



EVALUATION OF THE ACTIVITIES OF THE FIFTH CONVOCATION OF KUTAISI CITY COUNCIL

2017

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INTRODUCTION

Transparency International Georgia examined the activities performed by Kutaisi City Council from 14 July 2014 until 30 August 2017 (hereinafter: “period covered by the report”).

The report covers the following directions of the City Council’s work:

- Important legislative acts passed;
- Performing oversight function;
- Work of commissions, councils and ad hoc working groups;
- City Council officials’ connections to business and activities incompatible with office.

The report also includes main findings and recommendations which, if considered, could assist the sixth convocation of the City Council elected in the 2017 local elections in its future activities.

The report is based on the information requested and received from the City Council and on observations made by our organization.

CHAPTER 1. MAIN FINDINGS

Positive Trends in the Work of the Fifth Convocation of Kutaisi City Council

The fifth convocation of Kutaisi City Council held 71 sessions. **No session failed to be held due to the absence of a quorum.**

It is noteworthy that Kutaisi City Council sessions were aired live on social networks. In addition, Kutaisi City Council Staff kept a record of both the issues raised by citizens received by City Council members as well as of the citizens who took the floor at the City Council sessions during the period covered by the report.

Despite these positive aspects, problematic trends in the work of the City Council have also been identified; in this regard, we present our findings and recommendations.

Legislative process

- During the period covered by the report, 71 sessions were held at Kutaisi City Municipality Council, 35 of those were extraordinary sessions.
- The City Council **failed to establish a Gender Equality Council** within its authority despite the fact that this obligation was stipulated by the law.¹
- No City Council commission ever invited an expert or specialist to the discussion of an issue where they could offer relevant expertise.
- **The total of 133 decrees approving Kutaisi mayor's [decisions]** on direct lease for use of Kutaisi City Municipality's property were issued, including granting **usufruct** on property to the bureaus of Kutaisi majoritarian members of the Georgian Parliament **Dimitri Mkheidze, Koba Narchemashvili and Genadi Margvelashvili.**

Accountability

- During the period covered by the report, the attendance at the sessions of the City Council and its commissions by the City Council members was identified as a problematic issue. Specifically, in the course of three years, the highest number of sessions were missed by:
 - **Giorgi Ukleba** (United National Movement) – **50** sessions;
 - **Davit Gogisvanidze** (European Georgia – Movement for Freedom) – **43** sessions;
 - **Besik Bregadze** (United National Movement) – **31** sessions;
 - **Samson Gugava** (Labour Party) – **29** sessions.

¹ According to Paragraph 1¹ of Article 13 of the Law of Georgia "On Gender Equality": Municipal Councils, to ensure systematic work on gender issues in municipalities in coordination with the Gender Equality Council established by the Parliament of Georgia, shall create Municipal Gender Equality Councils whose composition, status, role and authority shall be determined by the rules of procedure of Municipal Councils and by the Municipal Gender Equality Council charters which is approved by a corresponding [Municipal] Council.

- Four officials who submitted incomplete asset declarations were identified by the study. Specifically:
 - ❖ **Davit Dvali** – Georgian Dream. He owns shares in LLC “[DTB Invest](#)”, which he failed to indicate in his [declaration](#).
 - ❖ **Nikoloz Lataria** – Georgian Dream. In the declaration which he filled out in September 2017, he failed to indicate his ownership of shares in LLC “[Nikoil9](#)” and LLC “[Fresh Food](#)”.
 - ❖ **Teimuraz Nadiradze** – Georgian Dream. He owns 50 percent of shares in LLC “[Western Georgia Neurorehabilitation Centre Temida-97](#)”. He failed to indicate this company in the [declaration](#) filled out in October 2017.
 - ❖ **Irma Petriashvili** – Georgian Dream. In June 2017, she founded LLC “[National Movement Museum](#)”, owns 100 percent of its shares and is its director. She is also a shareholder and **director** of LLC “[College for Local Government Officials](#)”. She did not include any information about any of the LLCs mentioned above in the [declaration](#) she submitted in September 2017.

Exercising Oversight

- The **implementation of the oversight function** by the City Council is **weak**. **Accountable officials were never summoned to the City Council sessions for an unscheduled hearing.**
- The City Council **did not provide us with information** concerning the implementation of concrete mechanisms of oversight (for example, about the use of **interpellation**). We have not been provided with specific information in other cases either (**summoning accountable officials**, actions to exercise **budget oversight**).
- **Eight out of 25 members** of the Council used their right to ask questions. In the course of three years, Council members used their right to ask/raise questions **19** times; most questions were asked by:
 - ❖ **Besik Bregadze** (United National Movement) – 10 questions;
 - ❖ **Nato Katamadze** (Georgian Dream – Democratic Georgia) – 4 questions.
- During the period covered by the study, a decree ordering independent audit of Kutaisi City Council activities was issued by Kutaisi City Council only once, on 11 August 2017.

Transparency

- As concerns transparency and openness, we have to note the significant challenges facing Kutaisi City Council. Namely, **Kutaisi City Council does not have an independent website** where interested persons could find information about specific activities of the Council. Only general information about City Council chairman and his deputies was provided by Kutaisi City Hall’s website.
- It should be noted that Kutaisi City Council provided a live coverage of its sessions via a social network.
- During the period covered by the study, **25 citizens took the floor at the Council.**
- In 2015-2016, no petition was registered by Kutaisi City Council.
- The City Council did not provide information about the **number of legislative acts passed and their authors**, which prevented us from evaluating the activities of individual Council members; furthermore, no specific information was provided about how many times the Council members summoned accountable officials and what actions were undertaken in case they failed to appear.

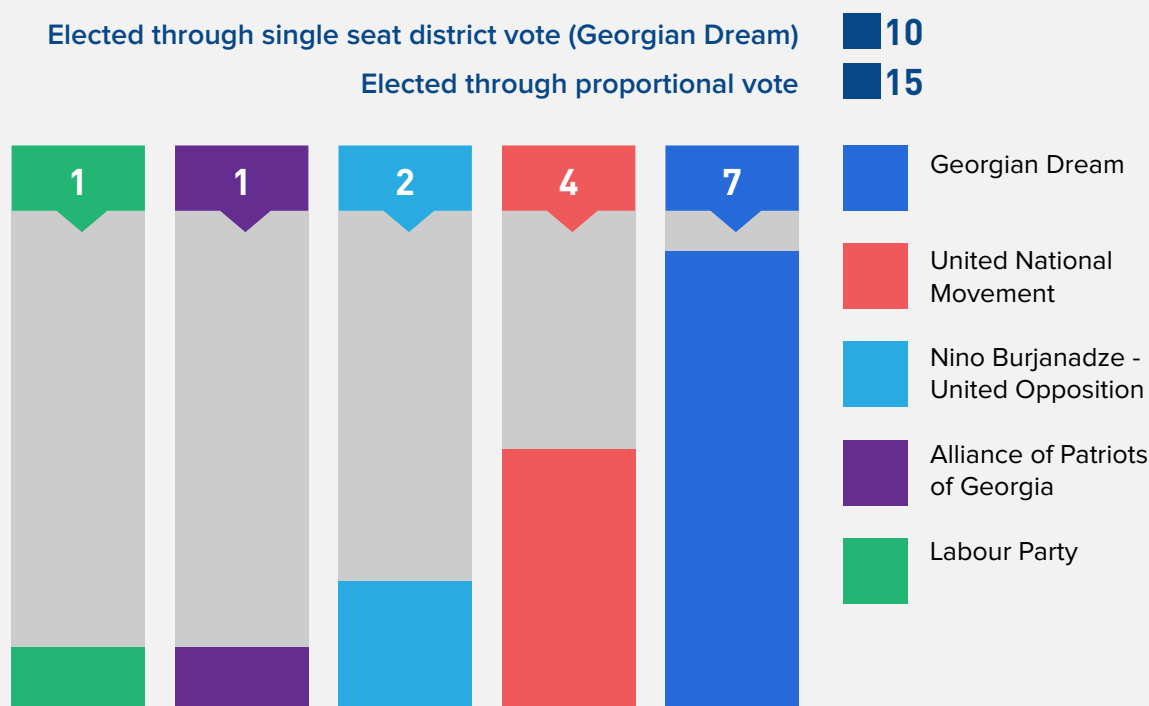
CHAPTER 2. GENERAL INFORMATION ABOUT KUTAISI CITY COUNCIL

Kutaisi City Municipality Council is a representative local government body which carries out local governance in Kutaisi City Municipality in accordance with the procedures stipulated in the Organic Law of Georgia “Local Government Code” and, within the scope of authority provided by the law, oversees the activities of the executive body – the City Hall and City Hall officials, as well as exercises other authority as prescribed by the Constitution of Georgia, other legislative acts and the City Council Rules of Procedure.

