

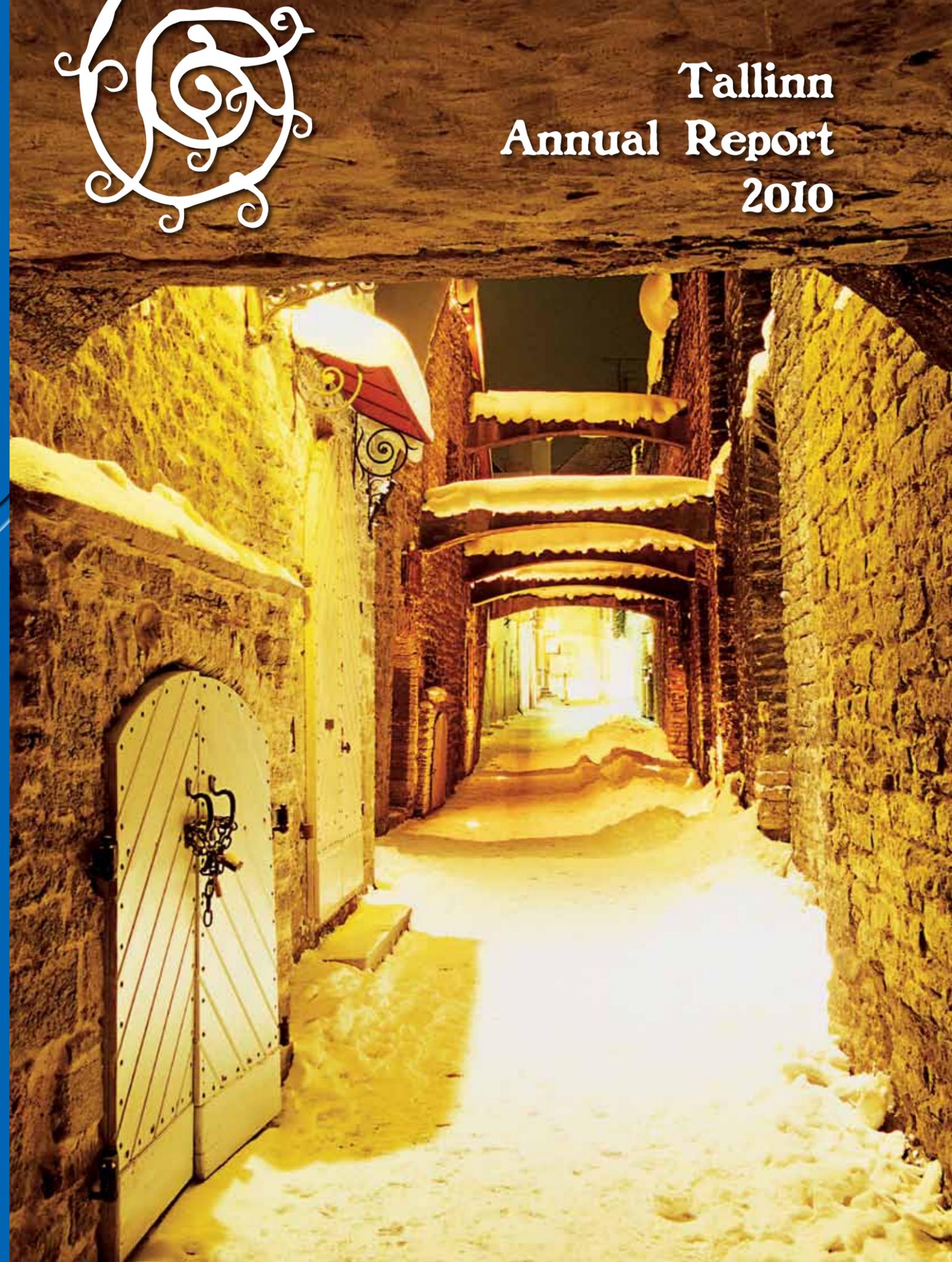


**Tallinn  
Annual Report  
2010**





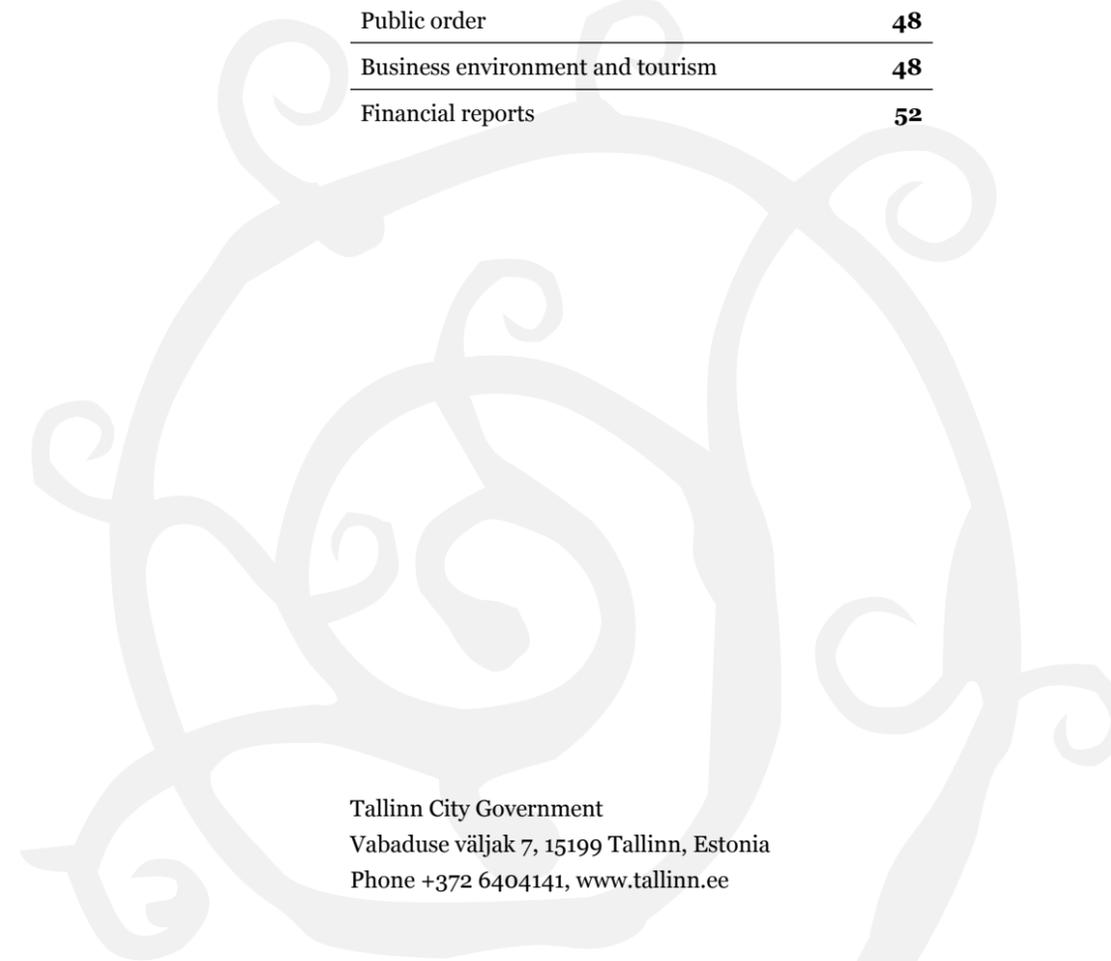
Tallinn  
Annual Report  
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Tallinn City Government  
Vabaduse väljak 7, 15199 Tallinn, Estonia  
Phone +372 6404141, [www.tallinn.ee](http://www.tallinn.ee)



## Dear citizens of Tallinn, Europeans, citizens of the Capital of Culture,



**W**e have every reason to be proud – Tallinn is the biggest local government and the most successful administrative unit in our country both economically and by the number of citizens; it is the capital of the Republic of Estonia and the Capital of Culture of the whole of Europe for the year 2011. Efficient management has been vital and topical in this city for years.

This collection of data provides us documentation of our recent past as well as the present that has taken into account the visions of what Tallinn could and should be. Thus some of the changes already carried out in our city have begun in the future by visions occurring to someone. The annual vision conferences of Tallinn that have become one of the token events of the capital of the Republic of Estonia thanks to the initiative of the City Council have always tried to visualise the development of the city decades ahead and they will hopefully continue to do so.

