

An optimisation model for companies and institutions founded by local self-governments

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The Ministry of Public Administration



An Optimisation Model for Companies and Institutions
Founded by Local Self-governments

Author:
Svetomir Aković

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1. The basis underpinning the model

The Public Administration Optimisation Plan 2018–2020, as one of Montenegro's strategy papers, sets short- and medium-term actions for the central and local governments towards creating a more efficient and transparent public administration.

The optimisation model for municipal companies and institutions (hereinafter: Optimisation Model) is to put in place the assumptions for long-term sustainability of local public services (companies and institutions) set up by municipalities. The Optimisation Model is, first and foremost, based on thorough analysis of financial statements for municipal companies and institutions, staffing numbers and breakdown, and the specificities of the local self-governments they operate in.

The main aim of the Optimisation Model is to give recommendations for optimising the companies and institutions set up by municipalities (hereinafter: municipal companies and institutions).

1.1 Methodological approach

While developing the Optimisation Model, a letter was sent to local self-governments requesting the information needed on their respective local public companies and institutions. According to the Ministry for Public Information, there are 198¹ municipal companies and institutions in total in Montenegro, as follows:

- 63 public institutions dealing with the matters of culture, social and child protection, museum and library activity,
- 22 local tourism organisations,
- 14 local radio and television broadcasters,
- 50 local utility companies, and
- 49 other types of municipal companies (local sport centres, parking services, agencies and other legal entities).

The input data for the analysis refer to the last two available fiscal years (2018 and 2019) and include financial statements provided by municipal companies and institutions, the information on the number of employees on all grounds, job systematisations, the information on the number of additional staff hired under service agreements and pertinent costs and the staff hired through the Staff Secondment Agency. Based on the information received, the total wage bill for employees and additionally hired staff borne by the municipal company or institution was calculated.

Given the different areas of activity performed, all municipal companies and institutions were classified by the type of activity as follows:

- utilities,
- culture activity,

- museum activity,
- social and child protection,
- tourism organisations,
- public broadcasters,
- library activity, and
- other activities (sport centres, parking services, agencies and other legal entities).

While analysing financial statements, the data were systematised according to the type of activity. The analysis focused particularly on the municipal utility companies, given their largest staffing numbers. Moreover, municipal utility companies account for a major share in total revenues and expenditures among all municipal companies and institutions.

In coming up with the Optimisation Model, the possibilities for merging certain services, downsizing their administrative functions or abolishing certain services with the relevant local administration bodies (secretariats, directorates or services) assuming their functions were also considered.

Based on the analyses done, some measures were proposed, including: human resource measures, organisational efficiency and efficacy measures, and measures to be taken by decision-makers.

1.2 Key findings

By examining job systematisation documents in the process of developing the Optimisation Model, the deviations between the actual and the systematised number of staff for each post were assessed. This revealed that municipal companies and institutions, as a rule, have vacant systematised job posts.

The assessment of the internal rulebooks governing salary calculation for the staff in municipal companies and institutions revealed that such internal acts were largely non-compliant with the Law on Salaries of Public Sector Employees. The noncompliance was most prevalent among the municipal utility companies. One of the key reasons stems from the fact that the Branch Collective Agreements for Housing and Utilities is not aligned with the Law on Salaries of Public Sector Employees.

Major deviations were observed in the amount of the gross calculated multiplier value among the companies performing the same type of activity. This leads, by extension, to major deviations in the net salary amounts for the staff performing same functions in municipal companies in different local self-government units.

The enactment of the new Law on Public-Private Partnership (PPP Law) put in place the assumptions for stepping up inter-municipal cooperation in the area of utilities and other activities, given possible private sector involvement.

The analysis into the procedure for the adoption and execution of operational and financial plans for municipal companies and institutions revealed the scope for reinforcing the oversight tools in the decision-making process and in overseeing the operational plan delivery.

¹ As of December 2019

2. Municipal companies and institutions – An overview

Out of the total number of municipal companies and institutions (198), data were provided by 152 of them, while 46 failed to provide the requested data (Annex 1 hereto). The Optimisation Model was developed based on the data provided, the information publicly available at the Tax Administration portal and the pertinent webpages of local companies, as well as the information held by the Ministry of Public Administration.

2.1 Utilities

Municipal utility companies are incorporated under the Company Law, and their operation is governed by the Law on Utilities. In this context, utilities include: public water supply; municipal waste water management; municipal waste management; upkeep of green areas and other public spaces; municipal road maintenance; public cemetery upkeep; and other tasks entrusted by the law.

According to the information held by the Ministry for Public Administration, at the end of 2017 the total employment in municipal companies (excluding municipal institutions) was 6,605. The bulk is accounted for by the staff of utility companies.

The total of 50 utility companies are incorporated at the municipal level. The list of companies by municipality with the average monthly staffing levels² in 2018 and in 2019 is shown below. The data on the average staffing levels are taken from Statistical Annexes for municipal companies, posted at the Tax Administration web portal. The information on average monthly staffing levels were used in this analysis as more relevant than, for instance, the year-end information on staffing levels given the pronounced seasonality of municipal company operation, reflected in staffing levels, as well.

Table 1. An overview of average monthly staffing levels in local utility companies in 2018 and 2019

	Municipality	Municipal service	2019 average monthly number of employees	2018 average monthly number of employees
1	Andrijevica	DOO "Vodovod" Andrijevica	14	8
2	Andrijevica	DOO Komunalno	30	29
3	Bar	'Možura" DOO	21	20
4	Bar	DOO "Vodovod i kanalizacija"	167	159
5	Bar	DOO "Komunalne djelatnosti"	285	264
6	Berane	DOO Komunalno	146	145
7	Berane	DOO Vodovod i kanalizacija	51	52
8	Bijelo Polje	DOO Vodovod "Bistrica"	66	72
9	Bijelo Polje	DOO Komunalno "Lim"	147	146
10	Budva	DOO Komunalno	168	179

2 The monthly average is obtained by dividing the total number of employees at the end of each month with the number of months.

	Municipality	Municipal service	2019 average monthly number of employees	2018 average monthly number of employees
11	Budva	DOO Vodovod i kanalizacija	242	243
12	Budva	DOO Pogrebne usluge	14	14
13	Cetinje	DOO Komunalno	77	77
14	Cetinje	DOO Vodovod i kanalizacija	65	65
15	Danilovgrad	DOO Vodovod i kanalizacija	72	69
16	Danilovgrad	DOO "Komunalno"	57	49
17	Gusinje	DOO Komunalne djelatnosti	10	10
18	Herceg Novi	DOO Vodovod i kanalizacija	144	147
19	Herceg Novi	Društvo za izgradnju vodovodne i kanalizacione infrastrukture DOO	2	2
20	Herceg Novi	DOO Komunalno	82	79
21	Herceg Novi	DOO Čistoća	147	138
22	Kolašin	DOO Komunalno	28	28
23	Kolašin	DOO Vodovod i kanalizacija	26	23
24	Kotor	DOO Komunalno	148	156
25	Kotor	Društvo za upravljanje sanitarnom deponijom Lovanja doo Kotor	2	2
26	Kotor	DOO Vodovod Kotor	76	81
27	Mojkovac	DOO Komunalne usluge Gradac	52	52
28	Nikšić	DOO Komunalno	159	162
29	Nikšić	DOO Vodovod i kanalizacija	138	142
30	Petnjica	DOO Komunalne djelatnosti Petnjica	15	14
31	Plav	DOO Komunalne djelatnosti Plav	51	60
32	Pljevlja	Čistoća doo	153	186
33	Pljevlja	DOO Vodovod	119	125
34	Pljevlja	DOO "Komunalne usluge" Pljevlja	55	58
35	Plužine	DOO Komunalno Plužine	29	25
36	Podgorica	Zelenilo doo	112	112
37	Podgorica	DOO Vodovod i kanalizacija	599	597
38	Podgorica	DOO Komunalne usluge	94	100
39	Podgorica	Čistoća doo	482	481
40	Podgorica	DOO Deponija	172	181
41	Podgorica	Putevi doo	97	97
42	Podgorica	Pogrebne usluge" doo	84	86
43	Rožaje	DOO "Komunalno" Rožaje	79	79

	Municipality	Municipal service	2019 average monthly number of employees	2018 average monthly number of employees
44	Rožaje	DOO Vodovod i kanalizacija Rožaje	43	40
45	Šavnik	DOO Komunalne djelatnosti	31	29
46	Tivat	DOO Vodovod i kanalizacija	56	56
47	Tivat	DOO Komunalno Tivat	106	106
48	Ulcinj	JP Komunalne djelatnosti	152	154
49	Ulcinj	DOO Vodovod i kanalizacija	126	126
50	Žabljak	DOO Komunalno i vodovod	46	50
		Total	5,337	5,375

The table above shows that the monthly average of staff employed with municipal utility companies was 5,378 in 2018, and 5,337 in 2019.

Out of the total of 50 companies, 18 municipal utilities increased their average monthly staffing levels in 2019 compared to 2018 (5 municipal companies had monthly average staffing levels increased by more than 5 employees). Conversely, 18 municipal utility companies decreased their average monthly staffing levels in 2019 compared to 2018 (9 municipal companies had monthly average staffing levels decreased by 5 and more employees), while 14 municipal utility companies retained the same staffing levels in 2018 and in 2019.

To assess the overall number of persons hired for the needs of utility companies, however, the persons employed through the Staff Secondment Agency and under Service Agreements for delivering the core tasks of municipal utility companies should also be factored in. The reasoning behind this approach is that municipal companies may reduce the number of staff hired under open-ended contracts, while increasing the number of persons hired through the Staff Secondment Agency or under Service Agreements.

Out of the total of 50 municipal utility companies, 40 companies provided the data requested, fully or partly, while 10 such companies failed to provide any of the information requested. The tables below feature the information received from 40 municipal companies concerning their employee costs, and the number of staff hired through Staff Secondment Agency and under Service Agreements.

Table 2. Average monthly number of employees and total employee costs in 2018 and 2019

	MUNICIPALITY	MUNICIPAL SERVICE	Average number of employees in 2019	Average number of employees in 2018	Employee costs in 2019	Employee costs in 2018
1	Andrijevica	DOO Komunalno	30	29	204,712	183,259
2	Bar	‘Možura’ DOO	20	20	288,858	244,174
3	Bar	DOO ‘‘Vodovod i kanalizacija’’	167	159	1,821,288	1,786,084

	MUNICIPALITY	MUNICIPAL SERVICE	Average number of employees in 2019	Average number of employees in 2018	Employee costs in 2019	Employee costs in 2018
4	Bar	DOO ‘‘Komunalne djelatnosti’’	285	264	2,680,233	2,384,446
5	Berane	DOO Komunalno	146	145	957,998	958,933
6	Bijelo Polje	DOO Vodovod ‘‘Bistrica’’	66	72	576,958	606,382
7	Bijelo Polje	DOO Komunalno ‘‘Lim’’	147	146	1,188,558	1,201,673
8	Budva	DOO Vodovod i kanalizacija	242	243	3,134,371	3,122,944
9	Budva	DOO Pogrebne usluge	14	14	155,580	188,771
10	Budva	DOO Komunalno ³	168	179	-	-
11	Cetinje	DOO Vodovod i kanalizacija	65	65	650,027	639,153
12	Danilovgrad	DOO ‘‘Komunalno’’	57	49	497,777	420,105
13	Herceg Novi	DOO Komunalno	82	79	832,862	803,055
14	Herceg Novi	Društvo za izgradnju vod. i kanaliz. infrastrukture	2	2	47,929	46,953
15	Kolašin	DOO Komunalno	28	28	291,294	253,519
16	Kolašin	DOO Vodovod i kanalizacija	26	23	230,730	189,159
17	Kotor	DOO Vodovod Kotor	76	81	904,008	949,780
18	Kotor	DOO Komunalno	148	156	1,511,926	1,472,245
19	Mojkovac	DOO Komunalne usluge Gradac	52	52	451,151	414,085
20	Nikšić	DOO Komunalno	159	162	1,405,784	1,406,369
21	Nikšić	DOO Vodovod i kanalizacija	138	142	1,688,745	1,657,664
22	Petnjica	DOO Komunalne djelatnosti Petnjica	15	14	99,055	79,466
23	Plav	DOO Komunalne djelatnosti Plav	51	60	347,499	384,270
24	Pljevlja	DOO Vodovod	119	125	888,248	934,612
25	Pljevlja	DOO ‘‘Komunalne usluge’’ Pljevlja	55	58	447,774	472,409
26	Plužine	DOO Komunalno Plužine	29	25	208,738	193,114
27	Podgorica	Pogrebne usluge’’ doo	84	86	878,337	880,008

3 Komunalno doo, the municipal utility company from Budva, provided the information on staffing levels alone, without specifying pertinent costs.

