back to her. Ms. Steele clarified that for repayment of the advance payment the applicant would need to pay back the amount received at the rate of the current lease payments.

- ***MOTION: Mr. Pisoni moved to approve and forward redrafted language by Ms. Yurchak for repayment clause in 10% exception; Mr. Eberhart seconded; Vote 4-0-0; Motion carried.***

5. ADVANCE PAYMENT LANGUAGE

Ms. Steele stated that she had a few suggestions for discussion about the future of the advanced payment option. Ms. Steele stated that the Board of Supervisors asked Mr. Tylka (not present) to perform a risk assessment of properties in the Open Space Program that had mortgages prior to the OSPB lien. Ms. Steele stated that in her opinion there were only about 3 risky properties. Ms. Steele further stated that the Board of Supervisors discussed with the solicitor what could be done retroactively about the advance payments to which the answer was nothing at this time due to being entered into a contract with the landowner. Ms. Steele stated that there was an opinion provided by the Solicitor that had been given to staff back when the advance payment option was being written regarding concern over the advance payment coming off the end of the lease rather than the front of the lease. Ms. Steele commented that current staff is not aware that this was actually discussed with the Board of Supervisors as there was nothing noted in the minutes, other than possibly an executive session held by the Board of Supervisors.

Ms. Steele spoke briefly about how the open space lien was second to mortgages held on the property and how they might go about getting a subordination letter from the lending institution to protect the investment in the event of a foreclosure. Mr. Pisoni stated that they could get permission from landowners to contact their lending institution for the letter but also stated how that could possibly have repercussions on the landowner. Mr. Merritt also stated that there aren't many lending institutions that would give a subordination letter. There was a brief discussion on a property currently in the program that is under litigation that Ms. Steele stated that even though it was risky the OSPB is still in a good place with this property since it can be negotiated with the landowner.

Mr. Hoover questioned that if a property had entered the program three years ago and decided at this time to exercise their advance payment option for a 10 year advance would they even be able to since the OSPB is considering changing the Ordinance and excluding advance payments or would they be grandfathered under the current law? Mr. Pisoni stated that it would not matter since the lease agreement states an advance payment is not guaranteed.

Ms. Steele suggested that maybe the OSPB should consider adding a clause that if an advanced payment was requested the Township should require a subordination letter from the lending institution. Mr. Pisoni stated that with their current financial situation there isn't really enough money for advance payments anyway. Ms. Steele reiterated that there was only three properties she felt were risky and the rest had little to no mortgage or a mortgage that is behind the OSPB. Mr. Eberhart questioned if the township would be informed if the landowner refinanced. Ms. Smith stated the landowner is not required to inform the Township. Mr. Eberhart expressed that, in his opinion, the township should have the right to know.

Mr. Pisoni stated that perhaps in the future the OSPB should require that the Township hold the first lien in the event that an advance payment is requested and paid. Ms. Steele stated that possibly the restriction could be no advances if there is a mortgage, if they wanted to be strict. Ms. Steele stated that one of the problems is that the program is not set up like other purchase/leasing government programs as the advances aren't given according to fair market value. Ms. Steele stated that the OSPB needed to decide how to recoup the advances and try to keep the property in the program. Ms. Steele stated that perhaps an approval letter from the mortgage company prior to placing the lien, as this may devalue the property, so the mortgage company is aware this lien is being placed may help the township hold its position on the lease. Mr. Hoover stated that if a property is sold then it's going to be reappraised which doesn't change the amount of the mil just the appraised value of the land. There was a brief discussion on how a property is assessed by the County and taxed.

Ms. Steele reiterated suggested options from earlier discussion. Mr. Hoover asked if the advance payment option should no longer be available as it has

served its purpose and gotten more land in the program. Mr. Pisoni stated that any applications for advance payment would make him leery to approve. Mr. Pisoni suggested waiting for the entire board and for time to think about it before anything is decided upon or changed. Ms. Steele stated that it wasn't ready to be discussed as there were no suggestions prepared at the time. Ms. Steele further stated that the concern now is how to protect what is already in the program and consider changing the policy of how an advance payment is granted.

6. OTHER BUSINESS

No other business was discussed.

7. CITIZEN'S COMMENTS

There were no citizen's comments.

8. ADJOURNMENT

The meeting was adjourned at 8:21pm.

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