The Fifth Convocation of Kutaisi City Council was composed of **25** members, of whom **10** were elected from local single-mandate majoritarian election districts while **15** were elected through proportional vote.

According to the results of the 2014 local government elections, the mandates were distributed as follows:

FIGURE 1. MANDATE DISTRIBUTION



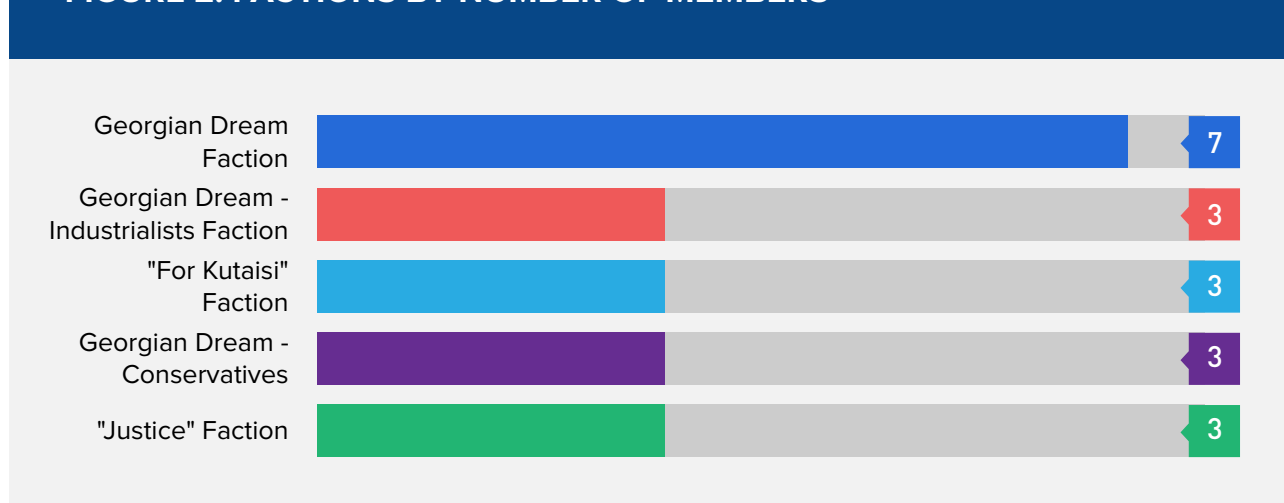
With the aim of preliminary preparation of issues, facilitating the implementation of decisions, overseeing the legal entities established by the structural units of the City Hall and by the City Council, the City Council uses its discretion to set up commissions. In Kutaisi City Council, **five** commissions were set up for the period of its term:

1. Finance and Budget Commission
2. Legal Issues Commission
3. Commission for Economic Issues, Property Management and City Services
4. Healthcare and Social Issues Commission
5. Commission for Culture, Education, Youth Affairs and Sports

There were **five** factions in Kutaisi City Council:

1. “Georgian Dream”
2. “Georgian Dream – Industrialists”
3. “For Kutaisi”
4. “Georgian Dream – Conservatives”
5. “Justice”

FIGURE 2. FACTIONS BY NUMBER OF MEMBERS



The **“Georgian Dream” Faction** consisted of seven members: Grigol Kobaliani, Galaktion Toroshelidze, Murman Gubeladze, Irma Petriashvili, Teimuraz Nadiradze, Davit Dvali, Taniel Metonidze.

The **“Georgian Dream – Industrialists” Faction** was abolished on 28 September 2016 and was registered anew on 26 October 2016. In 2017, Lasha Gvenetadze was replaced as the faction chairman, his faction membership mandate was revoked on 11 August 2017. Until the 2017 local government elections, the faction consisted of the following members: Viktor Dolidze, Beka Kancheli, Lela Kelbakiani.

The **“For Kutaisi” Faction** united three members: Davit Tsitaishvili, Davit Janashia, Samson Gunava.

The **“Georgian Dream– Conservatives” Faction** members included: Teimuraz Kikvadze, Nikoloz Lataria, Zaza Lominadze.

The **“Justice” Faction** was formed after the abolition of the “National Forum – Free Democrats” Faction, in the same composition: Gela Gabadadze, Robizon Tsintskiladze, Kakhaber Dvalishvili.

It is also noteworthy that the **“United National Movement” Faction** was abolished on 22 February 2017. They did not form a new faction.

CHAPTER 3. GENERAL STATISTICS

3.1 Number of Sessions Held by City Council

During the period covered by the study, Kutaisi City Municipality Council held **71** sessions, 35 of these were extraordinary sessions. **Twenty-five extraordinary sessions were called on the mayor's initiative** while the remaining 10 were called on the initiative of the mayor and the Council chairman. It is noteworthy that **no session failed to be held by the Council of this convocation due to the absence of a quorum.**

At the extraordinary sessions called on the mayor's initiative, the Council mainly discussed amendments to the 2014 Kutaisi budget and the state procurement plan as well as the issues of transferring municipal property to individuals or N(N)LPs (Non-Entrepreneurial (Non-Commercial) Legal Persons).

FIGURE 3. NUMBER OF SESSIONS HELD BY KUTAISI CITY COUNCIL DURING THE PERIOD COVERED BY THE STUDY

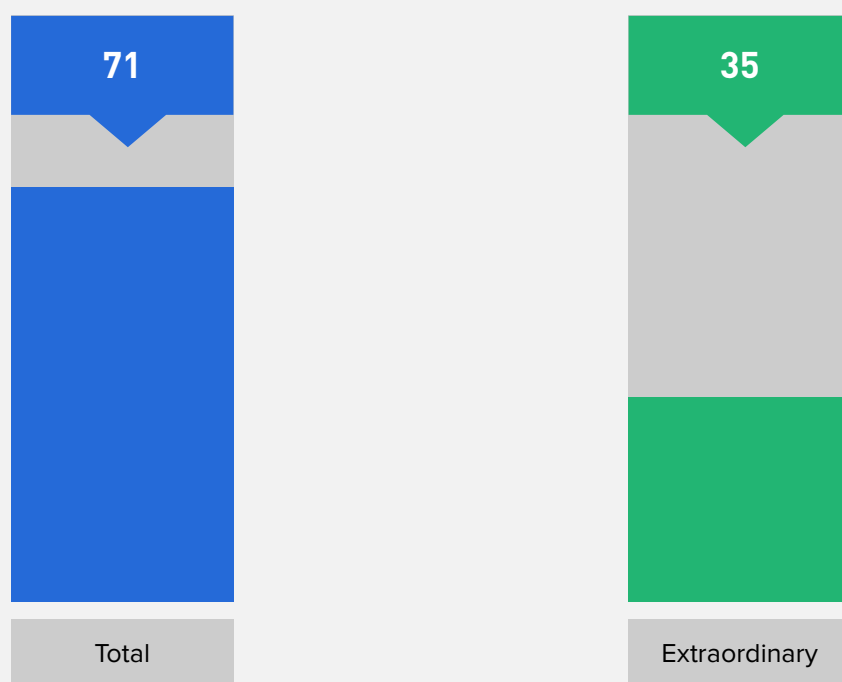
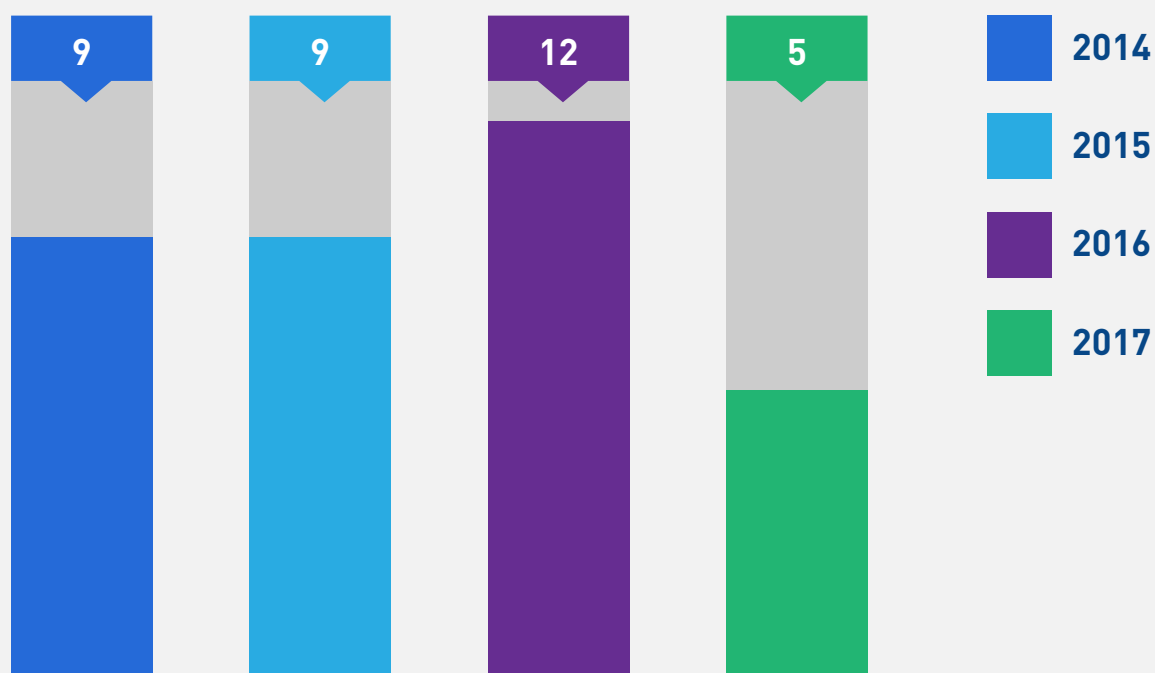