	MUNICIPALITY	MUNICIPAL SERVICE	Average number of employees in 2019	Average number of employees in 2018	Employee costs in 2019	Employee costs in 2018
28	Podgorica	Zelenilo doo	112	112	1,007,113	941,537
29	Podgorica	DOO Vodovod i kanalizacija	599	597	5,933,074	5,899,820
30	Podgorica	DOO Komunalne usluge	94	100	1,258,564	1,309,804
31	Podgorica	Čistoća doo	482	481	4,384,907	4,339,609
32	Podgorica	DOO Deponija	172	181	1,791,070	1,840,687
33	Podgorica	Putevi doo	97	97	1,118,476	1,142,300
34	Rožaje	DOO "Komunalno" Rožaje	79	79	553,894	563,910
35	Rožaje	DOO Vodovod i kanalizacija Rožaje	43	40	348,048	327,146
36	Šavnik	DOO Komunalne djelatnosti	32	32	212,809	194,983
37	Tivat	DOO Vodovod i kanalizacija	56	56	816,182	802,440
38	Tivat	DOO Komunalno Tivat	106	106	1,315,041	1,319,274
39	Ulcinj	JP Komunalne djelatnosti	152	154	1,358,924	1,420,226
40	Žabljak	DOO Komunalno i vodovod	46	50	372,937	392,972
		Total	4,541	4,563	42,861,479	42,367,340

Table 3. Average monthly number of persons hired through the Staff Secondment Agency and under Service Agreements, and total annual costs on that account in 2018 and 2019

			STAFF SECONDMENT AGENCY				SERVICE AGREEMENTS			
			2019.		2018.		2019.		2018.	
	Municipality	Municipal service	No of persons hired	Total costs	No of persons hired	Total costs	No of persons	Total costs	No of persons	Total costs
1	Andrijevića	DOO Komunalno								
2	Bar	‘Možura’ DOO	-	-	-	-	-	-	-	-
3	Bar	DOO ‘‘Vodovod i kanalizacija’’	-	-	-	-	-	-	-	-
4	Bar	DOO ‘‘Komunalne djelatnosti’’	-	-	-	-	78	183,008	93	315,405
5	Berane	DOO Komunalno	-	-	-	-	-	-	-	-
6	Bijelo Polje	DOO Vodovod ‘‘Bistrica’’	-	-	-	-	-	-	-	-
7	Bijelo Polje	DOO Komunalno ‘‘Lim’’	-	-	-	-	-	147,550	-	131,659
8	Budva	DOO Vodovod i kanalizacija	-	-	-	-	110	81,115	28	17,774
9	Budva	DOO Pogrebne usluge	-	-	-	-	-	-	-	-
10	Budva	DOO Komunalno	35	376,511	26	282,387				
11	Cetinje	DOO Vodovod i kanalizacija	3	20,632	-	-	33	39,453	34	48,225
12	Danilovgrad	DOO ‘‘Komunalno’’	-	-	-	-	-	-	-	-
13	Herceg Novi	DOO Komunalno	-	-	-	-	-	27,921	-	22,005
14	Herceg Novi	Društvo za izgradnju vod. i kanaliz.infrastrukture DOO	-	-	-	-	2	1,345	4	4,592
15	Kolašin	DOO Komunalno	-	-	-	-	-	-	-	-
16	Kolašin	DOO Vodovod i kanalizacija	-	-	-	-	-	-	-	-
17	Kotor	DOO Vodovod Kotor	9	117,791	6	73,000				
18	Kotor	DOO Komunalno	-	-	-	-	-	-	-	-
19	Mojkovac	DOO Komunalne usluge Gradac	-	-	-	-	-	-	-	-
20	Nikšić	DOO Komunalno					-	-	-	-
21	Nikšić	DOO Vodovod i kanalizacija	-	602,162	-	557,541	-	-	-	-
22	Petnjica	DOO Komunalne djelatnosti Petnjica	-	-	-	-	-	-	-	-
23	Plav	DOO Komunalne djelatnosti Plav	-	-	-	-	-	-	-	-
24	Pljevlja	DOO Vodovod	-	-	-	-	5	2,208	6	4,621
25	Pljevlja	DOO ‘‘Komunalne usluge’’ Pljevlja	-	-	-	-				
26	Plužine	DOO Komunalno Plužine					14	11,433	7	3,866
27	Podgorica	Pogrebne usluge’’ doo	2	12,803	-	-	-	-	-	-
28	Podgorica	Zelenilo doo	13	93,027	2	8,506	-	-	-	-
29	Podgorica	DOO Vodovod i kanalizacija	-	-	-	-	-	-	-	-
30	Podgorica	DOO Komunalne usluge	27	276,673	14	149,572				
31	Podgorica	Čistoća doo	34	264,497	17	133,455	7	13,609	10	15,929
32	Podgorica	DOO Deponija	-	-	-	-	-	-	-	-
33	Podgorica	Putevi doo	-	-	-	-	-	-	-	-
34	Rožaje	DOO ‘‘Komunalno’’ Rožaje	-	-	-	-	-	-	-	-
35	Rožaje	DOO Vodovod i kanalizacija Rožaje	-	-	-	-	-	-	-	-
36	Šavnik	DOO Komunalne djelatnosti	-	-	-	-	1	1,099	--	
37	Tivat	DOO Vodovod i kanalizacija	8	80,915	6	52,871	-	-	-	-
38	Tivat	DOO Komunalno Tivat	29	296,286	24	232,168	-	-	-	-
39	Ulcinj	JP Komunalne djelatnosti	-	-	-	-	-	-	-	-
40	Žabljak	DOO Komunalno i vodovod	-	-	-	-	-	-	-	-
		Total	160	2,141,297	95	1,489,500	250	508,741	182	564,076

Table 3 above shows that, in addition to the costs for their staff employed under open-ended contracts, certain utility companies hired additional people through the Staff Secondment Agency and under Service Agreements. According to the information provided by 40 utility companies, 10 among them used the services of the Staff Secondment Agency, with their total costs on this account being €2,141,297 in 2019 (compared to €1,489,500 in 2018).

Moreover, in 2019 the total of 10 out of the 40 companies hired individuals under Service Agreements to perform their core activity, for the total expense of €508,741.

Thus, the actual employee costs for municipal utility services provision are the sum of expenditures for employees on open-ended contracts and the additional persons hired. This approach to hiring individuals for performing the core tasks of utility companies (through the agencies or under Service Agreements) is de facto employment, time-bound or open-ended, but avoiding to register the persons hired as their employees. In the utility company books, such costs are stated under the heading of salary costs or staff secondment costs.

Given that the data were received for 40 out of 50 utility companies in total, i.e. the data are missing for 10 remaining companies, the actual costs for hiring external individuals exceed the ones shown in Table 3.

This gives a different picture of the total number of staff hired at the municipal level for utility services compared to the one shown by the data made available and publicised.

Proposed measure

The medium-term measures for the local level of government set in the Public Administration Optimisation Plan 2018–2020 envisage ensuring performance of the tasks from within the mandate of municipal public services and companies, whenever possible, without any new recruitment, i.e. through secondment agreements. Moreover, another medium-term measure envisages the total number of staff hired as per fixed term contracts on the account of the temporary increase in the volume of work should not exceed 10% of the total staff on one-ended contracts (their standing work force).

Given that hiring individuals through the Staff Secondment Agency or under various types of contracts (fixed –term contracts, service agreements, contracts for part-time and occasional work, etc.) are de facto fixed-term employment contracts, limitations should be set stipulating that any hiring of individuals to perform core utility tasks may be done solely due to the increased scope of work and that overall pertinent costs may not exceed 10% of the total costs for the staff hired as per open-ended contracts within the given public service or municipal company. In other words, the aggregate costs of new recruitments on all grounds (through the Staff Secondment Agency and under other types of employment contracts) may not exceed 10% of the total costs for the given company’s normal workforce.

2.2 Culture activity

Under the Law on Culture, local self-governments set up public institutions to pursue the public interest in fostering culture at the municipal level (protection and conservation of tangible and intangible cultural heritage; protection and preservation of Montenegrin creative works; putting in place the assumptions for fostering and promoting talents; and other tasks of common interest).

Asked to provide the information needed for designing the Optimisation Model, 24 out of 30 culture institutions responded positively (Annex 1).

The table below shows the data received on the average number of employees and total employee expenses in 2018 and 2019.

Table 4. Average monthly number of employees and total employee costs for culture activity in 2018 and 2019

	Municipality	Municipal service	Average number of employees in 2019	Average number of employees in 2018	Employee costs in 2019	Employee costs in 2018
1	Bar	JU Kulturni centar	63	64	564,590	561,939
2	Bijelo Polje	JU Centar za kulturu "Vojislav Bulatović Strunjo"	30	29	259,886	252,768
3	Budva	JU Grad teatar	28	27	296,657	284,333
4	Gusinje	JU Centar za kulturu	7	6	57,597	68,011
5	Herceg Novi	JUK "Herceg Fest"	24	24	286882	293,991
6	Kolašin	JU Centar za kulturu	19	17	113,767	96,825
7	Kotor	JU Kulturni centar "Nikola Đurković"	29	28	316,091	297,686
8	Mojkovac	JU Centar za kulturu "Nenad Rakočević"	10	10	95,636	101,814
9	Nikšić	JU Nikšićko pozorište	43	45	364894	371319
10	Pljevlja	JU Umjetnička galerija Vitormir Srbljanović	7	7	68,573	68,133
11	Podgorica	JU "Gradsko pozoriste"	43	41	453,574	436,950
12	Podgorica	JU KIC Zeta Golubovci	9	10	93,504	104,483
13	Podgorica	JU KIC Budo Tomovic	45	44	435,854	432,567
14	Šavnik	JU Centar za kulturu, sport i medije	6	6	58,430	56,128
15	Tivat	JU Centar za kulturu	24	23	261,643	245,770
16	Tuzi	JU KIC MalesijaTuzi	12	12	122,351	128,894
17	Ulcinj	JP Centar za kulturu	24	24	232,188	216,289
18	Žabljak	JU "Centar za kulturu"	6	6	58,779	61,060
19	Berane	JU "Centar za kulturu"	31	29	245,368	227,976
20	Danilovgrad	JU "Centar za kulturu"	16	16	210,125	210,682

21	Nikšić	JU Zahumlje	29	27	246,749	230,261
22	Petnjica	JU "Centar za kulturu"	6	6	47,556	54,573
23	Plav	JU "Centar za kulturu"	26	25	195,220	192,202
24	Budva	Akademija znanja doo	12	12	126,645	129,200
Total			549	538	5,212,559	5,123,854

The municipal institutions that provided the requested data did not make use of the services of Staff Secondment Agencies. When it comes to Service Agreements, municipal institutions resort to this type of agreements quite often when hiring individuals for performing their core activity. Thus, there is a large number of individual agreements with actors, poets, authors, music performers and other participants in culture events. The table below shows the amounts for 2018 and 2019.

Table 5. Total annual costs for hiring under service agreements in 2018 and 2019

	Municipality	Municipal service	Total costs in 2018	Total costs in 2019
1	Bar	JU Kulturni centar	190,331	232,167
2	Bijelo Polje	JU Centar za kulturu "Vojislav Bulatović Strunjo"	40,700	26,000
3	Budva	JU Grad teatar	171,000	210,000
4	Nikšić	JU Nikšićko pozorište	24279	34470
5	Podgorica	JU "Gradsko pozoriste"	165,824	171,283
6	Podgorica	JU KIC Zeta Golubovci	8,143	7,100
7	Podgorica	JU KIC Budo Tomovic	10,072	18,901
8	Tuzi	JU KIC Malesija Tuzi	942	3,260
Total			613,198	703,181

Given the nature and specificities of the activities they perform, public institutions use Service Agreements for hiring performers for culture events.

2.3 Museum activity

The Law on Museum Activity sets the purpose and the method of museum activity delivery. There are in total 10 museums set up by municipalities, while only 7 provided the requested information, in full or partially.

Table 6. Average monthly number of employees and total employee costs for museum activity in 2018 and 2019

	Municipality	Municipal service	Average number of employees 2019.	Average number of employees 2018.	Employee costs 2019.	Employee costs 2018.
1	Berane	JU "Polimski muzej" Berane	23	23	210,161	195,468
2	Budva	JU Muzeji i galerije	64	64	Nije dostavljeno	Nije dostavljeno
3	Kotor	OJU Muzeji	18	18	254,794	250,022
4	Podgorica	JU Muzeji i galerije	32	36	429,540	432,181
5	Tivat	JU Muzej i galerija Tivat	7	7	96,637	57,372
6	Pljevlja	JU Zavičajni muzej	9	9	81,468	81,262
7	Rožaje	JU Muzej "Ganića kula"	18	18	166,625	160,828
Total			171	175	1,239,225	1,177,133

2.4 Social and child protection

The delivery of social and child protection services is governed by the Law on Social and Child Protection. The Law stipulates that the pursuit of the public interest in the area of social and child protection is ensured by the central government and local self-government units. The total of 16 social ad child protection institutions exist at the municipal level, while 13 provided the requested data.

