

## The Association of Finnish Local and Regional Authorities

### RULES

#### Article 1

##### Name and registered office

The name of the Association in Finnish is Suomen Kuntaliitto r.y. and in Swedish Finlands Kommunförbund rf.

The following foreign-language names of the Association can be used: in English, The Association of Finnish Local and Regional Authorities; in German, Verband der Städte, Gemeinden und Regionen Finnlands; and in French, Association Finlandaise des Pouvoirs Locaux et Régionaux.

The registered office of the Association is in Helsinki.

#### Article 2

##### Language

The languages in which the Association operates are Finnish and Swedish. The agendas and minutes of the Delegation are drawn up in both Finnish and Swedish. The Board shall decide upon the language in which the minutes of meetings of other bodies are to be drawn up.

#### Article 3

##### Membership

Finnish municipalities are eligible for membership of the Association. Finnish joint municipal authorities and other entities and foundations with legal capacity in which a municipality or a joint municipal authority exercises control can be the Association's associate members. Associate members do not have the right to vote or the right to nominate candidates to the Association's bodies.

#### Article 4

##### Purpose

The purpose of the Association of Finnish Local and Regional Authorities is to strengthen the viability and democracy of municipalities and to promote the self-government and well-being of municipal residents. The Association represents its members in both national and international forums. The Association promotes and oversees the interests of its members, provides services to them and is their partner in development.

The Association offers, either itself or through the entities it administers, expert services, consulting and training to meet the increasingly diverse needs of municipalities. The Association can engage in publishing activities.

KT Local Government Employers is part of the Association of Finnish Local and Regional Authorities. Provisions on the duties of KT Local Government Employers are laid down in the Act on KT Local Government Employers (254/1993).

It is not the Association's purpose to generate profit or other economic benefits for its members or other interested parties; moreover, the Association's purpose or the nature of its activities are not primarily economic.

#### Article 5

##### Economic activities

The Association can own and control immovable and movable property and shares and securities.

#### Article 6 Joining the Association

Municipalities, entities and foundations wishing to join the Association as member or associate member must notify the Association's Board of their wish in writing. The Board decides upon the acceptance of new members and associate members.

New members and associate members can join the Association either from the beginning of the calendar year, in which case they must pay the membership fee for the entire year, or from the first of July, in which case they must pay half of the annual membership fee.

#### Article 7 Resignation from the Association

Members and associate members have the right to resign from the Association by giving a notification of their resignation in accordance with the Associations Act. The resignation will become valid one year after the resignation notification was given.

#### Article 8 Dismissal from the Association

The Board can dismiss a member or an associate member from the Association on the grounds referred to in the Associations Act.

Members or associate members that fail to pay their membership fees by the due date are given a payment reminder. If the payment has not been made within two months after the payment reminder was given to the member or the associate member in question, the Board can dismiss the said member or associate member from the Association.

#### Article 9 Membership fee

Members and associate members shall pay an annual membership fee to the Association.

In its first meeting, the Association's Delegation confirms the amount of the membership fee for the next four years. The annual membership fee shall be changed proportionally to the average change in municipalities' taxable income under municipal taxation over the four previous years.

Three quarters of the member's membership fee are determined on the basis of the number of residents in each individual municipality and one quarter is determined on the basis of taxable income under municipal taxation. However, the part of the membership fee which is determined on the basis of the number of residents is reduced by 15% for the number of residents over 20,000. In addition, if the amount of taxable income under municipal taxation per resident in any given municipality exceeds the average amount of taxable income under municipal taxation per resident for all member municipalities, that municipality will have the part of the fee determined on the basis of taxable income under municipal taxation reduced by 25% for the part that exceeds the average amount. The membership fee of municipalities on the Aland Islands is further reduced by 25%, calculated from the membership fee determined above.

The membership fees of associate members are graded according to principles defined by the Delegation. The membership fee consists of two parts: a basic fee and a supplementary component. The amount of the supplementary component of different member organisations is

based on their population size and pupil numbers, turnover or some other ground illustrating the scope of their activity. The supplementary component is adjusted with a separately defined coefficient.

What is provided in paragraph 2 regarding the grounds for changing membership fee applies to the membership fee for associate members. Associate members' fees are graded and can differ in amount.

