

## **Statutes of the Association of Estonian Cities and Municipalities**

### **I GENERAL PROVISIONS**

1. The Association of Estonian Cities and Municipalities (hereinafter the Association) is a nationwide association of local governments, the objectives of which are:
  - 1) contributing to the general development of local government;
  - 2) representing members and defending common interests;
  - 3) promoting cooperation and organizing joint activities between members;
  - 4) creating opportunities for members to better perform their statutory tasks.
2. The Association was established on September 19, 1920.
3. The activities of the Association as a non-profit legal person are based on the principles of democracy, the initiative and joint activities of the members, in accordance with the laws and other legislation of the Republic of Estonia and these Statutes.
4. The official name of the association is the Association of Estonian Cities and Municipalities. The English translation of the name of the Association is the Association of Estonian Cities and Municipalities.
5. The Association has a seal and bank accounts in its name; the Association may have a flag and other insignia.
6. The seat of the Association is in Tallinn.

### **II TASKS**

7. The tasks of the Association are:
  - 1) representing and defending the common interests of its members in accordance with the constitution, the law and the European Charter of Local Self-Government;
  - 2) contributing to the development of an administration system consisting of local governments on the basis of the principles of democracy and the decentralization of power, based on the legitimate needs and interests of citizens and taking into account the specificities of local authorities;
  - 3) representation of members in international organizations;
  - 4) development of foreign co-operation and friendship;
  - 5) organizing cooperation between members and coordinating joint projects;
  - 6) advising local government officials and improving their knowledge and skills.
8. To carry out its tasks, the Association:
  - 1) represents members in relations with constitutional institutions, bodies and organizations;
  - 2) makes proposals for the adoption, amendment and supplementation of laws and other legislation and submits comments on draft laws and other legislation;
  - 3) organizes training for local government politicians and officials;
  - 4) may establish legal entities as well as participate in legal entities;
  - 5) issues local government publications;
  - 6) organizes other necessary activities that are not in conflict with the law or these Statutes.

### **III MEMBERS**

9. Local government units may be members of the Association. A member of the Association may not be a member of another national association of local governments at the same time.

**10.** The local government shall become a member of the Association on the basis of a written application and the records of the members shall be kept by the Management Board of the Association (hereinafter the Management Board). The Management Board may not refuse to admit a local government unit that meets the requirements for a member of the Association as a member of the association.

**11.** A member of the Association shall appoint his or her representatives to the General Meeting of the Association for the term of office of the local government council on the basis of the number of inhabitants as follows:

- 1) a local government with up to 10,000 inhabitants appoints – 2 representatives;
- 2)     "-                   10,001– 30 000     "-             "-             – 4     "-
- 3)     "-                   30,001– 60 000     "-             "-             – 6     "-
- 4)     "-                   60,001– 150 000     "-             "-             – 8     "-
- 5)     "-                   150,001 and more     "-             "-             – 12     "-.

A substitute shall be appointed for each representative. The representative and his or her substitute shall be appointed from among the members of the local government council or government and their names shall be notified to the Management Board in writing no later than within 4 months after the local government council elections. The local government council may recall and appoint a new representative or substitute, regardless of the reason.

**12.** A member of the Association has the right to withdraw from the Association on the basis of a written application. The date of withdrawal from the Association provided for in the relevant decision of the local government council shall be deemed the date of the termination of the membership. If the membership ends in the middle of the financial year, the resigner must pay the membership fee for the entire financial year.

**13.** A member of the Association may be expelled from the Association by a decision of the Council of the Association due to non-compliance with the provisions of these Statutes or significant damage to the Association.

**14.** A member of the Association has the right to:

- 1) elect and be elected to the governing and controlling bodies of the Association through its representatives;
- 2) to take part in and be kept informed of the activities of the Association;
- 3) to make proposals and inquiries concerning the activities of the Association;
- 4) withdraw from the Association.