Table 7. Average monthly number of employees and total employee costs for social and child protection institutions in 2018 and 2019

	Municipality	Municipal service	Average number of employees 2019.	Average number of employees 2018.	Employee costs 2019.	Employee costs 2018.
1	Berane	JU "Dnevni centar za djecu i omladinu sa smetanjama i teškoćama u razvoju"	25	24	201,498	183,714
2	Bijelo Polje	JU Centar za djecu i mlade sa smetnjama u razvoju "Tisa"	16	28	122,892	202,805
3	Bijelo Polje	JU Centar za podršku djeci i porodici BP	11	12	108,638	109,487
4	Budva	JU Dnevni centar Budva	12	12	78,450	nema
5	Pljevlja	JU Centar za dnevni boravak djece sa smetanjama u razvoju i odraslih lica sa invaliditetom	16	21	101,816	155,856

6	Podgorica	JU za brigu o djeci „Dječji savez“ Podgorica	13	12	117,653	109,280
7	Podgorica	JU Dnevni centar za djecu i omladinu sa smetnjama u razvoju	9	10	105,614	111,388
8	Podgorica	JU za rehabilitaciju korisnika psihoaktivnih supstanci	36	37	392,204	384,276
9	Ulcinj	JU Dnevni centar za djecu i omladinu sa smetanjama u razvoju “Sirena”	10	10	125,777	115,339
10	Danilovgrad	JU “Centar za dnevni boravak djece sa smetnjama u razvoju i odraslih lica sa invaliditetom”	4	3	49,687	27,181
11	Herceg Novi	JU “Dnevni centar za djecu sa smetnjama u razvoju”	11	11	114,238	121,916
12	Cetinje	JU Centar za dnevni boravak za djecu sa smetanjama i teškoćama u razvoju	15	15	123,277	131,232
13	Mojkovac	JU Dnevni centar za djecu sa smetanjama u razvoju	7	6	75,426	55,463
Total			185	201	1,717,170	1,707,937

The institutions shown above did not make use of the Staff Secondment Agency services, with the exception of the Public Institution Centre for Children and Youth with Disabilities “Tisa” that hired one individual in 2019, with the total costs amounting €6,282.

The overview of Service Agreements concluded over the same period is shown below.

Table 8. The number of service agreements and total pertinent costs in social and child protection institutions in 2018 and 2019

	Municipality	Municipal service	No of persons (agreements) in 2019	No of persons (agreements) in 2018	Total costs in 2019	Total costs in 2018.
1	Bijelo Polje	JU Centar za djecu i mlade “Tisa”	3	4	798	2,662
2	Budva	JU Dnevni centar	9	-	6,610	-
3	Podgorica	JU „Dječji savez“	102	108	52,405	50,150
4	Podgorica	JU Dnevni centar	1	2	650	800
5	Podgorica	JU za rehabilitaciju korisnika psihoaktivnih supstanci	6	6	8,000	5,000
Total			121	120	68,463	58,612

2.5 Tourism organisations

Local tourism Organisations (LTOs) are established with the aim of enhancing and promoting the local tourism product, upgrading its quality and fostering tourism development. The establishment, organisational setup and source of funding for local tourism organisations are stipulated in the Law on Tourism Organisations. In Montenegro there are in total 22 local tourism organisations, while only 18 provided the requested data.

The table below features the information received on the average monthly number of employees and total employee costs in 2018 and 2019.

Table 9. Average monthly number of employees and total employee costs for local tourism organisations in 2018 and 2019

	Municipality	Municipal service	Average number of employees 2019.	Average number of employees 2018.	Employee costs 2019.	Employee costs 2018.
1	Bar	Tourism Organisation	21	19	239,759	258,677
2	Budva	Tourism Organisation	55	76	708,780	783,764
3	Cetinje	Tourism Organisation	14	14	154,800	150,107
4	Herceg Novi	Tourism Organisation	50	34	470,145	326,905
5	Kotor	Tourism Organisation	44	40	528,864	472,028
6	Mojkovac	Tourism Organisation	5	4	35,298	30,826
7	Nikšić	Tourism Organisation	5	5	60,346	56,209
8	Petnjica	Tourism Organisation	1	1	14,901	14,671
9	Plav	Tourism Organisation	7	7	58,000	58,000
10	Pljevlja	Tourism Organisation	3	5	46,383	42,489
11	Podgorica	Tourism Organisation	10	10	159,882	143,961
12	Rožaje	Tourism Organisation	14	14	122,999	118,765
13	Šavnik	Tourism Organisation	3	3	18,523	16,175
14	Tivat	Tourism Organisation	16	16	195,803	179,075
15	Žabljak	Tourism Organisation	5	5	52,475	50,711
16	Gusinje	Tourism Organisation	1	1	18,694	29,532
17	Danilovgrad	Tourism Organisation	4	4	41,442	46,431
18	Kolašin	Tourism Organisation	4	4	42,692	26,167
Total			262	262	2,969,786	2,804,493

The local tourism organisations shown above did not make use of Staff Secondment Agency services.

The engagement of individuals under service agreements is shown below.

Table 10. The number of service agreements and total pertinent costs in LTOs in 2018 and 2019

	Municipality	Municipal service	No of persons (agreements) in 2018	No of persons (agreements) in 2019	Total costs in 2018	Total costs in 2019
1	Bar	Tourism Organisation	169	108	114,254	150,676
2	Cetinje	Tourism Organisation	15	23	41,350	23,025
3	Herceg Novi	Tourism Organisation	202	195	160,850	137,049
4	Nikšić	Tourism Organisation	-	8	-	1,950
5	Podgorica	Tourism Organisation	33	59	28,000	51,000
6	Šavnik	Tourism Organisation	3	7	4,823	6,000
		Total	422	400	349,277	369,700

2.6 Public broadcasters

Local public broadcasters are established under the Law on Electronic Media to provide audiovisual services; produce, transmit and broadcast radio and television programmes with current affairs, culture, art, education, science, children, entertainment, sport and other contents of interest for the local population.

The total of 14 local public broadcasters operate in Montenegro, while 8 provided the information requested.

The table below features the data received on the monthly averages of staff and total staffing costs for local public broadcasters in 2018 and 2019.

Table 11. Average monthly number of employees and total employee costs for public broadcasters in 2018 and 2019

	Municipality	Municipal service	Average number of employees 2019.	Average number of employees 2018.	Employee costs 2019.	Employee costs 2018.
1	Andrijevica	Radio Andrijevica” doo	10	10	64,857	63,946
2	Bar	”Radio Bar” doo	23	25	291,845	301,031
3	Berane	”Radio Berane” doo	23	23	176,513	174,998
4	Budva	RTV Budva doo	54	53	592,007	579,527
5	Danilovgrad	Radio Danilovgrad doo	8	8	91,303	77,362
6	Kotor	Radio Kotor doo	13	14	142,489	139,744
7	Tivat	Radio Tivat doo	19	19	184,829	182,733
8	Ulcinj	RTV Ulcinj	10	10	102,494	106,416
		Total	160	162	1,646,337	1,625,757

The local public broadcasters that provided the requested information did not make use of the Staff Secondment Agency services in 2018 and 2019.

As regards hiring under service agreements, Radio Bar was the only local broadcaster that resorted to such recruitment in 2018 and 2019, with the total pertinent costs amounting to €15,753.

2.7 Library activity

In terms with the Law on Library Activity and the Law on Culture, the total of 7 municipal institutions exist in Montenegro established for that purpose, while six of them provided the data needed for this analysis, as shown in the table below.

Table 12. Average monthly number of employees and total employee costs for library activity in 2018 and 2019

	Municipality	Municipal service	Average number of employees 2019.	Average number of employees 2018.	Employee costs 2019.	Employee costs 2018.
1	Cetinje	JU Narodna biblioteka i čitaonica Njegoš	16	16	180,018	170,638
2	Herceg Novi	JU Gradska biblioteka i čitaonica	9	8	95,979	94,087
3	Nikšić	JU Narodna biblioteka Njegoš	25	24	282,819	266,787
4	Podgorica	JU Narodna biblioteka Radosav Ljumovic	30	31	332,775	340,185
5	Budva	JU Narodna biblioteka	18	18	244,054	226,838
6	Rožaje	JU Narodna biblioteka	16	16	121,496	111,639
		Total	114	113	1,257,141	1,210,174

The reporting institutions did not make use of the Staff Secondment Agency services.

As regards service agreements, the Public Library “Radosav Ljumović” entered into 128, i.e. 245 such agreements in 2018 and 2019, respectively. The bulk of these agreements refer to hiring individuals for culture events (book authors, mediators, writers, presenters, actors, etc.).

2.8 Other activities (sport centres, parking services, agencies and other legal entities)

Sport centres, agencies, parking services and other entities set up by municipalities are covered under the heading of Other Activities. There are 49 municipal entities under this heading, performing different activities at the local level.

Table 13. Average monthly number of employees and total employee costs for other activities in 2018 and 2019

	Municipality	Municipal service	Average number of employees 2019.	Average number of employees 2018.	Employee costs 2019.	Employee costs 2018.
1	Andrijevica	Doo Park prirode Komovi	5	3	49,049	5,534
2	Bar	DOO "Lovstvo" Bar	12	12	108,261	114,544
3	Bar	DOO "Sportski rekreativni centar"	22	21	259,724	267,480
4	Berane	DOO Benergo	10	8	62,590	48,631
5	Berane	DOO Parking servis	11	11	74,612	64,027
6	Berane	DOO Sportski centar	49	52	381,149	336,121
7	Danilovgrad	DOO za uzgoj, zaštitu i lov divljači i riba	5	5	70,713	59,132
8	Herceg Novi	DOO Agencija za zaštitu i razvoj Orjena	14	1	130,548	10,821
9	Pljevlja	Grijanje doo	32	33	281,597	284,864
10	Pljevlja	Lokalni putevi Pljevlja dooo	34	36	273,584	294,288
11	Podgorica	Parking servis Podgorica" DOO	135	137	1,171,484	1,226,979
12	Podgorica	Agencija za izgradnju i razvoj Podgorice doo	51	51	884,667	928,660
13	Podgorica	Tržnice i pijace doo	156	161	1,498,643	1,513,632
14	Podgorica	Agencija za stanovanje doo	103	101	946,019	926,758
15	Podgorica	Sportski objekti DOO Podgorica	93	92	933,917	930,091
16	Rožaje	DOO Sportski centar Rožaje	18	19	139,787	140,403
17	Šavnik	DOO Park Prirode "Dragisnica i Komarnica"	3	3	44,957	33,152
		Total	753	746	7,311,301	7,185,117

The companies that used the services of the Staff Secondment Agency in 2019 are the Sportski objekti DOO Podgorica, municipal company responsible for local sport facilities, (monthly average of 5 persons), and the Agencija za stanovanje doo Podgorica, municipal company responsible for the housing matters (1 person).

The companies shown below entered into Service Agreements.

Table 14. The number of service agreements and total pertinent costs in other activities in 2018 and 2019

	Municipality	Municipal service	No of persons (agreements) in 2019.	No of persons (agreements) in 2018.	Total costs in 2019.	Total costs in 2018.
1	Bar	DOO "Sportski rekreativni centar"	56	14	19,962	6,202
2	Pljevlja	Lokalni putevi Pljevlja doo	26	12	26,827	4,909
3	Šavnik	DOO Park Prirode "Dragisnica i Komarnica"	4	2	4,400	2,300
		Total	86	28	51,189	13,411

3. Gross multiplier calculation value

The gross multiplier calculation value is the single most relevant component (along employee multipliers) used to determine the salary amounts for staff of municipal companies and institutions. The data obtained for the purpose of this analysis reveal major discrepancies in the gross multiplier calculation values used by various municipal companies and institutions when calculating staff salaries. The table below shows the values obtained while developing the Optimisation Model.

Table 15. The data on the gross multiplier calculation value used for calculating staff salaries

	Municipality	Municipal service	Type of activity	Gross multiplier calculation value
1	Andrijevica	Doo Park prirode Komovi	Other	90
2	Andrijevica	'Lokalni javni emiter Radio Andrijevica" doo	Public broadcaster	90
3	Andrijevica	DOO Komunalno	Utilities	90
4	Bar	'Možura" DOO	Utilities	100
5	Bar	DOO "Lovstvo" Bar	Other	90
6	Bar	DOO "Vodovod i kanalizacija"	Utilities	75
7	Bar	DOO "Sportski rekreativni centar"	Sport centres	95
8	Bar	DOO "Komunalne djelatnosti"	Utilities	131.15
9	Bar	'Lokalni javni emiter Radio Bar" doo	Public broadcaster	138.56
10	Berane	DOO Komunalno	Utilities	90
11	Bar	JU Kulturni centar	Culture activity	99.15
12	Bar	Tourism Organisation	Tourism activity	90

	Municipality	Municipal service	Type of activity	Gross multiplier calculation value
13	Berane	JU "Polimski muzej" Berane	Museum activity	90
14	Berane	DOO Benergo	Other	90
15	Berane	DOO Parking servis	Other	90
16	Berane	DOO Sportski centar	Sport centres	90
17	Berane	'Lokalni javni emiter Radio Berane" doo	Public broadcaster	90
18	Budva	DOO Pogrebne usluge	Utilities	170.4
19	Bijelo Polje	JU Centar za djecu i mlade sa smetnjama u razvoju "Tisa"	Child and social protection institution	90
20	Bijelo Polje	JU Centar za podršku djeci i porodici BP	Child and social protection institution	90
21	Bijelo Polje	JU Centar za kulturu "Vojislav Bulatović Strunjo"	Culture activity	90
22	Cetinje	DOO Vodovod i kanalizacija	Utilities	120
23	Kotor	DOO Vodovod Kotor	Utilities	170
24	Budva	JU Dnevni centar Budva	Child and social protection institution	90
25	Budva	JU Grad teatar	Culture activity	90
26	Pljevlja	DOO Vodovod	Utilities	90
27	Pljevlja	DOO "Komunalne usluge" Pljevlja	Utilities	121.5
28	Plužine	DOO Komunalno Plužine	Utilities	121.5
29	Cetinje	JU Narodna biblioteka i čitaonica Njegoš	Library activity	90
30	Podgorica	Pogrebne usluge" doo	Utilities	133.65
31	Podgorica	Zelenilo doo	Utilities	133.65
32	Podgorica	DOO Komunalne usluge	Utilities	133.65
33	Gusinje	JU Centar za kulturu	Culture activity	90
34	Podgorica	Čistoća doo	Utilities	133.65
35	Herceg Novi	JU Gradska biblioteka i čitaonica	Library activity	90
36	Podgorica	DOO Deponija	Utilities	133.65
37	Podgorica	Putevi doo	Utilities	147.54
38	Rožaje	DOO "Komunalno" Rožaje	Utilities	122.39
39	Šavnik	DOO Komunalne djelatnosti	Utilities	90
40	Herceg Novi	DOO Agencija za zaštitu i razvoj Orjena	Other	90
41	Kolašin	JU Centar za kulturu	Culture activity	90