The Association's Board can grant discounts to a member's or an associate member's membership fees for a limited period, if the member's or the associate member's ability to pay has been essentially impaired or there are other well-founded reasons for doing so.

The Delegation can impose an additional membership fee, which shall be payable by the members and the associate members, for a certain purpose. The additional membership fee is determined on the grounds specified in paragraph 3 or 4 above and payable at a time determined by the Board.

The membership fee shall be paid annually by the first of March, unless otherwise stipulated by the Delegation.

#### Article 10

Contributions to the KT Local Government Employers by the member municipalities

Contributions to the KT Local Government Employers by the member municipalities are provided for in the Act on KT Local Government Employers (254/1993).

#### Article 11

Services provided to entities established by municipalities

As well as serving its members and associate members, the Association can provide services to other entities established, owned and administered by municipalities in accordance with the grounds decided by the Board.

#### Article 12

Bodies

The Association has the following bodies:

- 1) the Delegation
- 2) the Board
- 3) the Election Board
- 4) Electoral district's General Assembly
- 5) Delegation of KT Local Government Employers, provisions on which are laid down in the Act on KT Local Government Employers (254/1993); and
- 6) Advisory Committee for Swedish-speaking municipalities
- 7) Advisory Committee for small municipalities.

The requirements of the Equal Opportunities Act must be complied with when appointing members to the bodies listed in paragraph 1 (2-3) and (5-7) above.

The Board can also set up other bodies and advisory committees.

The chairperson of the Board and the Managing Director have the right to participate in and speak at the meetings held by the bodies of the Association.

#### Article 13 Election Board

The Delegation appoints the Election Board whose task is to confirm the candidate lists drawn up by electoral districts for the election of the Delegation. The Election Board shall also provide instructions on the conduct of the election, decide upon compensatory seats in the Delegation and confirm the election result.

Each Delegation group can propose one member to the Election Board.

#### Article 14 Composition and term of the Delegation

The Delegation shall have 76 members who must be local councillors as defined in the Finnish Local Government Act.

Of the members of the Delegation, 66 shall be elected in an election held after local elections in the same year.

In addition, nine compensatory seats shall be distributed.

One member shall be elected from the province of Åland.

The Delegation members' term continues until the new delegation has organised itself.

Delegation members shall have the same number of deputies elected for them as there are members elected from the candidate list provided for the election of Delegation members in the electoral district in question. The deputies are elected from among the first unelected candidates on the list. If a member is found to have forfeited his or her eligibility for election, has been relieved of his or her post or has died, the Delegation's chairperson shall invite in his or her place for the remainder of the term the deputy member who is next in line from the candidate list in question.

Where appropriate, the stipulations relating to permanent members apply also to deputy members.

#### Article 15 Election of Delegation members and deputy members and distribution of compensatory seats

Delegation members shall be elected from electoral districts which are based on the country's division into electoral districts for the purpose of conducting parliamentary elections, as defined in the Finnish Election Act (714/1998).

Members are elected from each electoral district in proportion to the number of residents of the electoral district. The number of residents shall be based on the information held in the Population Information System at the end of the 30th day of November preceding the local election year.

The election of the Delegation shall be conducted as a vote by the Association's members by mail, via telecommunications or some other technical tool determined by the Election Board.

The members of the Association shall vote in their respective electoral district for candidates on the lists confirmed by the Electoral Board. In accordance with the principle of proportional representation, the election shall be conducted so that members can divide their votes across one or several candidate lists. A member shall have a number of votes equal to the number of residents in the municipality based on the information held in the Population Information System at the end of the 30th day of November preceding the local election year.

Compensatory seats in the Delegation are distributed based on the number of votes obtained by the candidate lists so that the Delegation election outcome will correspond to the total number of votes cast for the candidate lists in the electoral districts.

The voting and election rules lay down supplementary provisions on the election of the Delegation and the distribution of compensatory seats.

The Election Board set up by the Delegation shall confirm the election outcome.

## Article 16

### Electoral district's General Assembly

Members shall nominate representatives for the General Assembly in their respective electoral district. The number of representatives is based on the number of the municipality's residents, as follows:

- Municipalities with a population of 10,000 people or fewer can nominate one representative.
- Municipalities with a population of 10,001–50,000 can nominate two representatives.
- Municipalities with a population of 50,001–100,000 can nominate three representatives.
- Municipalities with a population of over 100,000 can nominate four representatives.

