



'Tis that time of year when holiday decorations abound,

people fill the malls for holiday purchases (with face masks and social distancing, of course!), and the PMAA fields a lot of calls concerning reorganization, appointments, or reappointments of members, and other issues generally addressed by their incorporating municipalities at this time of year.

The Municipality Authorities Act does not provide any specific requirement of reorganization. Under Section 5607, the powers of the municipal authority include, inter alia, the right to make bylaws and rules and regulations for the governance of the authority's affairs, for the appointment of officers, agents, and employees, and to do all other acts and things necessary to follow through with the purpose for which the authority was incorporated.

Additionally, Section 5610 of the Municipality Authorities Act specifically provides for the powers of the authority to be exercised by a board consisting of at least five members, and provides for a staggered appointment at the time of the initial appointment of said members. It also provides, at 5610(d), that a member holds office until their successor has been appointed, and may succeed themselves. In other words, if your appointment is up this January 1st, and there is no action taken to appoint another individual, you remain in office unless and until action is taken to either reappoint you, or to appoint a successor.

Section 5610(e) provides that a majority of the members of a board constitutes a quorum for the purposes of taking any action to conduct the business of the authority, unless the bylaws of the authority require a greater number than a majority of the members.

Time to Reorganize

Michael J. Witherel, Esq.
PMAA Solicitor West
Witherel & Associates

Authorities must have an annual audit performed by a certified public accountant, with a copy of the audit to be filed at the authority's offices for purpose of public review as well as in the office of any incorporating municipality.



This Section specifically authorizes the board to manage the properties and business of the authority, and to prescribe, amend, and repeal bylaws and rules and regulations governing the manner in which the business of the authority is conducted. The board of the municipal authority fixes and determines the number of the officers, agents and employees of the authority, as well as their respective powers, duties and compensation.

Many municipal authorities adopt the same reorganization schedule as their incorporating municipality. You can certainly do so, and it is generally done through your bylaws.

Note, as indicated, that you can adopt bylaws, and amend them, as you see fit for the purposes of carrying on the business for which you are incorporated.

As a final matter, questions come up at this time of year as to the requirements of audits and financial reports.

This is codified in the Municipality Authorities Act in Section 5612. Authorities are required to have an annual report of its fiscal affairs covering the preceding calendar year filed with the Department of Community and Economic Development no later than July 1st if the authority's fiscal year ends December 31st, and within 90 days after the end of the fiscal year if the fiscal year does not end on December 31st.

In addition to this report, filed on a form prepared and distributed by DCED, authorities must have an annual audit performed by a certified public accountant, with a copy of the audit to be filed at the authority's offices for purpose of public review as well as in the office of any incorporating municipality.

There is no date that this is due by, but it is clear that it is to be done on an annual basis. The same Section also permits the incorporating municipality to designate a controller, auditor, or

accountant to examine, at the expense of the authority, the accounts and books thereof, and any other matters relating to its finances, operation and affairs. Further, the Attorney General of the Commonwealth of Pennsylvania has the right to examine the books, accounts, and records of any authority.

One final item required under Section 5612 is that a concise financial statement be published annually, at least once in a newspaper of general circulation in the municipality where the principal office of the authority is located. Again, the incorporating municipality may publish such a statement at the expense of the authority if it is not done by the authority.

Hopefully, you can enjoy the holidays, and will not need to contact the PMAA concerning these matters, although we are always happy to hear from our member authorities and answer any questions that you might have. Have a great holiday season.