	Municipality	Municipal service	Type of activity	Gross multiplier calculation value
42	Tivat	DOO Vodovod i kanalizacija	Utilities	263.92
43	Herceg Novi	DOO Komunalno	Utilities	131
44	Mojkovac	JU Centar za kulturu "Nenad Rakočević"	Culture activity	90
45	Plav	Tourism Organisation	Tourism activity	90
46	Pljevlja	Grijanje doo	Other	122
47	Pljevlja	Lokalni putevi Pljevlja dooo	Other	90
48	Podgorica	JU "Gradsko pozorište"	Culture activity	90
49	Podgorica	JU KIC Zeta Golubovci	Culture activity	90
50	Podgorica	JU Muzeji i galerije	Museum activity	90
51	Podgorica	JU KIC Budo Tomovic	Culture activity	90
52	Podgorica	JU Narodna biblioteka Radosav Ljumovic	Library activity	90
53	Podgorica	JU za brigu o djeci „Dječji savez" Podgorica	Child and social protection institution	90
54	Podgorica	JU Dnevni centar za djecu i omladinu sa smetnjama u razvoju	Child and social protection institution	90
55	Podgorica	JU za rehabilitaciju korisnika psihoaktivnih supstanci	Child and social protection institution	90
56	Podgorica	Parking servis Podgorica" DOO	Other	133.65
57	Podgorica	Agencija za izgradnju i razvoj Podgorice doo	Other	134.33
58	Podgorica	Tržnice i pijace doo	Other	133.65
59	Podgorica	Agencija za stanovanje doo	Other	133.65
60	Podgorica	Sportski objekti DOO Podgorica	Sport centres	133.65
61	Podgorica	Tourism Organisation	Tourism activity	90
62	Rožaje	DOO Sportski centar Rožaje	Sport centres	90
63	Rožaje	Tourism Organisation	Tourism activity	90
64	Šavnik	DOO Park Prirode "Dragisnica i Komarnica"	Other	90
65	Šavnik	Tourism Organisation	Tourism activity	90
66	Tuzi	JU KIC Malesija Tuzi	Culture activity	90
67	Ulcinj	JP Centar za kulturu	Culture activity	90
68	Ulcinj	Lokalni javni emiter RTV Ulcinj	Public broadcaster	130
69	Žabljak	Tourism Organisation	Tourism activity	90

The table above reveals considerable differences in the amount of multiplier calculation values used for calculating staff salaries. Looking at the utility sector alone, it shows great variations in the multiplier calculation value. For instance, in case of public utility companies for water supply and waste water management, in Tivat the multiplier calculation value is €263.92, in Pljevlja €90.00, and in Bar €75.00.

In the largest number of cases, the multiplier calculation value is set by the Management Board or the Managing Director. This is one of the major reasons for discrepancies in the amount of employee salaries. Thus, the salary of staff occupying posts attached with the same multiplier in, for instance, Tivat and Bar, will not be the same due to the different multiplier calculation values applied by the two companies.

The size or financial standing of a municipality should not be the measure or the justification for the amount of gross multiplier calculation value. The intent of the Law on Salaries of Public Sector Employees (Art 5) is for the salaries of staff occupying the same posts in, for instance, public utility companies in Podgorica, Berane and Tivat, to be the same. In essence, municipal companies should differ only in the number of staff occupying certain posts, and not for the staff in public utility companies with better financial standing to have larger salaries because the multiplier calculation value is set higher.

Moreover, in terms of the Company Law, the founders of local companies (municipalities) acquire the right to distribute profits made by municipal companies. Increasing the multiplier calculation values incurs higher costs, and consequently reduces profits, that the local self-government is entitled to dispose of as the founder.

Proposed measure

Given the differences in the amount of gross multiplier calculation value, particularly in the area of utilities, there is a need to stipulate that such calculation value needs to be the same for all companies or institutions in the same type of activity. It is noteworthy that annually the Government of Montenegro sets the gross multiplier calculation value for public employees. In 2018, 2019 and 2020, the value remained the same, set at the amount of €90.00.

This would work towards achieving the goal of aligning salary amounts for staff with the same job descriptions employed with the utility or any other municipal companies regardless of the territory where they operate.

4. The Law on Salaries of Public Sector Employees

In implementing the Law on Salaries of Public Sector Employees, some problems were observed in the case of public utility companies. These issues concern the groups of jobs and titles stipulated in the Law as opposed to the existing jobs in the utility companies. In addition, since the Law entered into force the Branch Collective Agreement for the Housing and Utilities, which is supposed to elaborate the titles, salary grades and multipliers for salary calculation, has not been adopted. Thus, a considerable number of municipal utility companies still apply the multipliers set in individual collective agreements dating back to 2012 or 2013.

Also, the provisions of the Law on Salaries of Public Sector Employees and the Labour Law are somewhat conflicting when it comes to salary of employees in companies and institutions set up by the central or municipal governments.

Specifically, if a company generates profits and pays regularly all its liabilities, such a company is not bound by the provisions of the Law on Salaries of Public Sector Employees, as set forth in its Art 41; rather, Labour Law is invoked, governing labour rights and obligations. In case a company generates losses or fails to settle its liabilities in due time, such a company falls under the ambit of the Law on Salaries of Public Sector Employees. This lead to a situation that the companies engaging in the same type of activity, and operating within different municipalities, are bound by the provisions of different laws depending whether generating losses and settling their liabilities in due time or not. Moreover, the legislative phrase “settle all liabilities in due time” lacks any specification of what the term actually implies.

When the above is put against the provisions of Art 5 of the Law on Salaries of Public Sector Employees stipulating that principle of having equal pay for the work on the same or similar tasks and job posts requiring the same level of qualifications, it becomes clear why a better provision concerning the companies and institutions set up by local self-government or the central government is needed.

Under Art 24 of the Law on Salaries of Public Sector Employees, salary multipliers are to be set in collective agreements for the given employer or other internal enactments that require the approval of the Government of Montenegro, having previously obtained the Ministry’s opinion. Among the municipal companies and institutions that provided the data requested, 19 had their own collective agreement or other enactments setting salary multipliers approved by the Government of Montenegro. The table below shows that only one municipal utility company actually has the Government approval for their salary policy.

Table 16. List of municipal companies and institutions whose collective agreement or other enactment setting salary multipliers received the approval by the Government of Montenegro

	Municipality	Municipal service	Type of activity
1	Bijelo Polje	JU Centar za djecu i mlade sa smetnjama u razvoju “Tisa”	Child and social protection institution
2	Pljevlja	DOO Vodovod	Utilities
3	Budva	JU Grad teatar	Culture activity
4	Mojkovac	Tourism Organisation	Tourism activity
5	Nikšić	JU Narodna biblioteka Njegoš	Library activity
6	Podgorica	JU Muzeji i galerije	Museum activity
7	Podgorica	JU Narodna biblioteka Radosav Ljumovic	Library activity
8	Kotor	JU Kulturni centar “Nikola Đurković”	Culture activity
9	Podgorica	JU za brigu o djeci „Dječji savez” Podgorica	Child and social protection institution

	Municipality	Municipal service	Type of activity
10	Podgorica	JU Dnevni centar za djecu i omladinu sa smetnjama u razvoju	Child and social protection institution
11	Podgorica	JU "Gradsko pozoriste"	Culture activity
12	Podgorica	JU KIC Zeta Golubovci	Culture activity
13	Podgorica	JU KIC Budo Tomovic	Culture activity
14	Podgorica	JU za rehabilitaciju korisnika psihoaktivnih supstanci	Child and social protection institution
15	Tuzi	JU KIC MalesijaTuzi	Culture activity
16	Tivat	Tourism Organisation	Tourism activity
17	Bijelo Polje	JU Centar za djecu i mlade sa smetnjama u razvoju "Tisa"	Child and social protection institution
18	Pljevlja	DOO Vodovod	Utilities
19	Budva	JU Grad teatar	Culture activity

Proposed measure

Given the mismatch between the legal provisions and the actual titles used in municipal companies (utilities primarily), and the absence of the Branch Collective Agreement for the housing and utilities sectors, the adoption of a new provision stipulating more precisely the method for calculating salaries and setting the multipliers for specific job posts, both for municipal companies and institutions and the ones established by the central government, needs to be considered.

5. Employee costs as a share of operating revenues

Municipal companies are most often incorporated as limited liability companies for the purpose of pursuing a commercial activity and generating profits. The most important profit-generating entities among municipal companies are the public utilities. The analysis showed the employee costs accounted for the bulk of their operating costs.

The table below shows employee costs as a share of operating revenues in municipal limited liability companies. Operating revenue is the revenue that a company generates from its primary business activities: water supply service charges, waste collection and disposal service charges, parking service charges, etc.

Table 17. Employee costs as a share of operating revenue in municipal companies (Ltd)

	Municipality	Municipal service	Type of activity	Employee costs 2019	Employee costs 2018	Operating revenue 2019	Operating revenue 2018	2019 Employee costs/ Operating revenue	2018 Employee costs/Operating revenue	2019-2018
1	Andrijevica	Doo Park prirode Komovi	Other	49,049	5,534	82,900	32,471	59.17%	17.04%	42.13%
2	Andrijevica	DOO Komunalno	Utilities	204,712	183,259	480,516	391,050	42.60%	46.86%	-4.26%
3	Bar	'Možura" DOO	Utilities	288,858	244,174	1,307,456	1,266,831	22.09%	19.27%	2.82%
4	Bar	DOO "Lovstvo" Bar	Other	108,261	114,544	127,028	125,326	85.23%	91.40%	-6.17%
5	Bar	DOO "Vodovod i kanalizacija"	Utilities	1,821,288	1,786,084	4,824,360	4,891,776	37.75%	36.51%	1.24%
6	Bar	DOO "Sportski rekreativni centar"	Sport centres	259,724	267,480	400,755	398,149	64.81%	67.18%	-2.37%
7	Bar	DOO "Komunalne djelatnosti"	Utilities	2,680,233	2,384,446	4,893,619	4,573,641	54.77%	52.13%	2.64%
8	Berane	DOO Komunalno	Utilities	957,998	958,933	1,241,886	1,084,601	77.14%	88.41%	-11.27%
9	Berane	DOO Benergo	Other	62,590	48,631	18,350	30,000	341.09%	162.10%	178.99%
10	Berane	DOO Parking servis	Other	74,612	64,027	96,519	92,718	77.30%	69.06%	8.24%
11	Berane	DOO Sportski centar	Sport centres	381,149	336,121	432,160	231,954	88.20%	144.91%	-56.71%
12	Budva	DOO Vodovod i kanalizacija	Utilities	3,134,371	3,122,944	7,311,534	7,312,198	42.87%	42.71%	0.16%
13	Budva	DOO Pogrebne usluge	Utilities	155,580	188,771	355,725	473,456	43.74%	39.87%	3.87%
14	Cetinje	DOO Vodovod i kanalizacija	Utilities	650,027	639,153	1,581,026	1,761,495	41.11%	36.28%	4.83%
15	Kotor	DOO Vodovod Kotor	Utilities	904,008	949,780	3,955,699	4,046,378	22.85%	23.47%	-0.62%
16	Pljevlja	DOO Vodovod	Utilities	888,248	934,612	1,261,852	1,436,729	70.39%	65.05%	5.34%
17	Pljevlja	DOO "Komunalne usluge"	Utilities	447,774	472,409	440,683	385,417	101.61%	122.57%	-20.96%
18	Plužine	DOO Komunalno Plužine	Utilities	208,738	193,114	376,950	361,057	55.38%	53.49%	1.89%
19	Podgorica	Pogrebne usluge" doo	Utilities	878,337	880,008	1,593,735	1,652,456	55.11%	53.25%	1.86%
20	Podgorica	Zelenilo doo	Utilities	1,007,113	941,537	1,569,891	1,253,189	64.15%	75.13%	-10.98%
21	Podgorica	DOO Vodovod i kanalizacija	Utilities	5,933,074	5,899,820	13,121,215	13,281,502	45.22%	44.42%	0.80%
22	Podgorica	DOO Komunalne usluge	Utilities	1,258,564	1,309,804	4,766,340	4,921,935	26.41%	26.61%	-0.20%
23	Danilovgrad	DOO za uzgoj, zaštitu i lov divljači i riba	Other	70,713	59,132	77,261	79,016	91.52%	74.84%	16.68%
24	Podgorica	Čistoća doo	Utilities	4,384,907	4,339,609	6,844,552	6,503,906	64.06%	66.72%	-2.66%
25	Podgorica	DOO Deponija	Utilities	1,791,070	1,840,687	4,277,951	4,161,650	41.87%	44.23%	-2.36%
26	Podgorica	Putevi doo	Utilities	1,118,476	1,142,300	4,077,094	4,494,959	27.43%	25.41%	2.02%
27	Rožaje	DOO "Komunalno" Rožaje	Utilities	553,894	563,910	761,903	739,779	72.70%	76.23%	-3.53%
28	Šavnik	DOO Komunalne djelatnosti	Utilities	212,809	194,983	304,262	300,590	69.94%	64.87%	5.07%
29	Herceg Novi	DOO Agencija za zaštitu i razvoj Orjena	Other	130,548	10,821	160,966	5,719	81.10%	189.21%	-108.11%
30	Tivat	DOO Vodovod i kanalizacija	Utilities	816,182	802,440	3,162,483	3,076,028	25.81%	26.09%	-0.28%
31	Ulcinj	JP Komunalne djelatnosti	Utilities	1,358,924	1,420,226	2,830,523	2,490,039	48.01%	57.04%	-9.03%
32	Herceg Novi	DOO Komunalno	Utilities	832,862	803,055	1,343,119	1,187,714	62.01%	67.61%	-5.60%