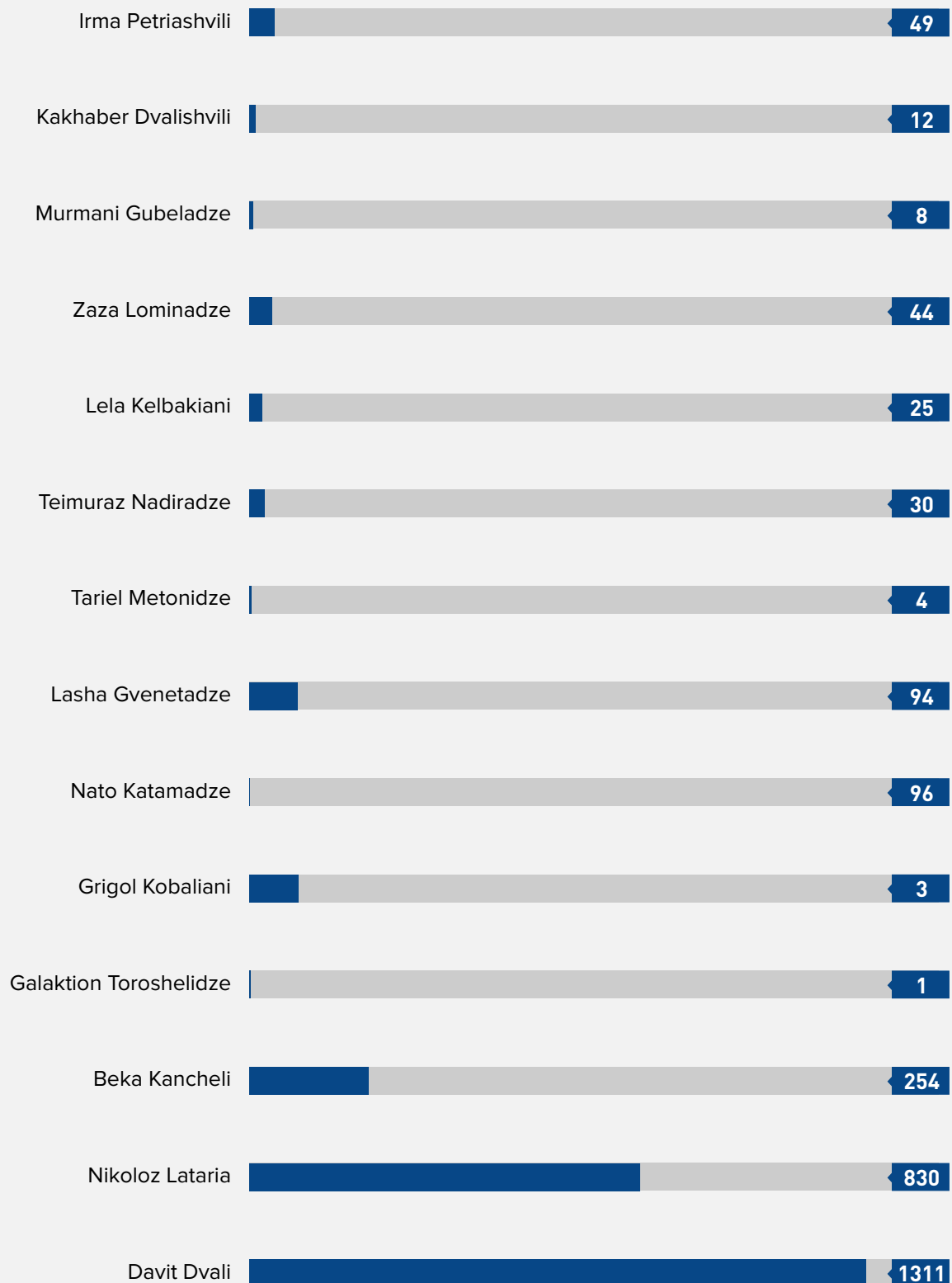
FIGURE 4. EXTRAORDINARY SESSIONS BY YEAR



3.2 Applications Submitted to Council Members

According to the information for the period from July 2014 until August 2017, the total of **2,761** applications submitted to Council members were registered. Of these, **2,589** applications were addressed. During this period, applications were submitted to **14** members of the Council. The highest number of applications – **1,311** – were addressed to City Council Chairman Davit Dvali while **830** – to City Council Deputy Chairman Nikoloz Lataria.

FIGURE 5. THE NUMBER OF APPLICATIONS ADDRESSED TO CITY COUNCIL MEMBERS WAS 2,761



CHAPTER 4. IMPORTANT LEGISLATIVE ACTS

4.1. Gratuitous Transfer of Property to the State

During the period covered by the study, Kutaisi City Municipality Council made **16 decisions** regarding [gratuitous transfer of municipal property to the state](#). The ownership of both moveable property and real estate was transferred to the state free of charge. As regards moveable property, transferring the ownership of motor vehicles has to be noted. For example, based on the decree No 103 issued by the City Council at an extraordinary session in 2015, the ownership of a GEL 40,724-worth vehicle Toyota Hilux 2.5 TD was transferred to the state; the ownership of two more vehicles was transferred to the state the same year: Toyota Land Cruiser Prado and Toyota Hilux.

4.2. Transferring Municipal Property to the Church

On 9 June 2017, Transparency International Georgia published a study: "[Municipal funds and property transferred to dioceses – 2013-2017 statistics for Imereti](#)". The study showed that, **from 2013 to 20 March 2017, Kutaisi City Hall financed Kutaisi-Gaenati diocese with GEL 366,200. No funds were allocated for celebration of religious holidays.**

As for the transferred property, from 9 January 2013 to 24 April 2014, Kutaisi City Hall transferred to the Georgian Apostolic Autocephalous Orthodox Church [plots](#) of land with a total area of 90,140 sq. m., with free construction right². Specifically:

- 119 Asatiani Street; south area (500.0 sq. m);
- 205 Tabukashvili Street, in front of a house - 638.0 sq. m;
- Akhlagzardoba Square, 7th line, N4; west area – 489.0 sq. m;
- 2 Lomtadze Street, north area - 809.0 sq. m;
- 6 Lezhava Street, north area - 1,595.0 sq. m;
- 83 Javakhishvili Street, south area - 426.0 sq. m;
- 2a Chavchavadze Street, 524.16 sq. m;
- 19 b Kharebava Street, south area – 1,234.0 sq. m;
- 65a Gamsakhurdia Street, north area - 654.0 sq. m;
- In 2014 - 2 Akhlagzardoba Square, 7th line; north area – 3,066.0 sq. m;
- 19b Kharebava Street, west area – 256.0 sq. m;
- 19b Kharebava Street, south area - 275.0 sq. m;
- 23 Avtokarkhana Street; south-west area - 827.0 sq. m;
- East area at intersection of Aghmashenebeli Avenue and Tavisupleba Street #1 - 361 sq. m;

² Article 233 of the Georgian Civil Code regulates the construction right, according to which a plot of land can be transferred to another entity for a fixed-term use so that the entity in question would have the right to build on or under the plot, to sell, bequeath, lend or lease this right (construction right).

Since 2015, Kutaisi City Hall has not transferred any property to religious organizations. It is also noteworthy that **Kutaisi is the only municipality in Imereti which [rejected the request of the diocese concerning the transfer of land](#)**. The local diocese was asking for 1,400 sq. m of land on Bukhaidze Street for construction of a pilgrim centre. The City Hall justified its rejection by the fact that this territory was included in the list of properties subject to privatization.

4.3. Issuing Consent to Waiving Penalties and Approving Contracts Signed on Behalf of Municipality

The City Council **did not discuss** a consent or refusal to waive penalty that was imposed or was to be imposed on a purchaser or a recipient of the right to use or the right to manage of municipal property for violating a contract.

Kutaisi City Municipality Council **did not make** any decisions on issuing an approval to the Kutaisi mayor regarding signing a contract on behalf of the municipality and based on the mayor's proposal; furthermore, it did not make any decisions on signing an agreement whose value exceeded 5 percent of the municipal budget payments.