**15.** A member of the Association has the obligation to:

- 1) comply with the statutes and decisions of the governing bodies of the Association;
- 2) take an active part in the activities of the Association and to contribute to the attainment of the Association's objectives;
- 3) pay the membership fee on time;

#### **IV ASSETS**

**16.** The tasks of the Association shall be financed from:

- 1) membership fees;
- 2) earmarked appropriations;
- 3) grants and donations;
- 4) revenue from the statutory activities of the Association;
- 5) from state budget allocations in cases prescribed by law or on the basis of law.

**17.** The property of the Association may be any asset which is necessary for the attainment of the

statutory objectives of the Association and the acquisition of which is not contrary to law.

**18.** The Association shall not be liable for the monetary obligations of its members and the members shall not be liable for the monetary obligations of the Association.

**19.** Association funds shall be kept in banks selected by the Association Office.

## **V MANAGEMENT AND ORGANIZATION**

**20.** The highest body of the Association is the General Meeting of the Representatives of the Members. To the extent provided for in Clause 30 of these Statutes, the functions of the General Meeting shall be performed by the Meeting of the Commissioners – the Meeting of the Council of the Association.

**21.** The exclusive competence of the General Meeting is:

- 1) approval of the report and activities for the period of activity of the Association;
- 2) adoption and amendment of the Statutes;
- 3) approval of the bases for determining the membership fee;
- 4) deciding on the reorganization or dissolution of the Association.

**22.** The General Meeting is convened by the Management Board at least once in the period between the local government council elections. In addition, a General Meeting shall be convened if at least 1/10 of the members of the Association so request in writing and stating the reason. The General Meeting is convened no later than 6 months after the regular local government council elections.

**23.** Proposals of the members of the Association on the agenda of the General Meeting must be submitted to the Management Board at least 4 weeks before and invitations to the General Meeting together with the agenda must be sent to the members of the Association at least 2 weeks before the General Meeting.

**24.** The Chairman of the General Meeting is elected from among the representatives of the members participating in the General Meeting.

**25.** Voting at the General Meeting is public unless otherwise decided.

**26.** Decisions of the General Meeting shall be taken by a majority of the representatives present at the General Meeting, except for the decision provided for in Clause 21.3 of these Statutes, which must be voted for by more than half of all the representatives of the members, and the decisions provided for in Clauses 21.2 and 21.4 of these Statutes, which must be voted for by at least 2/3 of all the representatives of the members. Each representative shall have one vote.

**27.** The General Meeting shall be recorded in minutes. The minutes shall be signed by the Chairman of the General Meeting and the Secretary.

**28.** In the period between the General Meetings, the functions of the General Meeting shall be performed by the Council of the Association.

**29.** A member of the Association shall appoint his or her representative to the Council of the Association (hereinafter the Member of the Council of the Association) for the term of office of the local government council on the basis of the number of inhabitants as follows:

1) a local government with up to 10,000 inhabitants appoints - 1 Member of the Council of the Association;

2)     "-                   10,001– 30,000     "-            "-            – 2 Members of the Council of the Association;

3)     "-                   30,001– 60,000     "-            "-            – 3     "-     "-     "-

4)     "-                   60,001– 150 000     "-            "-            – 4     "-     "-     "-

5)        "-                   150,001 and more        "-        "-        - 6    "-   "-    "- .

A substitute shall be appointed for each Member of the Council of the Association. A Member of the Council of the Association and his or her substitute shall be appointed by the local government council from among the members of the council or government and their names shall be notified to the Management Board in writing at the same time as the representatives provided for in Clause 11 of these Statutes. A local government council may recall a Member of the Council of the Association or his or her substitute regardless of the reason and appoint a new member or substitute.