	Municipality	Municipal service	Type of activity	Employee costs 2019	Employee costs 2018	Operating revenue 2019	Operating revenue 2018	2019 Employee costs/ Operating revenue	2018 Employee costs/Operating revenue	2019-2018
33	Pljevlja	Grijanje doo	Other	281,597	284,864	439,775	402,555	64.03%	70.76%	-6.73%
34	Pljevlja	Lokalni putevi Pljevlja dooo	Other	273,584	294,288	477,335	520,802	57.31%	56.51%	0.80%
35	Podgorica	Parking servis Podgorica'' DOO	Other	1,171,484	1,226,979	1,699,376	1,586,027	68.94%	77.36%	-8.42%
36	Podgorica	Agencija za izgradnju i razvoj Podgorice doo	Other	884,667	928,660	1,072,248	1,201,288	82.51%	77.31%	5.20%
37	Podgorica	Tržnice i pijace doo	Other	1,498,643	1,513,632	2,252,655	2,196,199	66.53%	68.92%	-2.39%
38	Podgorica	Agencija za stanovanje doo	Other	946,019	926,758	1,874,738	1,722,586	50.46%	53.80%	-3.34%
39	Podgorica	Sportski objekti DOO Podgorica	Sport centres	933,917	930,091	1,636,561	1,657,585	57.07%	56.11%	0.96%
40	Rožaje	DOO Sportski centar Rožaje	Sport centres	139,787	140,403	171,385	112,669	81.56%	124.62%	-43.06%
41	Šavnik	DOO Park Prirode ''Dragisnica i Komarnica''	Other	44,957	33,152	55,400	37,201	81.15%	89.12%	-7.97%
			Total	39,799,348	39,381,175	83,759,786	82,480,641	47.52%	47.75%	-0.23%

According to the data available, in 2019 the employee costs expressed as a share of operating revenues ranged from 22.09% (Možura doo) to 341.09 % (Benergo doo). With a view to sustained viability of municipal companies, the employee costs should be covered from their operating revenues to an acceptable extent, i.e. share. On aggregate, in 2019 the employee costs accounted for 47.52% of operating revenues of the municipal limited liability companies that provided the data requested.

Proposed measure

Given that municipal companies engaging in commercial activities are to recover operating expenditures from their operating revenues, the employee costs being the largest expenditure item, there is a need to set the ceiling for all municipal companies (institutions are excluded) in the sense that their total employee costs may not exceed 60% of the overall monthly (annual) operating revenues.

This would work towards limiting employee expenditures, and leaving ample space for settling other company liabilities. The company management would, moreover, have at their disposal a certain wage bill that could not be exceeded. Going forward, the share could go down to ensure sustained financial viability. This would also put in place the assumptions for reducing the conditional grants from municipal budgets, given that a large number of municipal companies dealing with waste collection and disposal receive sizeable transfers from local budgets each year.

6. Average costs per employee

The table below shows average costs per employee in municipal companies and institutions. The total cost per employee includes net salary, payroll taxes and social contributions (borne by the employee and by the employer).

Table 18. Average costs per employee

	MUNICIPALITY	MUNICIPAL SERVICE	Type of activity	2019 average cost per employee (gross II)	2018 average cost per employee (gross II)	2019-2018
1	Andrijevica	Doo Park prirode Komovi	Other	817	154	664
2	Andrijevica	'Lokalni javni emiter Radio Andrijevica' doo	Public broadcaster	540	533	8
3	Andrijevica	DOO Komunalno	Utilities	569	527	42
4	Bar	'Možura' DOO	Utilities	1,204	1,017	186
5	Bar	DOO "Lovstvo" Bar	Other	752	795	-44

	MUNICIPALITY	MUNICIPAL SERVICE	Type of activity	2019 average cost per employee (gross II)	2018 average cost per employee (gross II)	2019-2018
6	Bar	DOO "Vodovod i kanalizacija"	Utilities	909	936	-27
7	Bar	DOO "Sportski rekreativni centar"	Sport centres	984	1,061	-78
8	Bar	DOO "Komunalne djelatnosti"	Utilities	784	753	31
9	Bar	'Lokalni javni emiter Radio Bar' doo	Public broadcaster	1,057	1,003	54
10	Berane	DOO Komunalno	Utilities	547	551	-4
11	Bar	JU Kulturni centar	Culture activity	747	732	15
12	Bar	Tourism Organisation	Tourism activity	951	1,135	-183
13	Berane	JU "Polimski muzej" Berane	Museum activity	761	708	53
14	Berane	DOO Benergo	Other	522	507	15
15	Berane	DOO Parking servis	Other	565	485	80
16	Berane	DOO Sportski centar	Sport centres	648	539	110
17	Budva	DOO Vodovod i kanalizacija	Utilities	1,079	1,071	8
18	Berane	'Lokalni javni emiter Radio Berane' doo	Public broadcaster	640	634	5
19	Budva	DOO Pogrebne usluge	Utilities	926	1,124	-198
20	Bijelo Polje	JU Centar za djecu i mlade sa smetnjama u razvoju "Tisa"	Child and social protection institution	640	604	36

	MUNICIPALITY	MUNICIPAL SERVICE	Type of activity	2019 average cost per employee (gross II)	2018 average cost per employee (gross II)	2019-2018
21	Bijelo Polje	JU Centar za podršku djeci i porodici BP	Child and social protection institution	823	760	63
22	Bijelo Polje	JU Centar za kulturu "Vojislav Bulatović Strunjo"	Culture activity	722	726	-4
23	Cetinje	DOO Vodovod i kanalizacija	Utilities	833	819	14
24	Kotor	DOO Vodovod Kotor	Utilities	991	977	14
25	Budva	JU Grad teatar	Culture activity	883	878	5
26	Pljevlja	DOO Vodovod	Utilities	622	623	-1
27	Pljevlja	DOO "Komunalne usluge" Pljevlja	Utilities	678	679	0
28	Plužine	DOO Komunalno Plužine	Utilities	600	644	-44
29	Budva	Lokalni javni emiter RTV Budva doo	Public broadcaster	914	911	2
30	Cetinje	JU Narodna biblioteka i čitaonica Njegoš	Library activity	938	889	49
31	Podgorica	Pogrebne usluge" doo	Utilities	871	853	19
32	Podgorica	Zelenilo doo	Utilities	749	701	49
33	Podgorica	DOO Vodovod i kanalizacija	Utilities	825	824	2
34	Podgorica	DOO Komunalne usluge	Utilities	1,116	1,092	24

	MUNICIPALITY	MUNICIPAL SERVICE	Type of activity	2019 average cost per employee (gross II)	2018 average cost per employee (gross II)	2019-2018
35	Danilovgrad	DOO za uzgoj, zaštitu i lov divljači i riba	Other	1,179	986	193
36	Gusinje	JU Centar za kulturu	Culture activity	686	945	-259
37	Podgorica	Čistoća doo	Utilities	758	752	6
38	Herceg Novi	JU Gradska biblioteka i čitaonica	Library activity	889	980	-91
39	Podgorica	DOO Deponija	Utilities	868	847	20
40	Podgorica	Putevi doo	Utilities	961	981	-20
41	Rožaje	DOO "Komunalno" Rožaje	Utilities	584	595	-11
42	Šavnik	DOO Komunalne djelatnosti	Utilities	554	508	46
43	Herceg Novi	DOO Agencija za zaštitu i razvoj Orjena	Other	777	902	-125
44	Kolašin	JU Centar za kulturu	Culture activity	499	475	24
45	Tivat	DOO Vodovod i kanalizacija	Utilities	1,215	1,194	20
46	Ulcinj	JP Komunalne djelatnosti	Utilities	745	769	-23
47	Herceg Novi	DOO Komunalno	Utilities	846	847	-1
48	Mojkovac	JU Centar za kulturu "Nenad Rakočević"	Culture activity	797	848	-51
49	Mojkovac	Tourism Organisation	Tourism activity	588	642	-54
50	Plav	Tourism Organisation	Tourism activity	690	690	0
51	Pljevlja	Grijanje doo	Other	733	719	14

	MUNICIPALITY	MUNICIPAL SERVICE	Type of activity	2019 average cost per employee (gross II)	2018 average cost per employee (gross II)	2019–2018
52	Pljevlja	Lokalni putevi Pljevlja dooo	Other	671	681	–11
53	Podgorica	JU “Gradsko pozoriste”	Culture activity	879	888	–9
54	Podgorica	JU KIC Zeta Golubovci	Culture activity	866	871	–5
55	Podgorica	JU Muzeji i galerije	Museum activity	1,119	1,000	118
56	Podgorica	JU KIC Budo Tomovic	Culture activity	807	819	–12
57	Podgorica	JU Narodna biblioteka Radosav Ljumovic	Library activity	924	914	10
58	Podgorica	JU za brigu o djeci „Dječji savez” Podgorica	Child and social protection institution	754	759	–5
59	Podgorica	JU Dnevni centar za djecu i omladinu sa smetnjama u razvoju	Child and social protection institution	978	928	50
60	Podgorica	JU za rehabilitaciju korisnika psihoaktivnih supstanci	Child and social protection institution	908	865	42
61	Podgorica	Parking servis Podgorica” DOO	Other	723	746	–23
62	Podgorica	Agencija za izgradnju i razvoj Podgorice doo	Other	1,446	1,517	–72
63	Podgorica	Tržnice i pijace doo	Other	801	783	17

	MUNICIPALITY	MUNICIPAL SERVICE	Type of activity	2019 average cost per employee (gross II)	2018 average cost per employee (gross II)	2019–2018
64	Podgorica	Agencija za stanovanje doo	Other	765	765	1
65	Podgorica	Sportski objekti DOO Podgorica	Sport centres	837	842	–6
66	Podgorica	Tourism Organisation	Tourism activity	1,332	1,200	133
67	Rožaje	DOO Sportski centar Rožaje	Sport centres	647	616	31
68	Rožaje	Tourism Organisation	Tourism activity	732	707	25
69	Šavnik	JU Centar za kulturu, sport i medije	Culture activity	812	780	32
70	Šavnik	DOO Park Prirode “Dragisnica i Komarnica”	Other	1,249	921	328
71	Šavnik	Tourism Organisation	Tourism activity	515	449	65
72	Tuzi	JU KIC MalesijaTuzi	Culture activity	850	895	–45
73	Ulcinj	JP Centar za kulturu	Culture activity	806	751	55
74	Ulcinj	JU Dnevni centar za djecu i omladinu sa smetanjama u razvoju “Sirena”	Child and social protection institution	1,048	961	87
75	Ulcinj	Lokalni javni emiter RTV Ulcinj	Public broadcaster	854	887	–33
76	Žabljak	Tourism Organisation	Tourism activity	875	845	29

As shown above, in 2019 the total cost per employee ranged between €499 and €1,446. For the ease of reference, the gross cost per employee earning the average net salary, which stood at €515 according to MONSTAT, together with all payroll taxes and social contributions, amounted to €840.

Looking at the data by years, some companies reduced the average cost per employee in 2019 compared to 2018, such as the Centre for Culture Gusinje (down by €259) or Funeral Services Budva (by €198), whereas in some cases the costs went up, such as in the case of the Nature Park "Dragisnica i Komarnica" Šavnik (up by €328) or the Association for Wild Game/Fish Breeding, Protection and Hunting/Fishing Danilovgrad (up by €193 per employee).

Proposed measure

Given the fact that a considerable share of municipal companies and institutions entered into the tax debt rescheduling programmes to address the arrears in payroll taxes and contributions accumulated over the years, there is a need to stipulate that municipal companies and institutions are not allowed to increase the core salary per employee from one year to another unless it results from alignment with legal provisions.

There is also a need to set clear criteria for establishing other income (salary supplement for arduous work, variable part, transportation costs, etc.) that can lead to augmented salary for the staff employed with municipal companies and institutions, particularly given the annual wage bill limitations set in the annual Operational Plan (in reference to the recommendation under section 5. Employee costs as a share of operating revenue).

7. Setting up municipal companies and institutions

When setting up a municipal company or an institution, the legislation stipulates the adoption of the relevant local parliament's decision, followed by the actual incorporation and registration. There is no need to seek approval from the line ministry or the Government of Montenegro when incorporating a municipal company or institution. As a rule, having a new company or institution in place inevitably results in increasing the number of local public employees, but does not necessarily lead to better service provision.

