

27.8.2020

THE RULES OF THE ASSOCIATION OF FINNISH LOCAL AND REGIONAL AUTHORITIES

Article 1

Name and registered office

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

The following foreign-language names of the Association can be used: in English, The Association of Finnish Municipalities or 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 and documents 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 vitality 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, nor is the Association's purpose or the nature of its activities primarily economic in other respects either.

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 ordinary member or associate member must notify the Association's Board of their wish in writing. The Board decides on the acceptance of new ordinary members and associate members.

New ordinary 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

Ordinary 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. A member who has given notification of resignation shall not have the right of attendance or the right of vote at meetings of the Association, at electoral district assemblies or in the vote by members of the Association or have the right to nominate candidates to the Association's bodies.

Article 8

Dismissal from the Association

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

Ordinary members or associate members who 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 in question, the Board can dismiss the said ordinary member or associate member from the Association.

Article 9

Membership fee

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

In its first ordinary meeting, the Delegation confirms the amount of the membership fee for the next four years. The annual membership fee shall be changed in the same proportion as

the taxable income under municipal taxation has changed, on average, in the municipalities in the four previous years.

Three quarters of an ordinary 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 the taxable income corresponding to 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 exceeding 20,000. In addition, if the amount of the taxable income per resident under municipal taxation in any given municipality exceeds the average amount of the taxable income per resident under municipal taxation for all member municipalities, that municipality will have the part of the fee determined on the basis of the taxable income under municipal taxation reduced by 25% for the part that exceeds the average amount. The membership fee of municipalities on the Åland Islands is further reduced by 25%, calculated from the membership fee determined above.

The membership fees of associate members are graded according to the 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 is determined in accordance with the nature of the member organisation, based on its population size, pupil numbers, turnover or on some other ground illustrating the scope of its activity. The supplementary component is adjusted with a separately defined coefficient.

What is provided in paragraph 2 regarding the grounds for changing the 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 reduce an ordinary member's or an associate member's membership fee for a limited period, if the ordinary member's or the associate member's ability to pay has been essentially impaired or there is some other well-founded reason for reducing the membership fee.

The Delegation can impose an additional membership fee, which shall be payable by an ordinary member and an associate member, 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 the Delegation provides otherwise.

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 ordinary 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 assemblies
- 5) the Delegation of KT Local Government Employers, the provisions on which are laid down in the Act on KT Local Government Employers (254/1993)
- 6) the Advisory Committee for Swedish-speaking Municipalities
- 7) the Advisory Committee for Small Municipalities.

The requirements of section 4a (1) of the Act on Equality between Women and Men must be complied with when appointing members to the bodies listed in paragraph 1 (2) and (5-7) above.

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

The chairperson of the Board and the Chief Executive Officer 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 tasks include providing instructions on the conduct of the election and confirming the list of candidates for each electoral district for the election of the Delegation. The Election Board shall also decide upon compensatory seats in the Delegation and confirm the election result. The tasks of the Election Board are specified in detail in the Delegation's voting and elections rules, which the Association refers to as the 'election rules'.

Each group in the Delegation can propose one member and a personal deputy member to the Election Board.

Article 14

Composition and term of the Delegation

The Delegation shall have 76 members, who shall 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 municipal elections in the same year (electoral district seats).

In addition, nine members shall be chosen from among the compensatory seats (compensatory seats).

One member shall be elected from the Åland Islands.

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

The Delegation members shall have the same number of deputies elected for them as there are members elected from the list of candidates provided for the election of the Delegation. 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 chairperson shall invite in his or her place for the remainder of the term the electoral district's deputy member who is next in line from the list of candidates in question. In such a case, the Election Board must order, at the request of the Delegation chairperson, the first candidate on the said list who has not been elected to act as a new deputy member for the remainder of the term. If all deputy member seats are not filled, the number of deputy members will be incomplete.

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

Article 15

Election of members and deputy members of the Delegation and distribution of compensatory seats

The members of the Delegation shall be elected by electoral district, 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).

The 66 electoral district seats in the Delegation shall be distributed among the electoral districts in proportion to their population. 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 municipal election year.

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

The voting is proportional, and the election shall be conducted so that ordinary members can divide their votes across one or several of their own electoral district's candidate lists that have been confirmed by the Election Board. An ordinary 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 municipal election year.

The nine compensatory seats in the Delegation shall be distributed based on the number of votes given to the lists of candidates so that the outcome of the election of the Delegation conducted as a vote by members will correspond to the total number of votes cast for the lists of candidates in the electoral districts, as further specified in the election rules.

The election rules lay down supplementary provisions on the election of the Delegation.

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

Article 16

Electoral district assemblies

An electoral district assembly may be attended via telecommunications or some other technical means during or before the assembly, if the Election Board so decides.