In the year 2010, when carrying the responsible role of the European Capital of Culture was looming around the corner, the eighth vision conference was named “City and City Culture in the 22nd Century”. The city has been an engine and cauldron for culture throughout its history. New ideas and behaviour patters have originated from the city; the city has united vastly different groups of people, taught them to associate, tolerate each other and work together. Will this function in the next century as well? What is changing and

why? What can we do to preserve our city worthy of habitation for a long time? These are the questions that persons should ask themselves and others about other fields as well from time to time.

In the vision conferences of the previous years, we have discussed entirely different topics: the perspective of a dispersed city, smooth organisation of the public transport of Tallinn (the tram project is finally gaining an ever more specific shape!), the power industry of the city and the synergy of city space. We have put a necessary and urgent issue on the agenda for autumn 2011 – the fate of the morally and physically aged residential districts and the possibilities for modernising them. Life should be observed with eyes wide open in a European and cultural city, a European Capital of Culture.

Our citizens want and dare look at not merely the next financial year or the next elections but the distant future as well. We all know that the first step paves the way for the longest road. Today's dreams will only become true tomorrow if today is the day we take the first step. This is the sense of perspective that Tallinn will follow into the future. This will be measured by the data provided in this yearbook. New tasks await.

Toomas Vitsut  
Chairman of the Tallinn City Council



## Dear co-citizens and guests of Tallinn,

**T**hese covers hold the annual report of the City of Tallinn for the financial year 2010. Despite the initial appearance of purely emotionless sequences of numbers and difficult accounting terms, I dare recommend you to read the material composed on the following pages as the annual report of a city is not merely an ordinary document of a city – it holds a fragment of the history of the city. Our desires and endeavours in drafting the budget of the city, our delightful and sorrowful moments, successes as well as failures in putting these desires into practice are recorded here – this is the circle of life of a city in a calendar year in all its diversity of character. I believe I am not exaggerating by figuratively comparing this to a chapter from a centuries-old chronicle of the city.

The year 2010 was not an easy one. The recession slowed down at the beginning of the year and gave way to slight economic growth at the end of the year, but the preceding grave downfall, decrease of employment that continued throughout the year, the rapid increase of prices and decrease of the real income for people did not yet bring relief to the city or its citizens. However, I believe that the city and the companies and foundations of the city managed their planned activities with great success against the background of the prolonged recession. I would hereby like to offer my sincere thanks to the entire organisation of the city as this was certainly not an easy task.

It is pleasant to note that the Ministry of Finance gave a high rating to the financial situation of Tallinn for the previous year. In the assessment, the Ministry indicated that the profit/loss from operating activities of the city in 2010 was the all-time second best result (the respective indicator was better only in 2007). It was stressed in particular that even though the profit from operating activities of the city decreased by 13% compared to the year 2008, the city has not failed to perform any local government obligations and has even managed to perform the obligations imposed on the state by legislation, e.g. in the fields of ensuring employment and implementation of social measures. The good financial capacity of the city is also defined by the fact that the city was able to increase its reserves during the year and draft the budget for the year 2011 with surplus. Unfortunately this compliment only served to once again reduce the financial resources granted to the city from the state budget.

Recognition in any form is splendid, but being brutally honest, it has to be acknowledged that in addition to the impacts of the recession, Tallinn also has to regrettably stand against the ever more violent attacks against the stability of the financial system of the city. It is not a well-hidden secret that the underlying motive behind various financing decisions regarding local governments and elaboration and adoption of legislation of various levels has been to complicate managing the

City of Tallinn as much as possible. Such activities are unfortunately continued – the decision to abolish sales tax upon the proposal of the political parties currently in power that will enter into force next year and the amendment of the Land Tax Act that will presumably enter into force on 2013, decreasing the annual income of the city by ca. 22.5 million euros (approximately 9% of current tax revenue), will serve as relevant reminders.