The population figure shall be based on the information held in the Population Information System at the end of the 30th day of November preceding the local election year.

The number of votes each member of the Association has at the General Assembly corresponds to the number of residents of the municipality. The votes are divided equally between the member's representatives present at the General Assembly.

Each electoral district's General Assembly nominates candidates for the electoral district's candidate lists for the election of the Delegation.

## Article 17

### Duties of the Delegation

In addition to the other duties specified in this statute, the Delegation shall:

- 1) elect the chairperson and two deputy chairpersons from among the Delegation members;
- 2) elect the members and deputy members of the Board and nominate a chairperson and two deputy chairpersons from among the members;
- 3) set up an Advisory Committee for Swedish-speaking municipalities and an Advisory Committee for small municipalities;
- 4) appoint for a four-year term the authorised public accountant company, approved by the Central Chamber of Commerce, to serve as the Association's accountant and deputy accountant. The authorised public accountant company shall appoint those responsible for the Association's accountancy;
- 5) confirm the number of Delegation members in each electoral district;
- 6) set up the Election Board for the election of the Delegation;

- 7) approve the Association's action plan and budget and determine the amount of the membership fee;
- 8) approve the report on the Association's activities and the financial statement and decide whether to release the Board and other accountable persons from liability;
- 9) decide upon the fees and remuneration for the members of the Board and other bodies;
- 10) decide upon the matters relating to the management of finances of the KT Local Government Employers that are referred to in the Act on KT Local Government Employers;
- 11) make a proposal to the Ministry of Finance for the nomination of members and deputy members to the delegation of KT Local Government Employers;
- 12) decide on the sale, exchange or other disposal of property that is substantial with respect to the Association's operations;
- 13) approve the voting and election rules;
- 14) approve any changes made to the Association's statute by a majority of three-quarters of the votes cast; and
- 15) decide on dissolution of the Association.

## Article 18

### Delegation meetings

The chairperson of the Board shall convene the Delegation not later than three months after the Delegation has been elected. This first meeting of the Delegation shall be an organisation meeting, at which the chairperson and two deputy chairpersons of the Delegation and the members of the Board shall be elected.

Delegation meetings shall be held twice a year. The spring meeting shall be held between March–July and the autumn meeting shall be held between September–December at a time and place determined by the Board.

Extraordinary Delegation meetings shall be held if the Delegation so decides or if the Board deems them necessary or if at least 10% of the members of the Delegation have requested, in writing, the Board to convene an extraordinary Delegation meeting to handle a matter specified by them.

The Delegation is quorate when more than half its members are present.

Notice of a Delegation meeting shall be delivered to the members of the Delegation by letter sent to the addresses supplied by the members or by electronic means not later than 10 days before the meeting. Where possible, the agenda shall be attached to the notice.

The right to participate in and speak at the Delegation meetings shall extend to members of the Board, the Association's Managing Director, Deputy Managing Directors and the Director of Swedish Services as well as other persons to whom the Delegation has given this right.

More detailed regulations regarding the activities of the Delegation and the proceedings of the Delegation meetings can be given in the rules of procedure, which shall be accepted by the Delegation.

## Article 19

### Composition of the Board

The Board shall have 15 members and 15 deputy members. The term of office of the members of the Board shall end when the Delegation has appointed the next Board. At least one permanent member and one deputy member of the Board shall represent the Swedish-speaking population.

The members of the Board shall be elected following the principle that the representation of different political parties and other groups on the Board shall correspond to the number of votes which these political parties and other groups have obtained in the Association's member municipalities in the last local elections, in accordance with the principle of proportional representation observed in local elections. Regional aspects and the representation of municipalities of different sizes shall also be taken into account when appointing members to the Board.

The chairperson of the Board shall also act as the Association's chairperson.

#### Article 20

##### Duties of the Board

The Board shall represent the Association and take care of the Association's administration and finances in matters not assigned to the Delegation.