Ordinary members shall nominate representatives to the 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 municipal election year.

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

Each electoral district assembly approves the electoral district's list of candidates for the election of the Delegation.

An invitation to an electoral district assembly shall be submitted to each member by letter sent to the address supplied by the member, by electronic means, or by publishing the invitation on the Association's website no later than 14 days before the meeting.

Section 17

Duties of the Delegation

The power of decision in the Association is exercised by the Delegation, unless otherwise provided by these rules.

In addition to the other duties specified in these rules, the Delegation shall:

- 1) elect the chairperson and two deputy chairpersons from among the members of the Delegation;
- 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 the Advisory Committee for Swedish-speaking Municipalities and the Advisory Committee for Small Municipalities;
- 4) appoint for a four-year term the authorised public accountant company 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 for each electoral district;
- 6) set up the Election Board for the election of the Delegation;
- 7) confirm the Association's action plan and budget and the amount of the membership fee;
- 8) confirm 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 other remuneration for the members of the Board and of 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 suggestion to the Ministry of Finance for the nomination of members and deputy members to the delegation of KT Local Government Employers;
- 12) decide upon the sale, transfer or other disposal of property that is significant with respect to the Association's activities;

- 13) approve the election rules and the Delegation's rules of procedure;
- 14) approve any changes made to the Association's rules by a majority of three-quarters of the votes cast; and
- 15) decide upon the dissolution of the Association.

Article 18

Delegation meetings

The chairperson of the Board shall convene the Delegation no later than three months after the Delegation has been elected. This first meeting of the Delegation shall be an organising meeting, at which the chairperson and two deputy chairpersons of the Delegation and the members of the Board shall be elected and the Election Board shall be appointed.

Ordinary meetings of the Delegation 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 that the Board convene an extraordinary Delegation meeting to handle a matter specified by them.

The members of the Delegation may also participate in a meeting by post or via telecommunications or some other technical means during or before the meeting, if the Board so decides. The decision may also only apply to some of the matters dealt with at the meeting.

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

An invitation to a Delegation meeting shall be submitted to the members of the Delegation by letter sent to the addresses supplied by the members or by electronic means no later than 10 days before the meeting. Where possible, the agenda shall be attached to the invitation. If members may participate in a meeting by post or via telecommunications or some other technical means, this shall be stated in the invitation to the meeting. If the members participating in a meeting by post or via telecommunications or some other technical means have a restricted right to speak, this shall also be stated in the invitation.

The right to participate in and speak at the Delegation meetings shall extend to members of the Board, the Association's Chief Executive Officer, Deputy Managing Directors and the Director of Swedish-speaking services as well as to 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 municipal elections, in accordance with the principle of proportional representation observed in municipal 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 in so far as this task has not been assigned to the Delegation or some other body;
- 3) decide upon the rules of procedure of the Board and of the steering committee, the internal rules and the organisational structure of the office;
- 4) decide upon the hiring and dismissal of the Chief Executive Officer, Deputy Managing Directors and the Director of Swedish-speaking services and the division of the areas of responsibility between them;
- 5) decide upon the hiring and dismissal of the Director of KL 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 that is not significant with respect to the Association's activities; 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. If the chairperson is prevented or disqualified, the invitation to the meeting may be submitted by the first deputy

chairperson and, when the first deputy chairperson is prevented or disqualified, by the second deputy chairperson.

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

A proposal that has been supported by more than half of the members present shall constitute the decision. Disqualified Board members shall be deemed to be absent. The chairperson's vote shall be decisive in the event of a tie.

In an election, the persons receiving the most votes shall have been elected. However, if only one person is to be elected, the person receiving more than half the votes cast shall have been elected. If no candidate receives more than half the votes cast in the first round, an election shall be held between the two candidates who received the most votes. In the event of a tie, the election shall be decided by drawing lots.

Article 22

Presentation of matters at the Board meeting

Matters at the Board meeting are decided on the proposal of the Chief Executive Officer and Deputy Managing Directors, based on the division of responsibilities approved by the Board, unless the Board decides otherwise on an individual matter.

The Chief Executive Officer shall have the right to present a matter that belongs to the area of responsibility of a Deputy Managing Director, if the Chief Executive Officer deems that the nature of the matter requires this. The Chief Executive Officer 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 committees

The duties of the advisory committees 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 committees are given in the internal rules of the advisory committees.

Article 25

Chief Executive Officer

The Chief Executive Officer 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) supervise the management of the Association's finances and give instructions relating thereto in so far 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 Director

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 20 April.

Article 28

Initiatives and questions

The Association's ordinary members and associate members and members of the Delegation have the right to make initiatives and ask questions relating to the activities of the Association. Actions 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 ordinary members and associate members and Delegation representatives no 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 Chief Executive Officer 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 ordinary members' joint interests.