The incorporation of municipal companies (Ltd) should be preceded by detailed feasibility studies, given that such companies are set up as commercial entities to operate in the market and be financed in the long run from the revenues they generate, without relying in the transfers from local budgets. As is currently the case, newly incorporated companies receive transfers from municipal budgets to cover their operating expenditures (salary costs, electricity bills, routine maintenance and other running costs). This results in considerable increase in public spending and the number of public employees.

Moreover, under the Law on Local Self-Government Financing, municipalities are obliged to commission independent audit for the Draft Final Budget Accounts each year, while the bulk of municipal companies are not obligated to have their annual financial statements audited. This largely undermines any attempt of oversight over municipal company operational compliance and spending.

The establishment and operation of municipal institutions is largely dependent on direct funding from municipal budgets. The revenues generated from their basic activities (admission fees, donations and other revenues) are negligible compared to their operating expenses. Municipal institutions are organised either as separate legal entities, with own transfer accounts, or as local budget users, when all their operational transactions go through the municipal treasury operations and are subject to annual audits as a part of the Draft Final Budget Accounts audit exercises.

Proposed measure

Given the absence of any legal restrictions imposed on setting up municipal companies and institutions, there is a need to develop a detailed incorporation procedure contingent on prior approval by the relevant line ministry.

There is a need to make the transfers from municipal budgets for newly incorporated municipal companies time-bound to up to one year from incorporation.

8. Adoption of annual Operational and Financial Plans

The Operational and Financial Plans of municipal companies and institutions are largely adopted well in the course of the year to which the plans pertain. There are instances when Operational and Financial Plans are adopted mid-year for the given year. This is illustrated by the 2019 Financial Plans for the following companies: Mediteran reklame doo Budva (the Operational Plan and the Financial Plan were approved at the local parliament's session held on 02 December 2019), LTO Mojkovac (14 June 2019), "Water Supply and Waste Water Management Berane (11 July 2019), Sport Centre Žabljak (11 July 2019), the Town Port Management Agency Herceg Novi (4 May 2019), LTO Cetinje (28. June 2019).

The Law on Utility Services mandates the adoption of annual operational plans for utilities by the end of the current year for the following year. The Rulebook on More Detailed Format of the Annual Operational Plan for Utilities and the Pertinent Report, adopted in June 2020, specifies the information and the data to be contained in the annual plan and the respective report.

Proposed measure

The Operational and Financial Plans of municipal companies and institutions need to be adopted before the commencement of the year they pertain to. Thus, municipal companies and institutions should be obligated to provide such draft operational and financial plans for the coming year no later than by the end of November of the current year, i.e. before adopting the municipal budget for the coming year.

Apart from local utility companies, there is a need to stipulate the format for financial planning and reporting for all other municipal companies and institutions to ensure they feature all required information.

9. Monitoring Financial Plan delivery and reporting

Following the adoption of Operational and Financial Plans, in a large number of cases there is no in-year monitoring of their implementation. In addition, local self-governments rarely receive any reports before the final accounts, i.e. the year-end reports. Municipal companies and institutions are not obliged to report to the line ministries. Financial statements of municipal companies and spending reports of municipal institutions are deliberated by the local parliaments, under Art 31 of the Law on Local Self-government Finance, when financial reports of municipal companies, institutions and other entities set up by the municipality are submitted together with the Draft Municipal Budget Accounts for the year to which the draft accounts pertain.

The 2019 operational reports showed significant overdrafts against planned budget items. Thus, for instance, in the municipal water supply company in Podgorica the actual salary costs exceeded the 2019 plan by €617,000, while the actual supplies expenditures and electricity costs are significantly below the planned amounts, as much as €481,000. The municipal utility company in Bar planned total employee costs at €2,636,000, while the actual outlays amounted to €2,917,623, or €281,623 in excess of the plan. In 2019 the municipal company responsible for roads, Putevi doo Podgorica exceeded fuel and energy costs by €213,624, and salary costs by €180,783. In 2019, the municipal waste utility company Čistoća doo Podgorica planned €160,020 under the item for remunerations, with the actual outlays amounting to €516,987, or €356,967 in excess of the plan.

It is noteworthy that a number of annual operational reports contain no itemised data on expenditures and revenues, but rather just the aggregate revenue and expenditure figures.

Proposed measure

Following the adoption of the annual Financial Plan, municipal companies and institutions should report quarterly to the local self-government. There is also a need to step up the control of spending against the plan, giving a stronger role to internal audit, to avoid the actual outlays exceeding the plan. This would ensure better control over financial plan execution and enable local self-governments have a better insight into the operation of companies and institutions under their remit.

The annual operational reports should make a reference to planned amounts, not just outlays.

10. Job systematisation

Job Systematisation Rulebooks provided by municipal companies and institutions show that many systematised posts remain vacant. This might lead to a conclusion that certain savings were effectuated in reference to employee costs. However, Job Systematisation Rulebooks are not designed so as to reflect the actual staffing needs for the service delivery at the expected level of quality; rather, staffing needs are quite inflated. The Job Systematisation Rulebooks are adopted by management bodies of municipal companies or institutions, and approved by the Mayor.

Proposed measure

Job Systematisation Rulebooks should be adopted by relevant exert services with a view to the actual staffing needs for each corporate function. Thus, there is a need to stipulate such a procedure for adopting Job Systematisation Rulebooks where municipal companies and institutions could send for Mayor's endorsement only the Job Systematisation Rulebooks previously approved by the committee composed of the representatives of the local self-government (as the founder), the Ministry of Finance, the Ministry of Public Administration, and the Union of Municipalities. Such a committee is envisaged as a short-term measures under the Public Administration Optimisation Plan, and tasked with giving recommendations and opinions towards implementing the Plan at the local level.

11. Severance pay

According to the data provided by municipal companies and institutions, in 2018 and in 2019 substantial amounts were paid as severance pay on various grounds – to employees whose contracts were terminated consensually, who were retiring or made redundant.

Proposed measure

A procedure should be put in place for exercising oversight in reference to Art 6 of the Decision on Severance Pay in Case of Consensual Termination of Employment in the Public Sector at the local level, which stipulates the given post is to be abolished or the number of staff downsized in case such severance is paid. To ensure proper implementation, internal audit should check each year the compliance of such severance pay on all grounds to avoid possible misappropriation.

12. Accounting policies

Accounting policies are internal company documents setting the accounting arrangements, internal accounting control procedures, assets and liabilities and revenues and expenditures recognition and assessment, instructions and guidance for preparing, submitting and disclosing financial statements, appointing people responsible for compliance and regularity of occurrence of operational changes, compilation and control of accounting documents on operational changes, governing the trail of accounting documents, setting the deadlines for further processing and other matters relevant for bookkeeping and compiling financial statements envisaged by the Accounting Law, secondary legislation and the requirements of the International Financial Reporting Standards.

In municipal companies and institutions, accounting policies are adopted by management bodies, in line with their Articles of Association. Municipal companies, particularly in the area of utilities, are obliged to comply with and adhere to their accounting policies. Given that the accounting policies are adopted by the management bodies (usually managing boards) in case of municipal companies and institutions, there are clear discrepancies between the accounting policies from one entity to another. As a result, the companies engaging in the same type of activity have different depreciation rates for the same type of assets, different methods for writing

off receivables (direct or indirect, different methods, different periods after which write-off takes place, etc.), different methods for asset valuation (historic cost or revaluation models). All of the above affect, to a larger or a lesser extent, the items in annual financial statements provided by municipal companies or institutions.

Proposed measure

To achieve uniformity in recognition and valuation of the same items of assets, liabilities, revenues and expenditures among municipal companies (primarily utility companies) and institutions, there is a need to stipulate uniform accounting policies for municipal companies and institutions in the same type of activity. This would lead to highly harmonised reporting by municipal services allowing for full comparability of financial statements in case of municipal companies and institutions engaging in the same type of activity. The adoption of uniform accounting policies would put in place the assumptions for more meaningful performance assessment at the local level.

Moreover, the Public Accounting Law, intended to enter into force on 01 January 2022, envisages uniform accounting policies across the public sector.

13. Auditing financial statements for utility companies

Municipal utility companies are set up to perform the functions within the remit of municipalities, where revenues are generated through the use of state assets (infrastructure). Moreover, such companies pursue common interest through the provision of water supply, waste water management, upkeep of green areas and other public spaces; municipal waste management and other utility services.

The Audit Law mandates auditing financial statements for banks, insurance companies, shareholding companies, medium and large entities, and investment and pension funds. By their size, municipal utility companies are classified as medium, small and micro entities. Apart from the few classified as medium-sized entities that are bound by the provisions of the Audit Law, the bulk of utility companies are not obligated to have their financial statements audited. This diminishes the reliability of financial information featured in publicly available financial statements.

Proposed measure

Given that municipal utility companies use state (locally based) resources for generating revenues, and that spending needs to be compliant with legislation and the Financial Plan approved by the local parliament, the annual financial statements of all municipal utility companies should be mandated to undergo audit. The audit report, financial statements and operational reports (annual performance reporting) should be submitted to the local parliament for deliberation, as stipulated by Art 26 of the Law on Utility Services.

External auditing of financial statements increases considerably the reliability of financial information featured in financial statements.

14. Local public-private partnerships

With the adoption of the Public-Private Partnership Law (PPP LAW) in 2019, the assumptions for more substantial private sector involvement in the execution of works or provision of services of public interest have been put in place. The Law envisages the opportunity for local self-governments or municipal companies and institutions to appear as partners in long-term agreements for infrastructure development or maintenance or provision of services of public interest. Local companies and institutions are primarily established to respond to public needs and provide proper service, without the primary aim of generating profit. Private sector involvement is expected to contribute to more investments in state (local) infrastructure, better resource efficiency and reduced administrative costs. These are the expectations for the upcoming period both for the state and the local levels.

Within the European Union, most notable examples of long-term public-private partnerships are found in the utilities sector. It is not uncommon for water distribution or road maintenance and public areas upkeep services to be entrusted to a private partner. A large number of countries also include private partners in construction of bridges and roads, where upon the completion of works, tolls are collected by the private company under concession agreements.

At the local level, PPP arrangements in the utilities sector are possible through concession agreements (contractual PPPs), but also by establishing an entity for public service provision held jointly by a public partner and a private partner (institutionalised PPPs).

Utility concession agreements involve long-term arrangements with a private partner which is entrusted the provision of public utility services. The examples of such arrangements may refer to all types of utility services, particularly municipal waste management, and maintenance of roads, public green areas and public lighting.

Notably, the Law on Utility Services adopted in 2016 allowed the utility services to be provided by state or privately owned companies by entering into agreements entrusting the provision of utility services. The Law sets the timeframe for such arrangements (minimum 3 and not longer than 10 years) and provides the definition of the state-owned local infrastructure that can be entrusted to the utility service provider by means of a contract.

Another type of arrangements involves setting a joint entity or utility service provision (e.g. public water supply and waste water management or public areas upkeep and public lighting management), where the stakes are 70% - 30% or 80% - 20 % in favour of the private partner, with clearly defined rights and responsibilities of both parties (the issues like the maintenance of existing local infrastructure, investment obligations and schedules, utility service pricing, etc.).

Going forward, local self-governments or municipal companies and institutions need to assess the possibilities for involving private partners in provision of services of public interest, both in utilities and in other sectors.

It should be noted, however, that the countries that make use of PPPs did face some challenges in respect of such arrangements. The challenges refer to matter like the lack of seriousness on the part of private partners, profits generated below the levels expected by the private partner, high scheduled maintenance costs (under the Law on Utility Services, municipalities are responsible for

scheduled maintenance of local infrastructure), the pressure exercised by the private partner to push the rates up, etc. One of the potential challenges involves the staff of municipal companies that the private partner would possibly be unwilling to take over.

Given all of the above, sound legal prerequisites are in place for PPP arrangements at the local level, particularly regarding utility services. Going forward, some significant actions taken by local self-governments, municipal companies and institutions are to be expected to seek appropriate private partners for the sake of better public services provision.

Proposed measure

Municipal companies and institutions need to assess the opportunities for long-term arrangements with private partners towards building local infrastructure or provision of services of public interest.

To that effect, local self/governments, their companies and institutions need to identify the services that may be subject to PPPs and submit relevant proposals to Montenegro's Investment Agency. In consultations with the Investment Agency, acceptable projects should be chosen and launched.

15. Opportunities for inter-municipal cooperation

Montenegrin local self-governments are given the opportunity to effectuate cooperation through joint project implementation, given the legal provisions allowing for that and the relative short geographic distance among municipalities. The principles underpinning such inter-municipal cooperation could be further improved through the models envisaged by the PPP Law, the Cooperatives Law and other legislation giving good framework for project-based cooperation.

Given the regional distribution of the country (northern, central and southern regions), municipalities within one region can have common interest for collaboration with their neighbours. Such cooperation can take various forms, from economic, administrative to cultural cooperation, all in pursuit of better use of human, physical and natural resources.