**30.** The competence of the Council of the Association is:

- 1) organizing the implementation of the Association's policies and the achievement of its statutory objectives;
- 2) approval of the annual action plan;
- 3) decision-making on local government policy issues;
- 4) approval of the annual budget by total revenue and expenditure;
- 5) approval of the annual report and the inspection report of the Internal Audit Committee;
- 6) approval of membership fee;
- 7) election of the members of the Management Board and the Chairman and 2 Vice-Chairmen from among them;
- 8) establishing the procedure for reimbursing the members of the Management Board for expenses related to the tasks performed in the Management Board;
- 9) election of the Internal Audit Committee and appointment of the auditor;
- 10) deciding on membership of other organizations;
- 11) appointing representatives to working groups, commissions and other organizations;
- 12) approval of the Statutes of the Office;
- 13) approval of the composition, titles and salary scales of the staff of the Office;
- 14) deciding on the acquisition and transfer of real estate;
- 15) deciding on other matters concerning the activities of the Association;
- 16) making proposals on issues to be submitted to the General Meeting for discussion.

**31.** The form of work of the Council of the Association is a meeting. A meeting of the Council of the Association is convened by the Management Board at least once a quarter. In addition, a meeting of the Council of the Association shall be convened if at least 1/10 of the members of the Association so request in writing and stating the reason. The Management Board is elected at the first meeting of the new composition of the Council of the Association and takes place during the ordinary General Meeting.

**32.** The proposals of the members of the Association on the agenda of the meeting of the Council of the Association shall be submitted to the Management Board at least 2 weeks and the invitations to the Meeting of the Council of the Association shall be sent to the members of the Council of the Association at least one week before the meeting.

**33.** The Meeting of the Council of the Association shall be chaired by the Chairman of the Management Board or, in his or her absence, by one of the Vice-Chairmen. The first meeting of the new composition of the Council of the Association shall be chaired by the Executive Director of the Association until the election of the Chairman of the Management Board.

**34.** Voting at a meeting of the Council of the Association shall be public, except for the election of persons, where voting shall be by secret ballot.

**35.** Decisions of the Council of the Association shall be taken by a majority of the members of the Council of the Association participating in the Council of the Association, except for matters listed in sub-paragraphs 6 and 10 of Clause 30 of these Statutes for which more than half of all the members of the Council of the Association have to vote for. Each member of the Council of the Association shall have one vote.

**36.** Minutes shall be taken of the Meeting of the Council of the Association. The minutes shall be signed

by the Chairman and the Secretary of the Meeting of the Council of the Association.

**37.** The Association is run and represented by a Management Board that has 13 members. The Management Board is elected by the Council of the Association from among its members. One of the members of the Council of the Association representing Tallinn in the Council of the Association shall be appointed, recalled and replaced by a new member of the Management Board, regardless of the reason, by the city of Tallinn. A member of the Management Board elected by the Council may be recalled regardless of the reason by the Council of the Association and a new member may be elected to replace him or her.

**38.** The term of office of the Management Board is from the elections until the first meeting of the new composition of the General Meeting.

**39.** The competence of the Management Board is:

- 1) preparation of issues to be discussed in the Council of the Association and in the General Meeting;
- 2) preparation of the budget and annual report and submission to the Council of the Association;
- 3) reviewing the inspection report of the Internal Audit Committee submitted to the Council of the Association and proposing measures to remedy any deficiencies;
- 4) approval of the budget by revenue and expenditure item;
- 5) organizing the coordination of draft legislation;
- 6) the appointment of representatives to the working groups and committees within the limits of the powers conferred on it by the Council of the Association;
- 7) the appointment and removal of the Executive Director of the Association;
- 8) deciding on the terms of agreements to be concluded on behalf of the Association and authorizing the Executive Director of the Association to sign those agreements;
- 9) informing the public about the activities of the Association;
- 10) organization of other activities of the Association.

**40.** Board Meetings are held as needed, but not less than twice a quarter.

**41.** A meeting of the Management Board shall be convened by the Executive Director of the Association on a proposal from the Chairman of the Management Board or, in his or her absence, from one of the Vice-Chairmen. A meeting of the Management Board shall also be convened at the written request of at least 50% of the members of the Management Board. Invitations to the meeting of the Management Board together with the agenda shall be sent to the members of the Management Board at least one week before the meeting. A meeting of the Management Board shall be chaired by the Chairman or, in his or her absence, by one of the Vice-Chairman.