The decisions made on the basis of such reasoning inevitably have a negative impact on the development of Tallinn and other local governments of Estonia. I cannot understand this or find any justification for such behaviour. I hope that one day the universally acknowledged fact that the stronger the local government, the more democracy there is in the country, and vice versa, a weak local government is a feature of deficit of democracy in a country, will be understood in Estonia as well.

**D**espite the fact that the continuing recession left a certain mark on the activities of the city in 2010, the projects of the city were nevertheless brisk and energetic. Implementation of the programme “Nursery School Spot for All Children” was continued and 208 new nursery school spots were created; four city general education schools were entirely renovated in cooperation with the private sector; the reconstruction of the Ülemiste Crossing was initiated; a total of 310 apartments were finished in the framework of the second programme of Tallinn for construction of residential buildings; the year 2010 served as the preparatory year for the Capital of Culture year 2011, etc. We focused on social measures in our expenditure. We could not ignore the fact that very many of our citizens had lost their income, feeling of security and, alas, a hope for a better future due to the recession; therefore, we elaborated the “Second Tallinn City Aid Package for Citizens and Entrepreneurs 2011-2012” with which the city offers 53 supportive aid measures.

Edgar Savisaar  
Mayor of Tallinn





# Brief overview of the city

## Tallinn – the capital and financial centre of the Republic of Estonia

Tallinn as a local government offers a wide array of public services for citizens and visitors of the city for the whole duration of their life cycles, from birth to death. The city provides social assistance and social services, organises welfare services for the elderly, youth work, housing and utilities, waste management, physical planning, public transport, ensures water supply and sewerage, property maintenance, and maintains city streets on its administrative territory. The city likewise maintains the preschool child care institutions, basic schools, upper secondary schools, hobby schools, libraries, community centres, museums, sports facilities, shelters and care homes as well as health care institutions and other institutions belonging to it. The City of Tallinn also organises other local matters provided by legislation and settles issues of local life that are not in the competence of state bodies or other institutions pursuant to legislation.

Tallinn is the most important and largest centre for services, commerce and finance in Estonia. The contribution of the city to the gross domestic product of Estonia is approximately 51%; the proportion of Tallinn in Estonian export is over 40% and about 2/3 of the volume of the sold goods and services takes place on the administrative territory of the city. It would thus not be an exaggeration to state that Tallinn is the driving

force of the development of Estonia as a whole and the development of the other regions of Estonia is significantly dependent on the success of Tallinn. Tallinn along with the other local governments of Harju County constitutes the most powerful economic region of Estonia that is also the main centre of attraction for foreign capital in Estonia. Branches that target the Estonian market are also predominantly located in Tallinn.

According to the data of Statistics Estonia, 189,400 persons aged 15-75 were employed in Tallinn in 2010. The majority of undertakings in Tallinn are small undertakings with less than ten employees, constituting 90% of the number of registered undertakings. The number of undertakings with 10-49 employees was 2,900 and the number of undertakings with 50-249 employees was 573. There were only 100 undertakings in Tallinn with more than 250 employees. 23% of the undertakings were active in the field of wholesale and retail trade and repair of motor vehicles, 16% in the fields of vocational, scientific and technical work, 8% in transportation and storage, 8% in the field of real estate, 8% in the field of administration and assistance activities and 7% in the processing industry. Industrial parks and business incubators have been created in Tallinn and undertakings have been supported with various types of aid in order to promote business.

In the previous year, the priorities of the city were promoting the economy, supporting business, preservation of jobs and creation of new jobs. The same objectives are also vital in the current year, 2011.