As for the northern region, inter-municipal cooperation has the potential of significantly improving its economic prospects. One of options for fostering inter-municipal cooperation in the northern region (particularly between close neighbours) and increasing the living standards for the local population, is project-based cooperation in food production and processing. Given the option of selecting good private partners (under the PPP Law) operating in the northern region, various cooperation arrangements involving private partners, on one hand, and local self-government, on the other, can be devised. One option involves setting up a joint entity under an institutionalised PPP, with public and private partners having their stakes. This would work towards pooling the resources of public partners (land, utilities, money, etc.) and private partners (investment, know-how, distribution channels, etc.). Considering the geographic and climate benefits in the northern region, setting up an Agricultural Corporation through an institutionalised PPP involving several municipalities and appropriate private partners would greatly improve the living standard of the local population. Its core activity should involve the purchase of farm produce, production, processing and distribution of products through sale channels of private partners. This would help scale-up production, provide greater resource efficiency and secure marketing of produce from small-scale farms. The distribution channels of

private partners would be used to place the products in the domestic and foreign markets.

Given the recent global COVID-19 developments, food production is emerging as one of the core elements of national economies. By all accounts, our future national development strategy will follow the same directions. Inter-municipal cooperation coupled with PPP arrangements could give a boost to the state strategy for fostering agriculture and placement of domestic produce on both the domestic and the international markets.

Inter-municipal cooperation can be set up in other sectors based on similar principles – municipal waste management, parking services, public lighting maintenance, etc.

Proposed measure

Moving ahead, local self-governments need to assess the possibilities for inter-municipal cooperation and identify areas of cooperation with their neighbours and other Montenegrin municipalities.

Northern municipalities could consider setting up a joint entity together with the private partners from the region following the institutionalised PPP model (Agricultural Corporation), to engage in purchase, production, processing and sale of domestic farm produce at the domestic and foreign markets.

16. Options for merging certain services, cutting down or abolishing some administrative functions

Municipal companies or institutions are set up with the purpose of providing better service to the local population, which regrettably does not always happen, but inevitably leads to new recruitments and higher public spending.

Municipal institutions are primarily financed from local budgets, while municipal companies are supposed to be self-financed through revenues generated from their basic activity. However, we are witnessing that a large share of municipal companies generate operating losses and that they cannot be sustained in the long run without sound restructuring or transfers from local budgets. Although the provision of public services is the primary goal of setting municipal companies, it is necessary, on the other hand, to assess the options for their sustained viability. Over the previous years, municipal companies were incorporated in the absence of proper financial analyses, leaving such companies to start generating perpetual losses several years into their operation. If we exclude municipal utility companies providing basic services (water supply, waste water and waste management), some companies generate substantial operating losses. The examples include the Public Company for Wild Game Breeding and Protection Ulcinj, registering losses in excess of €200,000 over the last four years, or the hunting company "Lovstvo" doo Bar, which generated losses of €15,385 and €16,944 in 2017 and 2018, respectively.

Proposed measure

Given the financial unviability of municipal companies in the long run, local self-governments should consider winding up their long-standing loss-generating companies which cannot be self-sustained from their own revenues. The possibility of merging certain companies (such as the Sport Centre and the Ski Centre Hajla in Rožaje) and institutions should be considered to cut administrative costs.

17. Local tourism organisations

In Montenegro, Local Tourism Organisations (LTO) are established and operate under the Law on Tourism Organisations. The main LTO tasks include collection and updating of local tourism data, partaking in tourism product development and diversification projects, putting in place the assumptions for harnessing local tourism resources, and other tasks set in the Law.

In terms with the Law, LTOs are largely financed from membership, visitor, day-visitor and tourism fees. The assessment, calculation and supervision over the collection of the membership, tourism and visitor fees is done by the relevant local tax authority.

Given that such revenues are collected by the relevant local tax authority, and that the bulk of such receivables are time barred, the possibility for LTOs to make calculations, control and collection of membership, tourism and visitor fees should be considered. Since such revenues have a direct bearing on smooth operation of LTOs, if done by LTOs instead of local tax authorities, it would increase their motivation and collection efforts.

Proposed measure

The possibility for LTOs to collect membership, tourism and visitor fees instead of the local tax authority should be considered.

Moreover, given that LTOs dispose of considerable budgets (particularly the ones in the coastal region) and given the seasonality of their operation, and the need to hire more staff during the high season, going forward there is a need to regulate more specifically the salary and spending policies of LTOs (in reference to section 2.5 *LTO activity*).

18. Prevent receivables from becoming lapsed

The company books of municipal utilities record substantial outstanding receivables from individuals and legal entities, including the ones from previous years that are already barred or at risk of being barred by limitation.

Under Art 383 & 388 of the Law on Torts and Contracts, the receivables on the account of water supply, cleanliness and other utility services are time-barred to two years in case of natural persons (households) and three years in case of legal entities.

Thus, it is evident that the receivables barred by limitation will not be collected since municipal companies failed to use all legal means to collect the receivables before becoming lapsed.

Failing to instigate enforcement proceedings which prevent receivables from being considered lapsed, the amount of uncollectable receivables is constantly increasing.

Municipal companies take different approaches to lapsed receivables – some directly write such receivables off, others do the same indirectly, while some have no write-off at all.

With a view to ensuring sustained viability of municipal utility companies, the collection needs to be considerably more effective and all efforts made to prevent receivables from becoming lapsed.

Proposed measure

Municipal utility companies are obliged, as soon as manageable, to classify all receivables by age as shown below:

Households		Legal entities	
Age of receivables	Amount	Age of receivables	Amount
up to 90 days		up to 90 days	
90 to 180 days		90 to 180 days	
180 to 360 days		180 to 360 days	
360 to 720 days		360 to 720 days	
over 720 days		720 – 1,080 days	
Total		over 1,080 days	
		Total	

Municipal companies are obliged to instigate as soon as possible the enforcement procedures set in the Law that prevent the receivables in the *360 to 720 days* category for households and *720 – 1,080 days* for legal entities from being lapsed, and bring the constant increase in uncollectable receivables to a halt.

In case of all receivables already lapsed, municipal utility companies should take such receivables off their balances, registering them as expenditures in line with uniform accounting policies.

Conclusions

Based on the operational review of municipal companies and institutions, certain steps emerged that need to be taken within the framework of this model aimed to optimise their operation.

First and foremost, the existing Job Systematisation Rulebook in municipal companies and institutions should be reviewed and revised. Given the procedure for their adoption and the significant number of current nominal vacancies despite the actual staff surplus, certain actions need to be taken in this respect. A committee, to be composed of the representatives of the local self-government unit (as the founder of the given company or institution), the Union of Municipalities, the Ministry of Public Administration and the Human Resource Management Agency, should review current rulebooks and approve the amended ones. In the process of approving individual rulebooks, the Committee would take into account all specificities of the context in which the given municipal company or institution operates, and in reference to other comparable companies and institutions in other municipalities, approve the rulebooks.

The Law on Salaries of Public Sector Employees does not elaborate on the jobs, titles and multipliers for municipal companies and institutions, particularly so for utility companies. As a result, the Branch Collective Agreement for Housing and Utilities has not been adopted. Thus, in a large number of utility companies salary calculation is done based on collective agreements from earlier years. Going forward, there is a need to adopt new legal provisions stipulating multipliers

for calculating salaries for specific jobs, the required level of qualifications and other labour rights and responsibilities, both for municipal and state-owned companies and institutions.

There is also a need to mandate the use of uniform gross multiplier calculation value for municipal company and institution staff.

The analysis revealed that municipal companies and institutions (mostly utility companies) hire individuals through Staff Secondment Agencies or under various contracts (fixed-term, service agreements, part-time and occasional employment contracts, etc.). The Optimisation Model envisages restrictions for utility companies by mandating that the costs for all newly recruited staff on any type of contracts (secondment and other fixed-term contracts) may not go beyond 10% of total costs for employees on open-ended contracts in the given company, i.e. their actual workforce.

One of the vital goals of optimisation is downsizing, i.e. reducing the wage bill for municipal companies and institutions. The analysis highlighted the salaries in utility companies given that this sector accounts for the largest share of employees. The Model envisages the ceiling on employee costs (wage bill) up to the level of 60% of total operating revenues. This measure, coupled with previously corrected and harmonised job systematisation rulebooks, is anticipated to help put in place the assumptions for sustained viability of utility companies. In the medium term, the ceiling can be set lower (55% or 50%).

Given that municipal companies (utility companies primarily) and institutions apply different accounting policies, the Model anticipates the adoption of uniform accounting standards. This would harmonise practices in recognising and valuating same items of assets, liabilities, revenues and expenditures across the companies and institutions in the same sector.

Few municipal utility companies are mandated to have their annual financial statements audited, while the bulk are not bound by mandatory audit. The proposed Model envisages making such audit mandatory for all municipal utility companies, given that they use state (locally-based) resources to generate their revenues. Moreover, spending oversight should be substantially enhanced to increase the reliability of financial information featured in financial statements to ensure that their operation is compliant with legal provisions and adheres to the Financial Plan approved by the local parliament.

The Model advocates much stronger role of the internal audit in checking the process of abolishing jobs subject to severance pay, that spending of municipal companies and institutions is done against the Operational Plan approved, and the verification of compliance of severance pays on all grounds.

When it comes to setting up new companies and institutions, the Model advocates stipulating a procedure that would require prior approval of the relevant line ministry.

In the process of operational and financial planning, the Model advocates the submission of draft Operational and Financial Plans for approval by the end of November of the current year i.e. no later than the adoption of the local budget, for the coming year. In addition, the Model anticipates quarterly reporting by municipal companies and institutions to the local self-government on Financial and Operational Plans performance.

Annex 1: List of municipal companies and institutions which did (not) provide the data for the purpose of developing the Optimisation Model

	Municipality	Municipal service	Type of activity	Data provided Yes/No
1.	Andrijevica	Doo Park prirode Komovi	Other	Yes
2.	Andrijevica	‘Lokalni javni emiter Radio Andrijevica’ doo	Public broadcaster	Yes
3.	Andrijevica	DOO Komunalno	Utilities	Yes
4.	Andrijevica	Tourism Organisation	Tourism activity	Yes
5.	Andrijevica	Javna ustanova “Centar za kulturu i sport Mihailo Lalić”	Culture activity	No
6.	Andrijevica	DOO “Vodovod” Andrijevica	Utilities	No
7.	Bar	‘Možura’ DOO	Utilities	Yes
8.	Bar	DOO “Lovstvo” Bar	Other	Yes
9.	Bar	DOO “Vodovod i kanalizacija”	Utilities	Yes
10.	Bar	DOO “Sportski rekreativni centar”	Sport centres	Yes
11.	Bar	DOO “Komunalne djelatnosti”	Utilities	Yes
12.	Bar	‘Lokalni javni emiter Radio Bar’ doo	Public broadcaster	Yes
13.	Bar	JU Kulturni centar	Culture activity	Yes
14.	Bar	Tourism Organisation	Tourism activity	Yes
15.	Berane	DOO Komunalno	Utilities	Yes
16.	Berane	JU “Polimski muzej” Berane	Museum activity	Yes
17.	Berane	DOO Benergo	Other	Yes
18.	Berane	DOO Parking servis	Other	Yes
19.	Berane	DOO Sportski centar	Sport centres	Yes
20.	Berane	‘Lokalni javni emiter Radio Berane’ doo	Public broadcaster	Yes
21.	Berane	JU “Dnevni centar za djecu i omadinu sa smetanjama i teškoćama u razvoju”	Child and social protection institution	Yes
22.	Berane	JU “Centar za kulturu” Berane	Culture activity	Yes

	Municipality	Municipal service	Type of activity	Data provided Yes/No
23.	Berane	DOO Agencija za izgradnju i razvoj Berane	Other	No
24.	Berane	DOO Regionalni biznis centar Berane	Other	Yes
25.	Berane	Tourism Organisation	Tourism activity	Ne
26.	Berane	DOO Vodovod i kanalizacija	Utilities	No
27.	Bijelo Polje	JU Centar za djecu i mlade sa smetnjama u razvoju "Tisa"	Child and social protection institution	Yes
28.	Bijelo Polje	JU Centar za podršku djeci i porodici BP	Child and social protection institution	Yes
29.	Bijelo Polje	JU Centar za kulturu "Vojislav Bulatović Strunjo"	Culture activity	Yes
30.	Bijelo Polje	JU Centar za sport i rekreaciju Bijelo Polje	Sport centres	No
31.	Bijelo Polje	JU Muzej Bijelo Polje	Museum activity	No
32.	Bijelo Polje	Lokalni javni emiter radio Bijelo Polje	Public broadcaster	No
33.	Bijelo Polje	JU Ratkovićeve večeri poezije	Culture activity	No
34.	Bijelo Polje	DOO Parking servis	Other	Yes
35.	Bijelo Polje	Tourism Organisation	Tourism activity	No
36.	Bijelo Polje	DOO Vodovod "Bistrica"	Utilities	Yes
37.	Bijelo Polje	DOO Komunalno "Lim"	Utilities	Yes
38.	Budva	DOO Vodovod i kanalizacija	Utilities	Yes
39.	Budva	DOO Pogrebne usluge	Utilities	Yes
40.	Budva	JU Dnevni centar Budva	Child and social protection institution	Yes
41.	Budva	JU Grad teatar	Culture activity	Yes
42.	Budva	Meditranski sportski centar doo	Sport centres	Yes
43.	Budva	Lokalni javni emiter RTV Budva doo	Public broadcaster	Yes
44.	Budva	JU Muzeji i galerije	Museum activity	Yes
45.	Budva	JU Narodna biblioteka	Library activity	Yes

