

**GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY, APRIL 25, 2025, REGULAR MEETING MINUTES**

Roll Call:

A regular meeting of the General Municipal Authority of the Township of Manheim was held on Friday, April 25, 2025, at 8:00 a.m. at the Manheim Township Municipal Building, 1840 Municipal Drive, Lancaster, Pennsylvania. Authority members Michael A. Kyle, Stacey Morgan-Brubaker, Adam Smith, and M. Dale Weaver were present. Also present were J. Dwight Yoder, Township Solicitor, and Matthew Creme, Authority Solicitor. The meeting was called to order by Mr. Smith,, Chairperson. He led all the in the Pledge of Allegiance.

Public Comment: There was no public comment.

Minutes:

Mr. Weaver moved to approve the minutes of the January 17, 2025, regular meeting. Seconded by Ms. Morgan-Brubaker. Mr. Smith asked if there were any questions or comments. There were none. Motion carried 4-0.

Financial Reports:

Mr. Smith noted the financial reports were not provided to the Authority for review. There was some discussion on how best to proceed. Mr. Weaver suggested that the reports be provided electronically for the Authority to review and approve. No further action was taken.

Invoices for Approval of Payment:

Mr. Kyle moved to approve the following disbursements for payment:

Nikolaus & Hohenadel, LLP	\$1,746.00
Costello Builders	\$ 957.94
EG Stoltzfus Homes	<u>\$ 957.94</u>
Total	\$3,661.88

Seconded by Mr. Weaver. Mr. Smith asked if there were any questions or comments. There were none. Motion carried 4-0.

Presentations/Public Hearings:

2023 Audit Report

Mr. Creme explained that the solicitor's role in the audit is to report to the auditor any actual or threatened liabilities at the end of 2023. Mr. Creme explained the identified threats in 2023 have all

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since been resolved. The focus of the audit is the Authority's financial standing as of 2023, even though it is no longer relevant. The Authority needs to complete the audit by approving it, filing it with the Pennsylvania Department of Community & Economic Development (DCED) and advertising its completion and approval.

Mr. Kyle questioned the cash basis for accounting as opposed to accrued or modified accrued. Ms. Morgan-Brubaker stated she believes the method of accounting was changed in 2024. Ms. Morgan-Brubaker pointed out that the "issues" were referenced and footnoted on the Township's audit.

Mr. Weaver moved to approve the 2023 General Municipal Authority Audit Report, and to provide the public notice to DCED as required. Seconded by Mr. Kyle. Mr. Smith asked if there were any questions or comments. There were none. Motion carried 4-0.

Old Business:

Mr. Weaver asked Mr. Creme about the letter needed for the audit from the Authority's previous solicitor. Mr. Creme stated for some reason the previous letters were not available. Mr. Creme provided a letter based on the information he had and that which was provided by Mr. Yoder. This matter was resolved as Mr. Creme provided a letter to the auditors for the 2023 audit.

Mr. Kyle asked if there were any new volunteer applications for the open seat on the board and if the Board of Commissioners had any new direction for the Authority. Ms. Morgan-Brubaker stated that there was no new direction, and the Board has not received any new applications from qualified individuals. She further explained the Township is in the process of adopting a new comprehensive plan. One of the action items of the new plan is to review and realign all the Township's boards and committees. She believes this will take place towards the end of summer.

New Business:

Motion to Authorize Execution of the Settlement and Release Agreement with Indian Harbor Insurance Company and Manheim Township

Mr. Yoder explained this is related to the lawsuit, which became a class-action, over the calculation of the tapping fees. The Township sent the lawsuit to the Township's insurance carrier, Indian Harbor Insurance Company. The insurance company's reservation of rights letter stated they would provide the Township with defense but reserved its rights to deny coverage if the Township was found liable. Mr. Yoder, on behalf of the Township, responded to the issues raised for denial. The insurance carrier, through their attorney, offered a settlement agreement to resolve these issues with the Township. As part of this agreement the insurance carrier included the Authority's release. Mr. Yoder believes the carrier's argument that the Authority does not have coverage under this policy is valid.

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Mr. Creme likened this to when a terminated municipal employee claims their rights were violated and makes a claim for both the lost compensation and damages because of the violation of rights. Typically, in this situation, the carrier would provide a lawyer to defend the municipality for both the loss of compensation and damages under a reservation of rights letter which states they will provide defense for both, but if the employee's claim prevails, the insurance carrier will only cover the municipality for the damages because the compensation owed is something which the municipality would have had to pay anyway. He compared the compensation owed to an employee in this analysis to the tapping fees which the Authority had to refund. However, the Township's negligence in allowing the overpayment of fees to occur would equate to damages paid to an employee. Mr. Yoder stated this is a good analysis, a good means of delineating the two legal theories against the Authority verses against the Township.

Mr. Weaver asked if by entering into this settlement agreement could the plaintiffs in the class action suit try to seize these assets from the Authority. Mr. Yoder explained the underlying litigation was settled and the money from the settlement would be paid to the Township. Mr. Yoder explained the settlement agreement needs to be approved by the Board of Commissions and it will become a public record.

There was further discussion regarding the current tapping fee and the inherent risk due to the complexity of calculating a tapping fee based on the state's laws governing tapping fees.

In answer to Mr. Kyle's question, Mr. Creme stated the Authority is included in this settlement agreement as it was also covered by this policy. However, as Mr. Creme pointed out, both he and Mr. Yoder agreed the Authority had no reasonable basis to challenge the denial of coverage for the reimbursement of tapping fees.

Mr. Weaver moved to authorize the execution of the Settlement and Release Agreement with Indian Harbor Insurance and Manheim Township. Seconded by Mr. Kyle. Mr. Smith asked if there were any questions or comments. There were none. Motion carried 4-0.

Motion to Appointment of Brown Plus Accountants + Advisors as Auditor for the Manheim Township General Municipal Authority

The Authority members requested an electronic copy of the auditor's engagement letter for review and approval as a copy was not provided prior to this meeting. No further action was taken.

Other Business/Deliberations:

Mr. Weaver initiated a conversation regarding the General Municipal Authority's future. Ms. Morgan-Brubaker stated there have been discussions about realizing it as an authority with a different purpose. Mr. Yoder pointed out that bond financing, which is one of the Authority's current roles, is

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still a critical role for the Authority, albeit underutilized. On behalf of the other members, Mr. Weaver stated they are interested in being part of any future plans the Board of Commissioner have for the Authority.

Adjournment:

There being no further business, the meeting was adjourned at 8:47 a.m.

Respectfully submitted,

Richard C. Kane
Recording Secretary