**42.** The Management Board has a quorum if more than half of the members of the Management Board, including the Chairman or one Vice-Chairman, participate in the meeting. The decision of the General Meeting is adopted, if more than half of the members of the Association participating in the meeting are in favour of it. The decision of the Management Board shall be deemed adopted without convening a meeting if all members of the Management Board vote in favor of the decision in writing, including by e-mail.

**43.** Voting at a meeting of the Management Board shall be public, unless the members of the Management Board present at the meeting decide otherwise by a two-thirds majority.

**44.** Minutes shall be taken of the meetings of the Management Board. The minutes shall be signed by the Chairman and the Secretary of the meeting.

**45.** The Chairman and Vice-Chairmen of the Management Board shall represent the Association in all legal proceedings, except for the conclusion of contracts on behalf of the Association and the signing of directives appointing and dismissing the Executive Director of the Association, in accordance with the decisions of the Management Board. The other members of the Governing Board shall represent the Association in accordance with the mandate received from the Management Board.

46. The organizational work and day-to-day administration of the Association shall be managed by the Association Office headed by the Executive Director of the Association. The rules of procedure of the Association Office shall be laid down [in the Statutes of the Office](#).

47. The Executive Director of the Association shall be accountable to the Management Board.

## **VI FINANCIAL ACTIVITIES AND INSPECTION**

48. The expenditures associated with the Association's financial and economic activities shall be planned in the budget.

49. The accounting period for the financial and economic activities of the Association shall be the financial year. The financial year of the Association shall begin on January 1 and end on December 31.

50. The accounting and reporting of the Association shall be organized pursuant to the procedure provided by law.

51. An internal audit shall be conducted each financial year to oversee the financial and economic activities, administration and reporting of the Association. The Internal Audit shall be performed by a 5-member Internal Audit Committee elected from among the members of the Council of the Association, which shall be chaired by the Chairman elected from among the members of the Internal Audit Committee. In the case and pursuant to the procedure provided by law, an audit is also performed. A member of the Management Board or an accountant may not be a member of the Internal Audit Committee or an auditor.

52. The term of office of the Internal Audit Committee is from the election until the election of a new composition of the Internal Audit Committee by the new composition of the Council of the Association. Upon removal of a member of the Internal Audit Committee from a member of the Council of the Association, the Council of the Association shall also recall a member of the Internal Audit Committee and elect a new member of the Internal Audit Committee to replace him or her.

53. The Internal Audit Committee shall be accountable to the Council of the Association.

54. The activities of the Association shall be audited once a financial year. If necessary, the Council or the Board of the Association may order an extraordinary inspection.

55. Internal Audit Committee:

- 1) monitors compliance with the Statute of the Association;
- 2) checks the use of the Association's assets and reporting;
- 3) draws up an inspection report and submits it to the Management Board and to the Council of the Association for approval.

56. The Internal Audit Committee has the right to receive information, documents and explanations from the Management Board and the Office regarding the issues arising during the inspection.

## **VII REORGANIZATION AND TERMINATION**

57. The reorganization (merger or division) of the Association shall take place by a resolution of the General Meeting pursuant to the procedure provided by law.

58. The Association shall be dissolved (liquidated):

- 1) by a resolution of the General Meeting;
- 2) on another basis prescribed by law.

- 59.** The dissolution proceedings of the Association are conducted pursuant to the procedure provided by law.
- 60.** Upon dissolution of the Association, the assets remaining after all the creditors' claims have been satisfied and the money has been deposited shall be distributed among the members of the Association on the basis of the membership fee ratio.
- 61.** Upon dissolution of the Association, the archives of the Association shall be deposited with the State Archives.

*The General Meeting approved the wording of the Statutes in Tallinn on February 27, 2018*