## Population of Tallinn, 2010

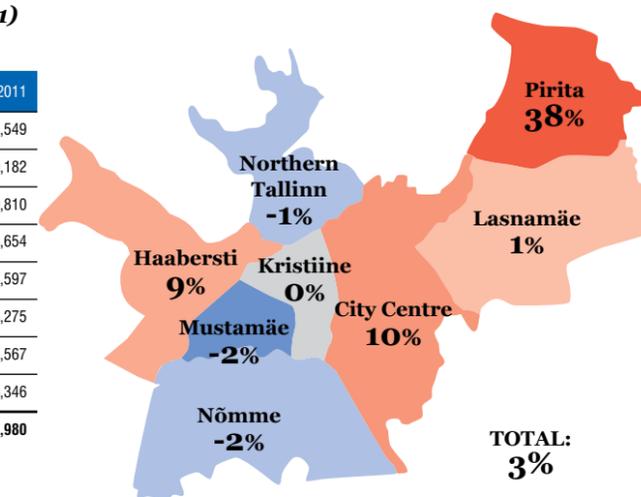
Tallinn is a growing city – the number of citizens has grown vigorously in the last few years. According to data of the Population Register of Estonia, the number of citizens of Tallinn increased by 5,277 in 2010. The population of Tallinn surpasses the population Tartu, the second biggest city in Estonia, four times, yet Tallinn is the smallest of the capitals of the countries of the Baltic Sea region. Tallinn also has a significantly lower population density (less than 2,600 people per square kilometre) than most European capitals.



Number of citizens of Tallinn by city districts, 2005-2011 (data of the Population Register of Estonia, 1 January 2011)

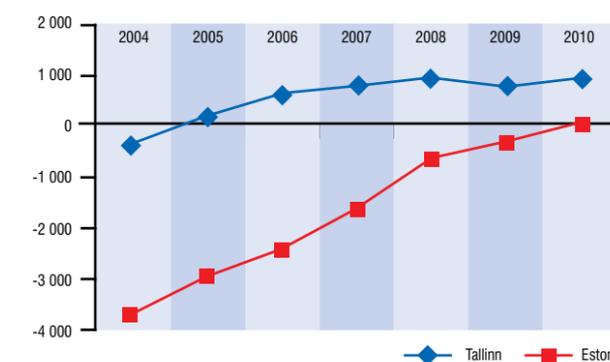
	2005	2006	2007	2008	2009	2010	2011
Haabersti	38,267	38,968	38,956	39,587	40,454	41,051	41,549
City Centre	45,652	46,180	46,041	47,671	48,158	48,646	50,182
Kristiine	29,908	29,816	29,511	29,478	29,221	29,395	29,810
Lasnamäe	114,440	114,142	112,306	112,001	113,332	114,258	115,654
Mustamäe	65,837	65,692	64,500	64,243	64,339	64,113	64,597
Nõmme	39,102	39,436	38,856	38,725	38,428	38,100	38,275
Pirita	11,299	12,277	13,235	14,039	14,595	15,135	15,567
Northern Tallinn	56,997	56,994	55,691	55,628	55,478	56,005	56,346
<b>TOTAL</b>	<b>401,502</b>	<b>403,505</b>	<b>399,096</b>	<b>401,372</b>	<b>404,005</b>	<b>406,703</b>	<b>411,980</b>

Change in the number of citizens 2005-2011 (in %)



While the overall population of Estonia is constantly decreasing, the number of citizens of Tallinn has increased in the past few years thanks to natural and mechanical growth. Population growth has been positive in Tallinn since 2005. While less than 4,500 children were born in Tallinn in 2004, the respective number in the capital was already 5,113 in 2010. The well-maintained infrastructure and more favourable conditions in terms of finding a job have served as an important motivator for people from other regions to choose Tallinn as their place of work and residence in the last few years. 14,133 people registered their residence in Tallinn in 2010 whereas only 8,716 people left Tallinn. The population of Tallinn increased by 961 people thanks to natural population growth and by 5,417 people as a result of migration in 2010 and according to the data of the Population Register, there were 411,980 citizens of Tallinn as of the end of 2010.

Natural population growth in Tallinn and Estonia, 2004-2010 (data of Statistics Estonia)





# Administration of the city

## Administrative structure of the City of Tallinn



## The City of Tallinn is governed by the City Council and the City Government

The City of Tallinn is governed by the City Council and the City Government. The Tallinn City Council is the representative body of Tallinn as a local government, elected for four years by residents with the right to vote. The last elections of the City Council were held on 18 October 2009. The current, seventh membership of the City Council has 79 members (the previous, sixth membership had 63 members). Four factions belong to the membership of the City Council: the factions of the Estonian Centre Party (44 members), the Estonian Reform Party (14 members), the Union of Pro Patria and Res Publica (13 members) and the Social Democratic Party (8 members).