4.4. Approval of Transferring Municipal Property to Individual or Legal Entity of Private Law

On 25 February 2015, based on the mayor's proposal, the City Council approved the list of municipal properties to be privatized or transferred for use and the plan of properties to be transferred.

According to Article 54 of the Local Government Code, **the mayor/head of local administration, with the approval of the local council, makes decisions regarding the transfer of municipal movable and immovable property through direct transfer, with or without gratuitous right of use, conditionally or unconditionally.**

The total of 133 decrees approving the decisions by the Kutaisi mayor on direct transfer for use of Kutaisi City Municipality's property; three of these decrees concerned the issue of granting **gratuitous usufruct** on property to the bureaus of Kutaisi majoritarian members of the Georgian Parliament (**Dimitri Mkheidze, Koba Narchemashvili and Genadi Margvelashvili**). It is also noteworthy that the City Council issued 41 decrees on gratuitous or non-gratuitous transfer of property owned by Kutaisi Municipality to citizens.

During the period covered by the study, on the basis of approvals issued by the City Council in the form of decrees, the municipal property was transferred **free of charge 35 times** to N(N)LPs set up by the City Hall itself. For example, property was transferred **11 times** to N(N)LP "Special Services". During the same period, municipal property was transferred to commercial legal entities, also set up by the City Hall itself, for example, a bus was loaned to LLC "Kutaisi Torpedo Football Club" and real estate was transferred in the form of gratuitous usufruct to LLC "Georgian Traditions 2011" and LLC "Ramaz Shengelia Stadium".

4.5. Determining the rules for establishing a starting price for privatization and lease of municipal property

According to Article 24 of the Local Government Code³, it is within the scope of authority of the local council to determine, in accordance with the rules established by the Government of Georgia, the normative price of non-agricultural land plots owned by the municipality and starting price of privatization and lease of municipal property.

On 9 January 2015, Kutaisi City Council issued Decree No 65 **determining the rules of privatization of Kutaisi's municipal property, transferring it for use and management, defining the starting price for privatization and lease, price of lease and payment procedures**. During the period covered by the study, the decree was amended **4 times**.

4.6. Establishing and Reorganizing Non-Entrepreneurial (Non-Commercial) Legal Persons

The Kutaisi mayor, with the City Council's approval, makes decisions on establishment, reorganization and dissolution of legal entities of private law.

During the period covered by the study, **five** Non-Entrepreneurial (Non-Commercial) Legal Persons (N(N)LPs) were established with the City Council's approval:

1. N(N)LP "Centre for Kutaisi City Public Health and Safe Environment";
2. N(N)LP "Special Services";
3. N(N)LP "Kutaisi City Royal Complex 'Okros Chardakhi'";
4. N(N)LP "Kutaisi City Handball Club 'Kutaisi 2015'";
5. N(N)LP "Kutaisi City Tourist Information Centre".

During the same period, Kutaisi City Council issued approvals of **reorganization** of N(N)LP "Kutaisi City Ice Rink" and N(N)LP "Kutaisi City Association of Sports Establishments".

4.7. Establishing Limited Liability Companies

During the period covered by the study, Kutaisi City Council approved the decisions of the Kutaisi City mayor regarding the establishment of **three** Limited Liability Companies (LLCs).

1. [LLC "Parkingservice"](#);
2. LLC "Football Club Kutaisi";
3. LLC "Ramaz Shengelia Stadium".

3 Subparagraphs "e" and "g" of Paragraph 1 of Article 24 of the Local Government Code.

4.8. Introduction of Property Taxes and Fees

According to Article 24 of the Local Government Code, it is within the scope of a local council's authority to impose and abolish local taxes and fees.

- During the period covered by the study, Kutaisi City Council issued **three** decrees on the **introduction of local taxes** on the territory of Kutaisi Municipality;
- On 30 September 2015, Kutaisi City Council issued Decree No 109 "On introduction of **fees for issuing special (zoning) agreements** on changing the highest indicator of development intensity coefficient within the administrative borders of Kutaisi City Municipality";
- On 25 January 2017, based on the Decree No 158, **fees were introduced for the gambling business and the amount of these fees was determined.**

4.9. Oversight over legislative acts passed by local councils

According to Paragraphs 1 and 2 of Article 129 of the Local Government Code, state oversight is the activity carried out by the bodies of the executive authority with the aim of ensuring the lawfulness of activities carried out by municipal agencies and proper performance of delegated authority.

From 14 July 2014 to 30 August 2017, the legal oversight agency made **seven legal conclusions. Six of them concerned normative acts passed by the local council and one – the new rule of signature in the program of LEPL "Sakanonmdeblo Matsne"**. According to the City Council, all conclusions were taken into consideration and all legislative acts were made compliant with the recommendations made by the oversight agency.

CHAPTER 5. EXERCISING OVERSIGHT

According to Article 24 of the Local Government Code, it is within the scope of authority of a municipal council to **exercise oversight over the activities of municipal executive agencies and their officials, hear and evaluate their reports**. According to Paragraph 2 of Article 48 of the Code, the **head of local administration / mayor is accountable to the municipal council and the population**.

In accordance with Subparagraph “g” of Paragraph 1 of Article 24 of the Local Government Code and Kutaisi City Council Rules of Procedure, the oversight mechanisms include:

- Vote of no confidence to the mayor;
- Questions and interpellations by council members;
- Summoning to sessions;
- Hearing reports;
- Conducting independent audit;
- Oversight of the implementation of decisions made;
- Budget oversight.

During the period covered by the study, the Kutaisi mayor presented a report to the City Council **three** times; the Council members used their right to ask questions **19** times in the course of three years. **It should be noted that the City Council did not provide us with information about the participation of accountable officials in the sessions.** Neither did it provide us with information about when and on what issue did the Council hold the hearings of reports by the municipality’s executive agencies and their officials.

Furthermore, the City Council made a decision “on conducting independent audit of Kutaisi City Council activities” only once.

5.1. Hearings of Reports

It is within the scope of authority of the municipal council to exercise oversight over the activities of municipal executive agencies and their officials, hear and evaluate their reports.⁴ The mayor is accountable to the municipal council.⁵

The City Council did not provide information about when the Council held the hearing of reports by the municipal executive agencies and their officials and what issues were covered. Furthermore, during the period covered by the study, the City Council members never requested an extraordinary hearing of a report.

5.2. Use of the Right to Ask a Question

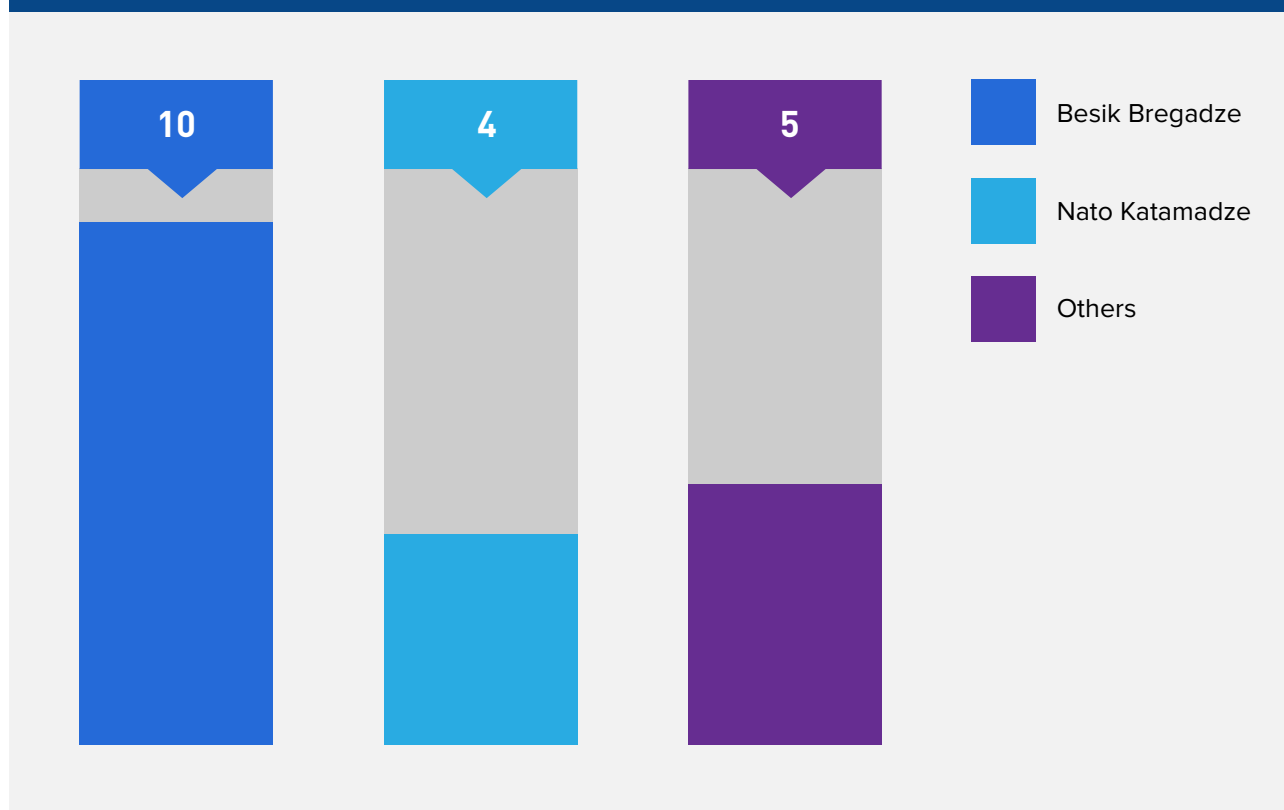
A member of a municipal council has the right to pose a **question** to the agency accountable to the council, head of local administration / mayor, other officials, and receive an answer. The relevant agencies and officials are under the obligation to respond to the question asked by a member of the municipal council within one week. This term can be extended but not exceed 10 days if the extension is agreed with the author of the question.