	Municipality	Municipal service	Type of activity	Data provided Yes/No
46.	Budva	Akademija znanja doo	Culture activity	Yes
47.	Budva	DOO Parking servis	Other	Yes
48.	Budva	DOO Mediteran reklame Budva	Other	No
49.	Budva	Sportsko rekreativni centar doo	Sport centres	No
50.	Budva	Tourism Organisation	Tourism activity	Yes
51.	Budva	DOO Komunalno	Utilities	Yes
52.	Cetinje	DOO Vodovod i kanalizacija	Utilities	Yes
53.	Cetinje	JU Narodna biblioteka i čitaonica Njegoš	Library activity	Yes
54.	Cetinje	JU Centar za dnevni boravak za djecu sa smetanjama i teškoćama u razvoju	Child and social protection institution	Yes
55.	Cetinje	DOO Sportski centar	Sport centres	Yes
56.	Cetinje	Lokalni javni emiter RTV Cetinje doo	Public broadcaster	No
57.	Cetinje	Tourism Organisation	Tourism activity	Yes
58.	Cetinje	DOO Komunalno	Utilities	No
59.	Danilovgrad	DOO za uzgoj, zaštitu i lov divljači i riba	Other	Yes
60.	Danilovgrad	Tourism Organisation	Tourism activity	Yes
61.	Danilovgrad	JU "Centar za dnevni boravak djece sa smetnjama u razvoju i odraslih lica sa invaliditetom" Danilovgrad	Child and social protection institution	Yes
62.	Danilovgrad	JU Centar za kulturu	Culture activity	Yes
63.	Danilovgrad	JU Umjetnička kolonija	Culture activity	No
64.	Danilovgrad	Lokalni javni emiter Radio Danilovgrad doo	Public broadcaster	Yes
65.	Danilovgrad	DOO Vodovod i kanalizacija	Utilities	No
66.	Danilovgrad	DOO "Komunalno"	Utilities	Yes
67.	Gusinje	JU Centar za kulturu	Culture activity	Yes
68.	Gusinje	Tourism Organisation	Tourism activity	Yes

	Municipality	Municipal service	Type of activity	Data provided Yes/No
69.	Gusinje	DOO Komunalne djelatnosti	Utilities	No
70.	Herceg Novi	JU Gradski muzej Mirko Komnenović i Galerija Josip Bepo Benković	Museum activity	Yes
71.	Herceg Novi	JU Gradska biblioteka i čitaonica	Library activity	Yes
72.	Herceg Novi	DOO Agencija za zaštitu i razvoj Orjena	Other	Yes
73.	Herceg Novi	DOO Komunalno	Utilities	Yes
74.	Herceg Novi	JUK "Herceg Fest"	Culture activity	Yes
75.	Herceg Novi	JU "Dnevni centar za djecu sa smetanjama u razvoju"	Child and social protection institution	Yes
76.	Herceg Novi	DOO Sportski centar Igalo	Sport centres	Yes
77.	Herceg Novi	Parking servis HN doo	Other	Yes
78.	Herceg Novi	Agencija za izgradnju i razvoj HN doo	Other	No
79.	Herceg Novi	Lokalni javni radio emiter RTV Herceg Novi doo	Public broadcaster	No
80.	Herceg Novi	Agencija za gazdovanje gradskom lukom doo	Other	Yes
81.	Herceg Novi	Tourism Organisation	Tourism activity	Yes
82.	Herceg Novi	DOO Vodovod i kanalizacija	Utilities	No
83.	Herceg Novi	Društvo za izgradnju vodovodne i kanalizacione infrastrukture DOO	Utilities	Yes
84.	Herceg Novi	DOO Čistoća	Utilities	No
85.	Kolašin	JU Centar za kulturu	Culture activity	Yes
86.	Kolašin	Tourism Organisation	Tourism activity	Yes
87.	Kolašin	DOO Komunalno	Utilities	Yes
88.	Kolašin	DOO Vodovod i kanalizacija	Utilities	Yes
89.	Kotor	DOO Vodovod Kotor	Utilities	Yes
90.	Kotor	OJU Muzeji	Museum activity	Yes
91.	Kotor	JU Kulturni centar "Nikola Đurković"	Culture activity	Yes

	Municipality	Municipal service	Type of activity	Data provided Yes/No
92.	Kotor	Lokalni javni radio emiter Radio Kotor doo	Public broadcaster	Yes
93.	Kotor	Tourism Organisation	Tourism activity	Yes
94.	Kotor	Direkcija za izgradnju i uređenje prostora	Other	No
95.	Kotor	DOO Komunalno	Utilities	Yes
96.	Kotor	Društvo za upravljanje sanitarnom deponijom Lovanja doo Kotor	Utilities	No
97.	Mojkovac	JU Dnevni centar za djecu sa smetanjama u razvoju "Mojkovac"	Child and social protection institution	Yes
98.	Mojkovac	JU Centar za kulturu "Nenad Rakočević"	Culture activity	Yes
99.	Mojkovac	Tourism Organisation	Tourism activity	Yes
100.	Mojkovac	DOO Komunalne usluge Gradac	Utilities	Yes
101.	Nikšić	JU Dnevni centar za djecu sa smetnjama u razvoju i osabama sa invaliditetom	Child and social protection institution	No
102.	Nikšić	JU Muzeji i galerije	Museum activity	No
103.	Nikšić	JU Narodna biblioteka Njegoš	Library activity	Yes
104.	Nikšić	JU Zahumlje	Culture activity	Yes
105.	Nikšić	JU Nikšićko pozorište	Culture activity	Yes
106.	Nikšić	Parking servis doo	Other	No
107.	Nikšić	Lokalni javni emiter RTV NK doo	Public broadcaster	No
108.	Nikšić	DOO Autobuska stanica	Other	No
109.	Nikšić	DOO Sportski centar	Sport centres	Yes
110.	Nikšić	Tourism Organisation	Tourism activity	Yes
111.	Nikšić	DOO Komunalno	Utilities	Yes
112.	Nikšić	DOO Vodovod i kanalizacija	Utilities	Yes
113.	Petnjica	JU Centar za kulturu	Culture activity	Yes
114.	Petnjica	Tourism Organisation	Tourism activity	Yes

	Municipality	Municipal service	Type of activity	Data provided Yes/No
115.	Petnjica	DOO Komunalne djelatnosti Petnjica	Utilities	Yes
116.	Plav	Tourism Organisation	Tourism activity	Yes
117.	Plav	JU Centar za kulturu	Culture activity	Yes
118.	Plav	JU "Dnevni centar za djecu sa smetnjama u razvoju LIPA"	Child and social protection institution	No
119.	Plav	DOO Komunalne djelatnosti Plav	Utilities	Yes
120.	Pljevlja	DOO Vodovod	Utilities	Yes
121.	Pljevlja	DOO "Komunalne usluge" Pljevlja	Utilities	Yes
122.	Pljevlja	Grijanje doo	Other	Yes
123.	Pljevlja	Lokalni putevi Pljevlja dooo	Other	Yes
124.	Pljevlja	JU Narodna biblioteka "Stevan Samardžić"	Library activity	No
125.	Pljevlja	JU Centar za dnevni boravak djece sa smetanjama u razvoju i odraslih lica sa invaliditetom	Child and social protection institution	Yes
126.	Pljevlja	JU Međurepublička zajednica	Other	No
127.	Pljevlja	JU Umjetnička galerija Vitormir Srbijanović	Culture activity	Yes
128.	Pljevlja	JU Zavičajni muzej	Museum activity	Yes
129.	Pljevlja	Agencija za stambeno poslovni fond Pljevlja doo	Other	No
130.	Pljevlja	DOO Centar za sport i rekreaciju Pljevlja	Sport centres	Yes
131.	Pljevlja	Lokalni javni emiter RTV Pljevlja doo	Public broadcaster	No
132.	Pljevlja	Tourism Organisation	Tourism activity	Yes
133.	Pljevlja	JU Centar za kulturu	Culture activity	No
134.	Pljevlja	Čistoća doo	Utilities	No
135.	Plužine	DOO Komunalno Plužine	Utilities	Yes
136.	Plužine	DOO Park Prirode Piva	Other	Yes
137.	Plužine	JU Centar za kulturu	Culture activity	No

	Municipality	Municipal service	Type of activity	Data provided Yes/No
138.	Podgorica	Pogrebne usluge" doo	Utilities	Yes
139.	Podgorica	Zelenilo doo	Utilities	Yes
140.	Podgorica	DOO Vodovod i kanalizacija	Utilities	Yes
141.	Podgorica	DOO Komunalne usluge	Utilities	Yes
142.	Podgorica	Čistoća doo	Utilities	Yes
143.	Podgorica	DOO Deponija	Utilities	Yes
144.	Podgorica	Putevi doo	Utilities	Yes
145.	Podgorica	JU "Gradsko pozorište"	Culture activity	Yes
146.	Podgorica	JU KIC Zeta Golubovci	Culture activity	Yes
147.	Podgorica	JU Muzeji i galerije	Museum activity	Yes
148.	Podgorica	JU KIC Budo Tomovic	Culture activity	Yes
149.	Podgorica	JU Narodna biblioteka Radosav Ljumovic	Library activity	Yes
150.	Podgorica	JU za brigu o djeci „Dječji savez“ Podgorica	Child and social protection institution	Yes
151.	Podgorica	JU Dnevni centar za djecu i omladinu sa smetnjama u razvoju	Child and social protection institution	Yes
152.	Podgorica	JU za rehabilitaciju korisnika psihoaktivnih supstanci	Child and social protection institution	Yes
153.	Podgorica	Parking servis Podgorica" DOO	Other	Yes
154.	Podgorica	Agencija za izgradnju i razvoj Podgorice doo	Other	Yes
155.	Podgorica	Tržnice i pijace doo	Other	Yes
156.	Podgorica	Agencija za stanovanje doo	Other	Yes
157.	Podgorica	Sportski objekti DOO Podgorica	Sport centres	Yes
158.	Podgorica	Tourism Organisation	Tourism activity	Yes
159.	Podgorica	AD Plodovi	Other	Yes
160.	Rožaje	DOO "Komunalno" Rožaje	Utilities	Yes

	Municipality	Municipal service	Type of activity	Data provided Yes/No
161.	Rožaje	JU Zavičajno muzej "Ganića kula" Rožaje	Museum activity	Yes
162.	Rožaje	JU Narodna biblioteka Rožaje	Library activity	Yes
163.	Rožaje	DOO Sportski centar Rožaje	Sport centres	Yes
164.	Rožaje	Tourism Organisation	Tourism activity	Yes
165.	Rožaje	JU Dnevni centar za djecu sa smetnjama i teškoćama u razvoju	Child and social protection institution	No
166.	Rožaje	JU Centar za kulturu	Culture activity	No
167.	Rožaje	DOO "Agencija za projektovanje i razvoj" Rožaje	Other	Yes
168.	Rožaje	DOO Ski centar "Hajla" Rožaje	Other	No
169.	Rožaje	Lokalni javni emiter RTV Rožaje doo	Public broadcaster	No
170.	Rožaje	DOO Vodovod i kanalizacija Rožaje	Utilities	Yes
171.	Šavnik	DOO Komunalne djelatnosti	Utilities	Yes
172.	Šavnik	JU Centar za kulturu, sport i medije	Culture activity	Yes
173.	Šavnik	DOO Park Prirode "Dragisnica i Komarnica"	Other	Yes
174.	Šavnik	Tourism Organisation	Tourism activity	Yes
175.	Tivat	DOO Vodovod i kanalizacija	Utilities	Yes
176.	Tivat	JU Muzej i galerija Tivat	Museum activity	Yes
177.	Tivat	JU Sportska dvorana Tivat	Sport centres	Yes
178.	Tivat	JU Centar za kulturu	Culture activity	Yes
179.	Tivat	Vodacom doo Tivat	Other	Yes
180.	Tivat	DOO Autobuska stanica	Other	No
181.	Tivat	Lokalni javni emiter Radio Tivat doo	Public broadcaster	Yes
182.	Tivat	DOO Parking servis	Other	No
183.	Tivat	Tourism Organisation	Tourism activity	Yes

	Municipality	Municipal service	Type of activity	Data provided Yes/No
184.	Tivat	DOO Komunalno Tivat	Utilities	Yes
185.	Tuzi	JU KIC MalesijaTuzi	Culture activity	Yes
186.	Ulcinj	JP Komunalne djelatnosti	Utilities	Yes
187.	Ulcinj	JP Centar za kulturu	Culture activity	Yes
188.	Ulcinj	JU Dnevni centar za djecu i omladinu sa smetanjama u razvoju "Sirena"	Child and social protection institution	Yes
189.	Ulcinj	Lokalni javni emiter RTV Ulcinj	Public broadcaster	Yes
190.	Ulcinj	JP Za uzgoj i zaštitu divljači	Other	Yes
191.	Ulcinj	DOO Agencija za izgradnju i razvoj Ulcinja	Other	No
192.	Ulcinj	DOO Vodovod i kanalizacija	Utilities	No
193.	Ulcinj	Parking servis doo	Other	No
194.	Ulcinj	Tourism Organisation	Tourism activity	No
195.	Žabljak	Tourism Organisation	Tourism activity	Yes
196.	Žabljak	Javna ustanova "Centar za kulturu"	Culture activity	Yes
197.	Žabljak	Sportski centar DOO	Sport centres	Yes
198.	Žabljak	DOO Komunalno i vodovod	Utilities	Yes