The City Council is independent and acting only in the name and in the interest of the citizens. The City Council works at full sessions as well as by commissions and factions. The City Council has formed ten commissions that resolve the issues of their respective fields. The commissions are as follows: Educational and Culture Commission, Environmental Commission, Law and Order Commission, City Management Commission, City Property Commission, Finance Commission, Auditing Commission, Social Affairs and Health Care Commission, Consumer Protection Commission and the Legal Commission.

The City Council held 23 sessions (including three extraordinary sessions) in 2010, adopted 310 resolutions and 64 regulations; 176 commission sessions were held. The technical work of the City Council is ensured by the City Council Office.



## Administration of the city

The City Government is the executive body of the local government. The active administration of the City of Tallinn is composed of a City Government of seven members: the Mayor and six Deputy Mayors. Each member of the City Government is responsible for management of the fields of city life determined for them. The City Government conducts work in sessions. Sessions of the City Government generally take place once per week on Wednesdays. 52 sessions were held in 2010, resulting in the adoption of 101 regulations and 2,066 orders.

The City Government manages the activities of all the institutions (except the City Council Office) of the city and participates in the work of legal persons governed by private law as a shareholder, founder or member. The organisational and technical work of the City Government is ensured by the City Office, directed by the City Secretary who is appointed by the Mayor.

The organisation of the City of Tallinn comprises 23 administrative agencies (13 Departments, 8 City District Governments, the City Council Office and the City Office) and 251 administered institutions. The City of Tallinn with its total of 274 institutions is therefore one of the largest organisations in Estonia, providing daily work for nearly 12,500 people. Arising from the wide selection of the public services offered by the city, representatives of very different professions work in the city system – educators,

teachers, workers in the fields of medicine, social affairs, culture, sports, etc. In addition to that, an average of 6,500 employees worked in the 9 companies and 13 foundations where the city has a holding, with the majority of the personnel comprising medical and transportation workers in 2010. Therefore, about 19,000 workers were involved in offering high-quality public services to the citizens in the previous year.

The city has additionally founded or has holding in various undertakings with the purpose of ensuring the accessibility of high-quality public services for the citizens. Thus the city has control over 9 companies and 13 foundations. The largest of these are Ida-Tallinna Keskhaigla AS (East Tallinn Central Hospital), Lääne-Tallinna Keskhaigla AS (West Tallinn Central Hospital) and SA Tallinna Lastehaigla (Tallinn Children's Hospital) as well as the transport undertakings Tallinna Autobussikoondise AS (Tallinn Bus Company) and Trammi- ja Trollibussikoondise AS (Tallinn Tram and Trolleybus Association AS). The city additionally has significant control over three companies and one foundation. The largest of these are AS Tallinna Vesi and Tallinna Prügila AS. A total of 18,986 workers worked in the institutions, companies and foundations of the city in 2010, including 1,530 officials, whereas about 10,000 workers of the 12,466 workers of the institutions of the city worked in schools and nursery schools.

### Average number of workers of units of the city and under the control of the city in 2010 by institutions:

ADMINISTRATIVE AGENCIES AND ADMINISTERED INSTITUTIONS (number of institutions)	AVERAGE NUMBER OF WORKERS
City Council Office	31
City Office	251
City Enterprise Department	74
Education Department	126
Schools (64)	4 104
Nursery schools (130)	4 003
Hobby schools (11)	417
Municipal Engineering Department	44
Kadrioru Park	96
Cultural Heritage Department	40
Theatre and concert institutions (2)	123
Zoo	178
Library, museums (2)	240
Folk High School	5
Cultural centres (4)	63
City Archives	27
City Property Department	65
Vital Statistics Department	29
Social Welfare and Health Care Department	39
Health care institutions	236
Social welfare institutions (8)	694
Sports and Youth Department	22
Youth work institutions	50
Sports institutions (4)	124
City Planning Department	101
Transport Department	58
Environmental Department	48
Botanical Garden	50
Cemeteries	67
Municipal Police Department	160
Haabersti City District Government (2)	71
Tallinna City Center Administration (1)	109
Kristiine City District Government (2)	81
Lasnamäe City District Government (3)	189
Mustamäe City District Government (2)	123
Nõmme City District Government (5)	129
Pirita City District Government (1)	46
Northern Tallinn City District Government (3)	153
<b>TOTAL:</b>	<b>12 466</b>