4 Local Government Code, Article 24, Paragraph 1, Subparagraph “g.a”.

5 Local Government Code, Article 48, Paragraph 2.

According to the provided information, in 2014-2017, members of Kutaisi City Council used their right to pose questions to the agencies accountable to the Council 19 times; **Besik Bregadze** (United National Movement) used the right to ask a question 10 times, **Nato Katamadze** (Georgian Dream – Democratic Georgia) used this right four times.

FIGURE 6. USE OF THE RIGHT TO ASK A QUESTION



The right to ask a question was not used at all by **16 members** of the City Council (Nikoloz Lataria, Galaktion Toroshelidze, Lela Kelbakiani, Kakhaber Dvalishvili, Lasha Gvenetadze, Teimuraz Kikvadze, Gela Gabadadze, Tariel Metonidze, Robizon Tsintskaladze, Viktor Dolidze, Davit Tsintaishvili, Samson Gugava, Davit Janashia, Davit Gogisvanidze, Giorgi Ukleba, Amiran Dzotsenidze).

5.3. Budget Oversight

The scope of authority of the local council includes discussion of the draft municipal budget and its approval, making amendments to the approved budget, oversight over budget implementation and evaluation of budget implementation. **The mayor develops draft municipal budget and draft amendments to the budget and submits them to the local council for approval** and ensures the implementation of the approved budget within the scope of his or her authority.

The report on budget execution is **presented to the council by the mayor** within not more than two months after the end of the budget year. Within two weeks from publishing the report on budget execution and the audit conclusion public opinion is surveyed using the forms approved by the rules of procedure. The council discusses the report of budget execution together with the public chamber.

The budget execution report is presented at the council session by the mayor or an authorized person he or she appoints, who presents at the council sessions the **explanations with regard to remarks** made about the report. The council hears **independent audit conclusion** and the **conclusion made by the council's finance and budget commission** delivered by the co-rapporteurs as well as the report by the chief of staff of the council with regard to the **results of the public opinion survey** (if such survey is conducted). After the hearing of the rapporteur and co-rapporteur (co-rapporteurs) is completed, discussion begins.

After these stages are completed, the council makes a decision on **approving or not approving** the annual budget report. If the council fails to make a decision on approval of the budget execution report by 1 May, the budget execution report is considered not approved.

According to the information received from the City Council, during the period covered by the report, Kutaisi City Council:

- By 2013 Decree No 233 approved the draft "On the 2014 Budget of Self-Governing City of Kutaisi";
- By 2014 Decree No 59 approved the draft "On the 2015 Budget of Self-Governing City of Kutaisi";
- By 2015 Decree No 114 approved the draft "On the 2016 Budget of Self-Governing City of Kutaisi";
- By 2016 Decree No 151 approved the draft "On the 2017 Budget of Self-Governing City of Kutaisi".

Amendments to the approved budget during the period covered by the study were made 26 times. Specifically, the amendments to the approved budget were made:

- The 2014 budget was amended five times;
- The 2015 budget was amended eight times;
- The 2016 budget was amended eight times;
- The 2017 budget was amended five times.

Kutaisi City Hall heard **three reports by the Kutaisi mayor** concerning the issue of fulfilling the municipal budget of Kutaisi in 2014, 2015 and 2016.

5.4. Independent Audit

No less than one-third of the nominal list of the council members have the right to request independent audit. The request for independent audit has to indicate the **group of issues that need to be studied by the independent auditor**. The report and conclusion by the independent auditor are presented to the council, are sent to the State Audit Service and are published. Independent audit can be requested by the council not more than once a year.

During the period covered by the report, the Kutaisi City Council issued on 11 August 2017 the Decree No 440 "On conducting independent audit of the activities of Kutaisi City Municipality Council".

CHAPTER 6. INFORMATION ABOUT CITY COUNCIL MEMBERS AND THEIR ACTIVITIES

Several components are important with regard to the activities of local council members, including their legal initiatives, exercising oversight and participation in sessions. **Kutaisi City Council did not provide information about the number and authors of legal acts passed making it impossible to evaluate the activeness of individual members of the Council.**

Council Members' Age

According to Article 40 of the Local Government Code, a citizen of Georgia, who, by the day of the vote, has reached the age of 21, may be elected a member of the local council. The powers of a member of the municipality council begin on the day they are recognized and end with the first meeting of a newly elected municipality council or upon early termination of the council member's powers.

As of 2017, the average age of the Kutaisi City Council members was 50. The oldest member, Galaktion Toroshelidze, was 66 years old while the youngest, Lasha Gvenetadze, was 37.

Education and Profession of Council Members

Eight members of the City Council had two different education degrees. Most of them majored in medical or legal studies.

City Council Members' Participation in Sessions (Council and Commission Sessions)

A council member must be actively involved in the discussion of issues and, correspondingly, the issue of participation in the sessions of the Council and its commissions is important. According to the law, a council member's powers will be terminated early if he or she fails to participate in the work of the council for consecutive six months without a legitimate excuse.⁶ **The information received from the City Council with regard to this issue does not allow to determine whether council members had legitimate excuses for missing the sessions.**

Participation in City Council Sessions

Of the 71 sessions held by the City Council, the highest number of sessions were missed by:

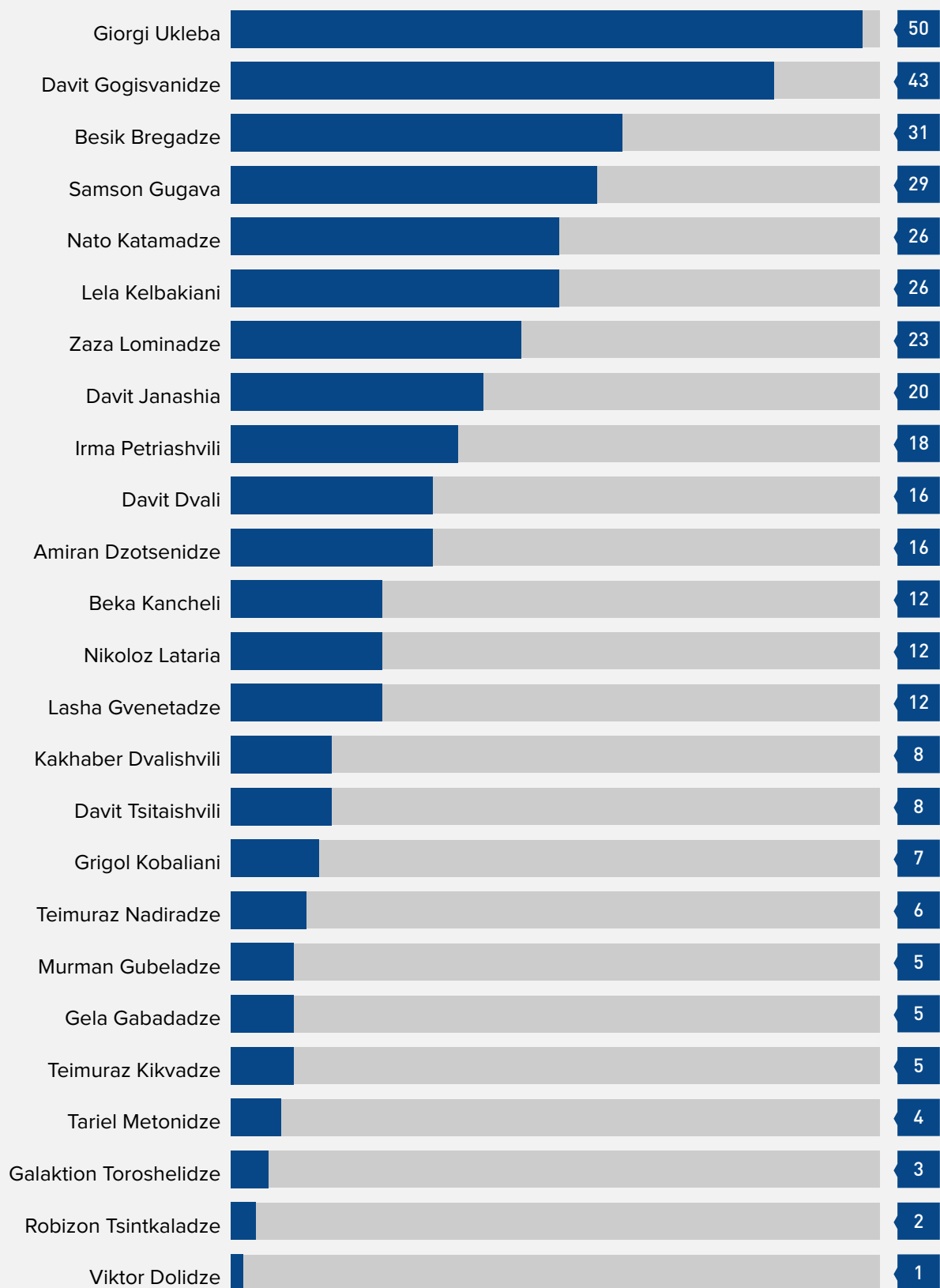
- **Giorgi Ukleba** (United National Movement) – **50** sessions;
- **Davit Gogisvanidze** – **43 sessions**. He was a mayoral candidate and number one on the party list for European Georgia – Movement for Freedom in the 2017 local elections.