The Board shall:

- 1) prepare the matters to be handled by the Delegation and control the implementation of decisions made by it;
- 2) approve the basis for charges levied for the services provided by the Association insofar as this task has not been assigned to the Delegation or some other body;
- 3) decide upon the internal rules and the organisational structure of the office;
- 4) decide upon the hiring and dismissal of the Managing Director, Deputy Managing Directors and the Director of Swedish Services and the division of the areas of responsibility between them;
- 5) decide upon the hiring and dismissal of the Director of KT Local Government Employers;
- 6) decide upon the general basis for the pay, pensions and fringe benefits of the personnel;
- 7) decide upon the sale, transfer, other disposal, purchasing, and mortgaging and pledging of shares entitling the control of immovable property, real estate or apartments and of other shares or securities entitling long-term ownership and of property other than that which is substantial with respect to the Association's operations; and
- 8) decide upon borrowing and lending;
- 9) decide upon granting a guarantor's undertaking for the liability of the Association's subsidiaries;
- 10) decide upon the principles according to which the Association can carry out its investment operations.

#### Article 21

##### Proceedings of the Board

The Board is quorate when more than half its members are present.

The chairperson of the Board shall convene the Board meeting. The chairperson shall convene the Board meeting if at least four members of the Board have requested, in writing, the chairperson to do so to handle a matter specified by them.

The right to participate in and speak at Board meetings shall extend to the chairperson and deputy chairperson of the Delegation, the Association's Managing Director, Deputy Managing Directors and the Director of Swedish Services, as well as the persons to whom the Board has given this right.

#### Article 22

##### Presentation of matters at the Board meeting

Matters at the Board meeting are decided on the proposal of the Managing Director and Deputy Managing Directors, based on the division of responsibilities approved by the Board.

The Managing Director shall have the right to present a matter that belongs to the area of responsibility of a Deputy Managing Director, if the Managing Director deems that the nature of the matter requires this. The Managing Director shall also have the right to transfer the presentation of a matter that belongs to his or her area of responsibility to a Deputy Managing Director.

#### Article 23 Steering committee

The Board can establish a steering committee from among its members for the purpose of preparing the matters to be handled for the Board and taking care of any other business assigned to it by the Board.

#### Article 24 Advisory boards

The duties of the advisory boards are specified in their internal rules approved by the Board. Regulations relating to the issues that shall be taken into account when appointing members to the advisory boards are given in the internal rules of the advisory boards.

#### Article 25 Managing Director

The Managing Director shall:

- 1) manage the Association's office together with Deputy Managing Directors under the supervision of the Board and be responsible for ownership policy for the entities belonging to the Association;
- 2) follow the general development of legislation relating to municipalities and of local government and take the necessary actions required to safeguard the Association's and its members' interests;
- 3) control the management of the Association's finances and give instructions relating thereto insofar as this task has not been assigned to some other official; and
- 4) take care of any other business assigned to him or her by the Board or its steering committee.

#### Article 26 Deputy Managing Directors

The duties of the Deputy Managing Directors are to prepare matters and present them at the Board meeting, taking into account the division of the areas of responsibility that has been approved by the Board.

#### Article 27 Accounts

The Association's accounts shall be closed at the end of the calendar year. The accounts and all other documents relating to the management and finances of the Association shall be ready and submitted for audit by the auditors by the 20th day of April.

#### Article 28 Initiatives and questions

The Association's members, associate members and members of the Delegation have the right to make initiatives and ask questions relating to the activities of the Association. Action undertaken as a result of an initiative or a question must be notified to those who submitted the initiative or the question.

The Board must reply to questions posed by the Association's members, associate members and Delegation representatives not later than at the first meeting held within three months of the date on which the question was made.

At least once a year, the Board must inform the Delegation of all the initiatives and questions submitted and of the actions taken as a result.

#### Article 29

##### Signing for the Association

Any two of the following officials can together sign for the Association: the chairperson and deputy chairpersons of the Board and the Association's Managing Director and Deputy Managing Directors. Any one of these officials can also sign for the Association together with some other official of the Association nominated by the Board.

#### Article 30

##### Dissolution of the Association

On the dissolution of the Association, funds or assets remaining after all debts have been paid shall be transferred for purposes that promote the members' joint interests.

#### Article 31

##### Transitional provision

What is provided in this statute regarding the duties of the Delegation applies to the duties of the Council until the Delegation is elected for the first time.