UNITS UNDER THE CONTROL OF THE CITY	AVERAGE NUMBER OF WORKERS
Tallinna Autobussikoondise AS	1 284
Tallinna Trammi- ja Trollibussikoondise AS	843
AS Tallinna Soojus	6
Tallinna Linnahalli AS	13
Termaki Autopargi AS	45
Ida-Tallinna Keskhaigla AS	1 887
Lääne-Tallinna Keskhaigla AS	1 472
AS Lasnamäe Tööstuspark	2
AS Tallinna Diagnostikakeskus	28
SA In Commune Bonum	2
SA Tallinna Lastehaigla	655
SA Tallinna Tehnika- ja Teaduskeskus	6
SA Tallinna Hambapoliiklinik	189
SA Tallinna Lauluväljak	14
SA Lutreola	1
SA Õpilasmalev	4
Tallinna Vec-ettevõtjate Järelevalve SA	3
Ettevõtjate Toetamise ja Krediidi Haldamise Sihtasutus	11
SA Tallinn 2011	29
SA Tallinna Arengu- ja Koolituskeskus	2
SA Tallinna Televisioon	5
SA Vene Muuseum	1
<b>TOTAL:</b>	<b>6 502</b>





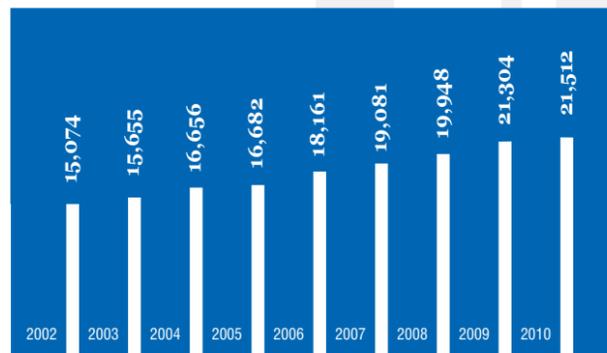
# Education

Creating the preconditions for the citizens for safe growth, versatile development and lifelong learning is one of the main goals for Tallinn

The main objective of the activities of the city in the field of education is to ensure a diversity and accessibility of possibilities for acquiring education. It is essential that nursery school spots and acquisition of preschool education as well as possibilities for acquiring basic education and secondary education and acquiring vocational education according to the needs of the labour market be ensured for all children living in Tallinn, and that possibilities for diverse hobby education and activities be created for children and young persons.

As of the end of 2010, there were 127 nursery schools, two nursery-primary schools, one nursery-basic school and two schools with nursery school groups in Tallinn with spots for 21,512 children. The city additionally supported 19 private nursery schools, thus facilitating day care for an additional number of 642 children. Implementation of the programme “Nursery School Spot for All Children” was continued and 208 new nursery school spots were created – 54 of them as a result of reconstruction of the building of the Tallinn Asunduse Nursery School in the Lasnamäe City District. 100 spots were additionally created by increasing the number of children in the existing groups and 54 spots were created by opening new groups in the Tallinn Lepistiku Nursery-Primary School, Tallinn Mustamäe 1st Nursery-Primary School and the Tallinn Tuule Nursery School.

Number of children in the child care institutions of Tallinn, 2002-2010 (at the end of the year)

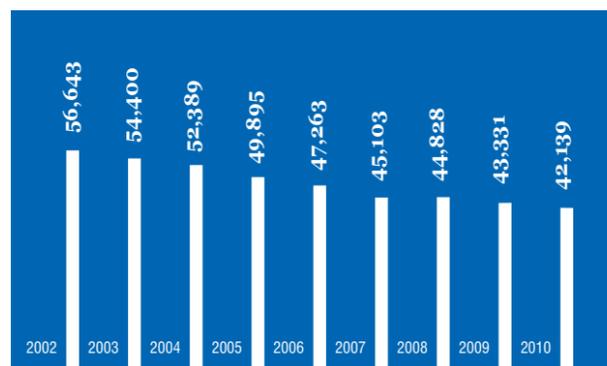


Number of nursery school spots, 2009-2010

Type of institution	Number of spots		Increase	
	2009	2010	number	%
<b>Municipal child care institution</b>	21,304	21,512	208	1.0%
<b>Private nursery school</b>	596	642	46	7.7%
<b>Total</b>	<b>21,900</b>	<b>22,154</b>	<b>254</b>	<b>1.2%</b>