The lowest number of sessions were missed by:

- **Viktor Dolidze** (Georgian Dream – Democratic Georgia) – 1 session;
- **Robizon Tsintskaladze** (Georgian Dream – Democratic Georgia) – 2 sessions.

6 City Council Rules of Procedure, Article 13, Paragraph 4.

FIGURE 7. STATISTICS OF CITY COUNCIL MEMBERS' FAILURE TO ATTEND SESSIONS



Attendance of Council Commissions by Commission Members

According to Paragraph 2 of Article 27 of the Council's Rules of Procedure, council members must attend the commission sessions.

Finance and Budget Commission – of the 47 sessions held between 14 July 2014 and 30 August 2017, the highest number of sessions (43) was missed by **Amiran Dzotsenidze** while **Lela Kelbakiani** attended all sessions.

Legal Issues Commission held 52 sessions during the period covered by the study; **Kakhaber Dvalishvili** attended all of the sessions while **Giorgi Ukleba** did not attend at all.

Commission for Economic Issues, Property Management and City Services held 65 sessions in the period from 14 July 2014 until 30 August 2017. **Galaktion Toroshelidze** attended all of the sessions while **Davit Gogisvanidze** missed the highest number of sessions – 58.

Healthcare and Social Issues Commission held seven sessions during the period covered by the study; all sessions were attended by **Teimuraz Nadiradze**, **Robizon Tsintskaladze** and **Zaza Lominadze**; **Davit Gogisvanidze** failed to attend the highest number of sessions (3).

No information was provided about the sessions held by the *Commission for Culture, Education, Youth Affairs and Sports*.

CHAPTER 7. WOMEN'S PARTICIPATION IN THE WORK OF THE COUNCIL

In the 2017 composition of the Fifth Convocation City Council, three out of 25 Council members were women: **Lela Kelbakiani**, **Irma Petriashvili** and **Nato Katamadze**. All three were members of the Georgian Dream – Democratic Georgia party and were also elected from single-seat districts.

Two of the three women Council members were **elected commission chairpersons**:

- **Lela Kelbakiani** – chairwoman of the Finance and Budget Commission;
- **Irma Petriashvili** – chairwoman of the Commission for Culture, Education, Youth Affairs and Sports.

During the period covered by the study, **170** applications were addressed to women Council members; of these, 96 were addressed to Nato Katamadze, 25 to Lela Kelbakiani and 49 to Irma Petriashvili.

From 14 July 2014 until 30 August 2017, Irma Petriashvili missed **18** out of 71 sessions held, Nato Katamadze and Lela Kelbakiani each missed **26**.

In terms of exercising oversight, **Nato Katamadze** and **Irma Petriashvili** used their right to ask questions. Specifically, during the period covered by the study, **Nato Katamadze** used her right to pose a question to an accountable agency **four times**. She was interested in the information about the property owned by the local government (addressed to the Kutaisi City Hall's Economic Development and Local Property Management Service), employment (addressed to the City Hall's Administrative Department), a problem with regard to an apartment on the territory of the district and transfer of property (addressed to the City Hall).

During the period covered by the study, **Irma Petriashvili** posed one question to the City Hall's Housing, Infrastructure Management and Development Service about the funds spent on a 2015 project.

CHAPTER 8. CITIZENS' INVOLVEMENT IN CITY COUNCIL ACTIVITIES

According to Paragraph 1 of Article 85 of the Local Government Code, municipal agencies and their officials, to ensure citizens' engagement in local governance, are obliged to create organizational and technical conditions to receive citizens, to hold meetings with citizens to facilitate citizens' participation in the work of the municipal agencies, including sessions of participatory public institutions, and provide for the transparency of the decision-making process.

According to the information provided by the City Council, to ensure citizens' participation in local governance, the Council officials and its members regularly received citizens in the administrative building of the Council. **The information about the Council members receiving citizens, indicating date, place and time, was posted in the administrative building of the City Council.**

Any citizen has the right to attend the open sessions of the City Council and its commissions or, if he or she is willing, to participate in the work of the sessions. During the term of the fifth convocation, **25 citizens took the floor at the City Council sessions.**

Furthermore, the City Council sessions were **aired live** via social networks.

In 2015-2016, **no petition was registered** by the City Council.

CHAPTER 9. ACTIVITIES OF COMMISSIONS, COUNCILS AND AD HOC WORKING GROUPS

9.1. City Council Commissions

Between July 2014 and August 2017, the City Council commissions held 171 sessions. **Three of the council commission sessions were thwarted due to the absence of quorum.**

FIGURE 8. SESSIONS OF THE FINANCE AND BUDGET COMMISSION, BY YEAR

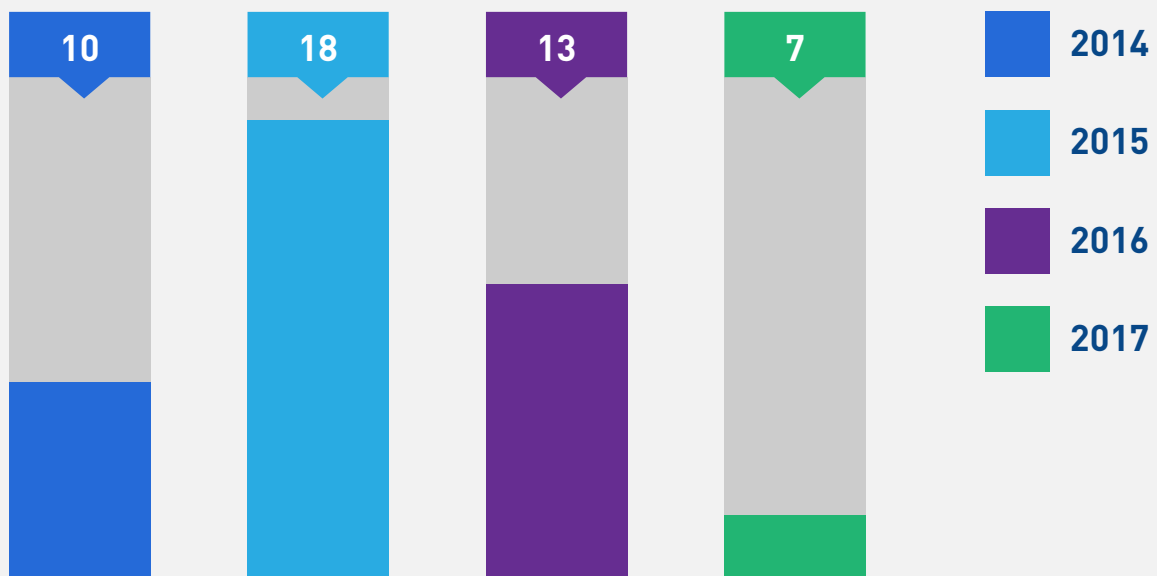


FIGURE 9. SESSIONS OF THE LEGAL ISSUES COMMISSION, BY YEAR

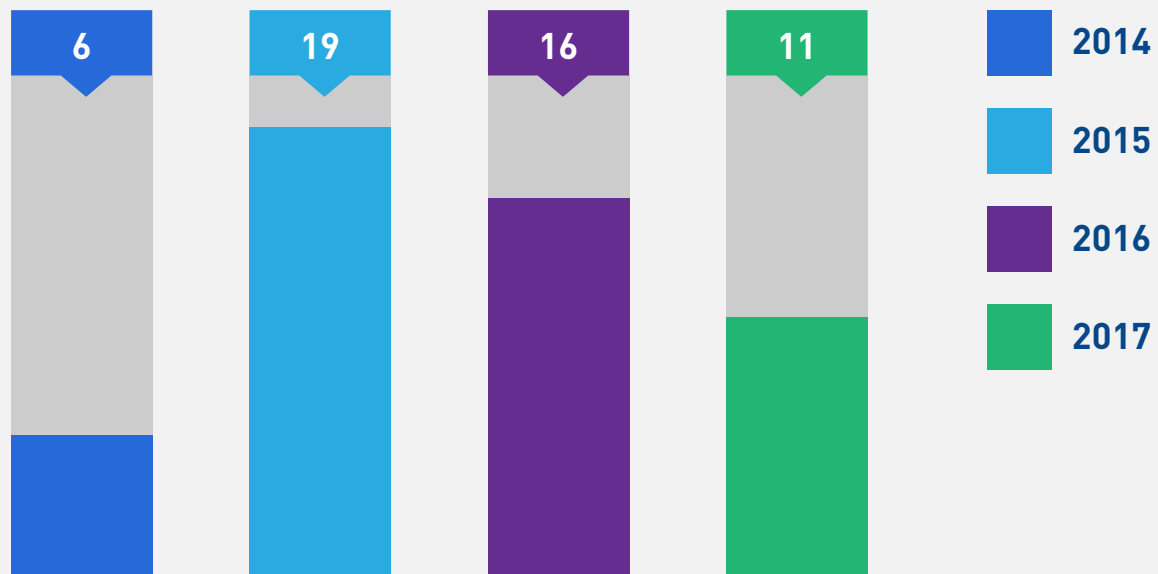


FIGURE 10. SESSIONS OF THE COMMISSION FOR ECONOMIC ISSUES, PROPERTY MANAGEMENT AND CITY SERVICES, BY YEAR

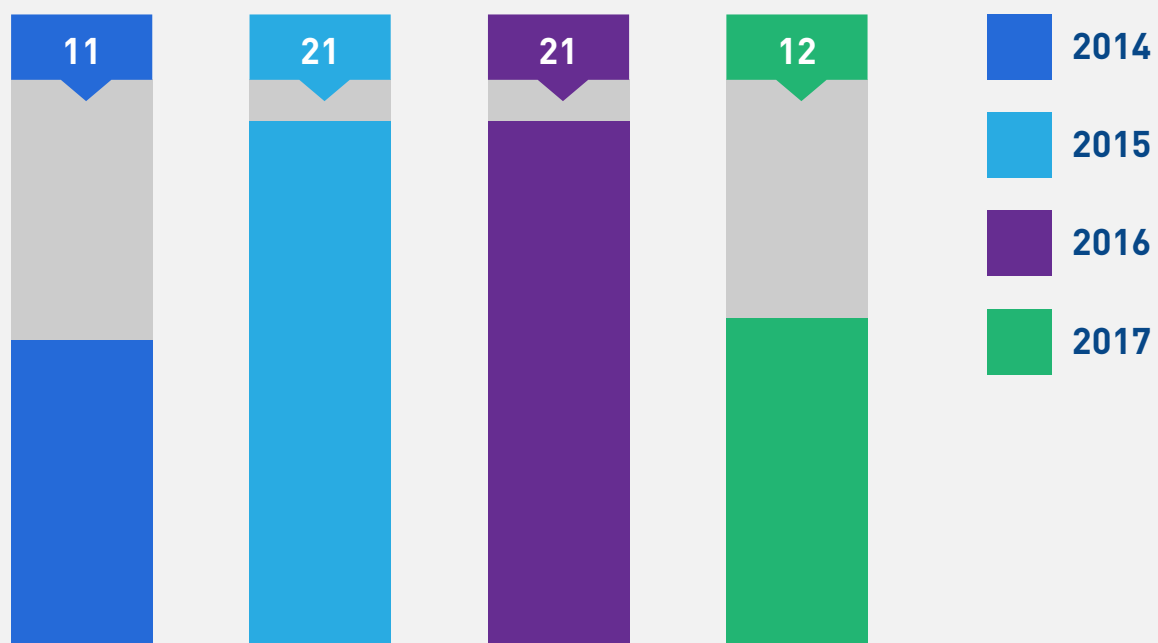
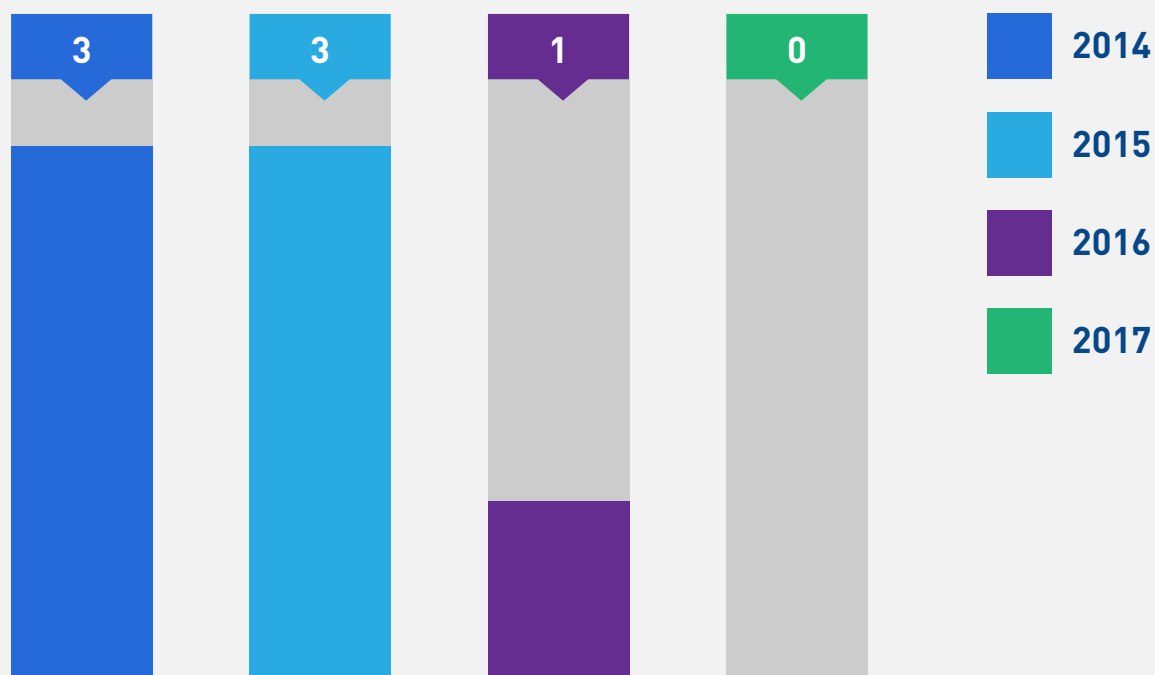


FIGURE 11. SESSIONS OF THE HEALTH AND SOCIAL ISSUES COMMISSIONS, BY YEAR



During the period covered by the study, the **Budget and Finance Commission** prepared 17 conclusions; the commission also reviewed 17 draft legislative acts. **The City Council did not specify what issues were addressed by the conclusions and/or draft legislative acts.**

The commission also held a hearing of the report about the activities carried out by the departments of Kutaisi City Hall, and prepared [conclusions](#) regarding the fulfilment of the municipal budget. However, the City Council did not provide specific information about the hearings.

The **Legal Issues Commissions** discussed 117 issues during the period covered by the study; correspondingly, 117 conclusions were prepared. The documents provided by the City Council state that representatives of the executive branch were summoned to nearly all sessions of the Legal Issues Commission. Thus, the sessions concerning the changes in the City Hall's administrative issues were attended by Kutaisi City Hall Administration Department Head Zviad Javakhia, Architecture and Oversight Service Head Bakar Cheishvili, the head of the City Hall's Housing, Infrastructure Management and Development Service, Vladimer Nakashidze and his deputy Joni Anabidze; the heads of the City Hall's N(N)LPs, their representatives or lawyers were also among those summoned to the sessions.

The Legal Issues Commission did not provide detailed information about presented and discussed legal conclusions or the statistics of attendance by the representatives of the executive branch.

The **Health and Social Issues Commission** discussed 11 issues. Among those summoned to the commission sessions at various times were Deputy Mayor of Kutaisi Kote Kavtaradze, the head of the City Hall's Service for Health, Social Issues and Internally Displaced Persons, Ioseb Chijavadze, the director of N(N)LP "Centre for Kutaisi City Public Health and Safe Environment", Maia Nadareishvili. In this case, too, our organization was unable to study the issues discussed by the commission in detail since the City Council did not provide us with this information.

9.2. Advisory Body

According to the Local Government Code, it is within the scope of authority of the local council to **create advisory bodies (council, committee and other) and to determine their mode of operation** in order to study specific issues and prepare corresponding conclusions and recommendations as well as in cases envisaged by the Georgian legislation and in accordance with its stipulations.

According to Article 13 of the law of Georgia "On Gender Equality", the council, in order, to ensure systematic work on gender issues in municipalities, in coordination with the Gender Equality Council established by the Parliament of Georgia, shall create Municipal Gender Equality Councils whose composition, status, role and scope of authority shall be determined by the rules of procedure of the municipality Councils and by the Municipal Gender Equality Council charters approved by a corresponding Council.

According to the information provided by Kutaisi City Council, **no advisory body (council, committee or other) was created at Kutaisi City Council and neither was the Gender Equality Council.**

9.3. Ad Hoc Working Group

A council has the authority to create ad hoc working group to study individual issues, should the need arise. The council selects the ad hoc working group's head and its members from among its own members for the term of the working group which must not exceed three months. The term of the ad hoc working group can be extended for a month at a time although the total term must not exceed the period of six months.

On 25 May 2016, Kutaisi City Council issued a decree "On the creation of Kutaisi City Council's ad hoc working group and election of the chairperson of the ad hoc working group in order to **examine the lawfulness of selling land plots and buildings by Kutaisi city local government in 2006-2015.**" The City Council approved the composition of the working group by a decree issued on 29 January 2016. On 25 January 2017, the City Council **held a hearing of the report concerning the activities performed by the working group** and issued a decree **terminating the powers of the group.**

CHAPTER 10. CITY COUNCIL OFFICIALS' LINKS TO BUSINESS, UNDECLARED PROPERTY AND ACTIVITIES INCOMPATIBLE WITH OFFICE

When studying the activities of the council, it is important to establish whether council members have connections with business, [monitor](#) the cases of undeclared assets and activities incompatible with office. To this end, we examined council members' asset [declarations](#) and public information available from the [website of the Public Registry](#).

During the period covered by the study, seven officials with ties to business activities were identified. All seven officials were members of Georgian Dream – Democratic Georgia. Two of them, namely, Kutaisi City Council Deputy Chairman **Beka Kancheli** and Kutaisi City Council Commission Chairwoman **Lela Kelbakiani**, provided complete information about their business shares in their declarations. Kutaisi City Council Deputy Chairman **Nikoloz Lataria** submitted an incomplete declaration, while Kutaisi City Council Chairman **Davit Dvali**, Kutaisi City Council Commission Chairman **Teimuraz Nadiradze** and another commission chairperson Kutaisi City Council, **Irma Petriashvili**, failed to indicate their business shares in their declarations altogether.

Georgian Dream – Democratic Georgia member Irma Petriashvili holds a managerial position in a business company, specifically, she is the **director of LLC “College for Local Government Officials”**.

Legal Requirements and Responsibility

According to the law “On the Conflict of Interest and Corruption [in Public Institutions]”, for the purposes of this law, the following officials of municipal representative body are considered public officials:

- Local council chairperson;
- Local council deputy chairperson;
- Local council commission chairperson;
- Local council faction chairperson.

According to the law, a person is under the obligation to submit to the Civil Service Bureau an official's asset declaration within two months from assuming the post. At the same time, the government decree from 12 February 2014 defines a registry of officials who have an obligation to submit asset declarations; according to this decree, the following officials have an obligation to submit asset declarations:

- Local council chairperson;
- Local council deputy chairperson;
- Chairpersons of council commissions.

The issues of incompatibility with office for municipal council officials are regulated by the Law of Georgia “On Conflict of Interest and Corruption in Public Institutions”, according to which:

- Civil servant does not have the right to hold any position in any enterprise;
- Civil servant is obliged to transfer the management of his or her share of capital in an enterprise (portfolio) to someone else to manage by power of attorney for the period of his or her term in office in accordance with the rules prescribed by the Georgian legislation.
- Civil servant does not have the right to be a full-time head of an enterprise or a member of an oversight, supervisory or auditing body.
- Also, civil servant does not have the right to conduct entrepreneurial activities. He or she is only allowed to own shares.

The monitoring of whether the information indicated in an asset declaration by an official is complete and correct and whether it is compliant with the requirements of the Georgian legislation is conducted by the Civil Service Bureau. An official’s asset declaration receives a negative evaluation if the information it contains is incomplete and incorrect and also when information that is not compliant with special legislation is discovered. **An official is fined GEL 1,000 if an irregularity is found in his or her declaration.** In addition, in case there are **elements of crime present due to incomplete or incorrect information being deliberately included in an official’s asset declaration, the Bureau is under the obligation to send the declaration and the paperwork in question to a relevant law enforcement agency for further action.**

A council member who has the status of a public official is under the obligation to submit an asset declaration. From 14 July 2014 until 22 February 2017, there were **14 officials** in the City Council; after the United National Movement faction was abolished on 22 February 2017, **13 officials were left in the Council.**

Within the framework of the study, we examined entrepreneurial activities of Kutaisi City Council chairman, two deputy chairpersons and chairpersons of the Council commissions and the accuracy of information about their shares in businesses indicated in their declarations.

UNDECLARED SHARES AND DIRECTORIAL STATUS

Kutaisi City Council Chairman Davit Dvali

According to the Public Registry information, Davit Dvali owns shares of LLC “[DTB Invest](#)”, which he did not indicate in his [declaration](#).

Kutaisi City Council Deputy Chairman Nikoloz Lataria

Nikoloz Lataria owns 50 percent of shares of LLC “Nikoil Terjola”, 40 percent of shares of LLC “Gio” and 100 percent of shares of LLC “Nikoil 9”. He also owns 55 percent of shares in LLC “Fresh Food”. In the declaration submitted in September 2017, he failed to include information about the shares he owns in LLC “[Nikoil 9](#)” and LLC “Fresh Food”.

Kutaisi City Council, Commission Chairman Teimuraz Nadiradze

Teimuraz Nadiradze owns 50 percent of shares of LLC “[Western Georgia Neurorehabilitation Centre Temida-97](#)”. He did not include information about this LLC in the [declaration](#) he submitted in October 2017.

Kutaisi City Council, Commission Chairwoman Irma Petriashvili

In June 2017, Irma Petriashvili founded LLC “[National Movement Museum](#)” where she owns 100 percent of shares and is also the director. She is also a shareholder and **director** of LLC “[College for Local Government Officials](#)”; no information about any of the above was included in the [declaration](#) she submitted in September 2017.

DECLARED SHARES

Kutaisi City Council Deputy Chairman Beka Kancheli

Beka Kancheli owns 30 percent of shares of LLC “[GRB](#)” and 12.25 percent of shares of LLC “[GRB Audit Company](#)”.

Kutaisi City Council, Commission Chairwoman Lela Kelbakiani

Lela Kelbakiani owns 50 percent of shares of LLC “[Kutaisi University](#)”; according to her [declaration](#), she also holds a position of consultant in strategic development and international projects at this university, receiving substantial income from it.

PROBLEMS AND RECOMMENDATIONS

Exercising Oversight

- City Council members should be more actively involved in public activities, namely, should be using more frequently their right of posing questions, summoning officials accountable to the City Council.

Council Sessions

- Kutaisi City Council should improve the organizational aspects of its work, reduce the number of extraordinary sessions and the number of issues discussed at them, as this hampers the involvement of citizens, mobilization of interest groups, the possibility to prepare for the discussion of issues at the sessions, reduces the agency's transparency.

Accountability

- The attendance of sessions of the City Council and its commissions by the members needs to be improved significantly. We believe that representatives of all political forces should act responsibly and attend the sessions. In addition, the reasons, legitimate or not, due to which Council members miss the sessions should be examined and corresponding measures taken.
- Filling out asset declarations by officials is an important mechanism of transparency and accountability. Submitting incomplete declarations contains corruption risks. For this reason, officials must fill out their declarations in a complete manner.

Work of Councils

- A Gender Equality Council must be set up at Kutaisi City Council to examine individual issues within the scope of authority of the City Council and prepare relevant conclusions and recommendations.
- The City Council must observe the requirement stipulated by the law and make sure that the term of ad hoc working groups does not exceed six months.

Transparency

- It is imperative that, in its future work, the City Council has an official website with specific information about their activities, including publishing the following types of information:
 - Initial version of legislative acts, indicating the initiator/author, explanatory notes, documents containing remarks made during sessions;
 - Questions/issues raised with the aim of exercising oversight;
 - Detailed information about City Council members' participation in sessions, about individual members' failure to attend the sessions either for legitimate or inadmissible reasons;
 - Information about representational expenses made by City Council members;
 - Information about the City Council of previous convocation;
 - Information about activities of individual City Council members, including that about their meetings with voters;
 - Reports about the work performed by City Council members, officials, City Council commissions and factions as well as session protocols;
- It is important that the City Council provide accurate and complete information so that the activities of the Council as well as the activities and work of its individual entities are transparent and open to the public.