High-quality education is one of the main prerequisites for development for a country. As of the end of 2010, there were 66 municipal schools, 11 private schools and two state general education schools in Tallinn. 42,139 students studied in the schools of Tallinn in the 2009/2010 academic year, including 4,653 students from other local governments. As a result of demographic developments, the number of students in the schools of the city decreased by 1,192 compared to the year 2009.

Number of students in the schools of Tallinn, 2002-2010 (at the end of the year)





## Education

The city ensured free of charge meals for all students in classes 1 to 9. The daily cost of meals is 18 kroons per student, of which the city pays 6.27 kroons and the rest is covered by benefits granted from the state budget. Long day groups and assistant teachers continued their work at all schools and support services (including speech therapist and psychologist services) were facilitated.

Ensuring a modern study environment that meets all requirements in all educational institutions is still essential. Four general education schools of the city were renovated entirely in 2010 in cooperation with the private partner Kooliarenduse OÜ: the Tallinn Liivalaia Upper Secondary School, Tallinn Õismäe Upper Secondary School, Tallinn Humanitarian Upper Secondary School and the Tallinn Järveotsa Upper Secondary School. The first three of the said schools received full-scale gymnasiums and the sports grounds of all schools were modernised. The renovated schools were fitted with new furniture and equipment for the commencement of the academic year. In other schools, maintenance work on roofs and partial repairs for ensuring fire safety requirements was performed.

In 2010, activities were continued to create a study environment that would enable the children and students of Tallinn to acquire competence with regard to information and com-

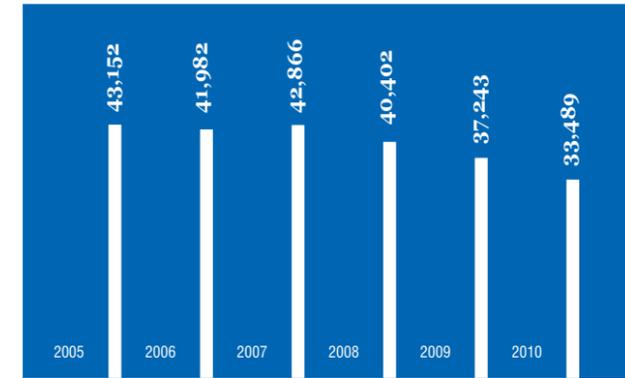
munication technology (ICT) in compliance with the requirements of the national curriculum. The main focus was concentrated on ensuring the functionality of the ICT infrastructure that is necessary to organise modern provision of education in educational institutions. An ICT programme for the years 2011-2015 was composed, determining the most important directions of development and the necessities for developing the environment. Possibilities have been created for all educational institutions of the city for using the central ICT infrastructure services (domain server, file server, print server, terminal server, group work server, data storage, virus and spyware protection, etc.). 79 educational institutions of the city had joined the said service by autumn 2010. It can be considered a remarkable achievement that 96% of the schools of Tallinn have already joined the e-school environment; one school joined in 2010. All schools of Tallinn currently have the rights to use the Miksike electronic learning environment.

Giving recognition to the best students also continued with the aim of supporting and motivating the pursuits and creative activities of children and young persons. Competitions were held in 22 subjects in the 2009/2010 academic year with 9,726 students participating. 24 students of Tallinn represented Estonia in 11 international competitions, winning a total of 24 medals (three gold medals, seven silver medals and 14 bronze medals).

In addition to basic and secondary education, the city provides vocational education in the Kopli Vocational School with 218 young persons in 23 study groups studying in the 2009/2010 academic year; 134 of the students had basic education and 84 of the students did not. It is possible to acquire vocational education in the following professions in the Kopli Vocational School of Tallinn: property maintenance, electrician, environmental technology, locksmith, household economics, ethnical carpentry, textile work and blacksmithing.

The city pays a lot of attention to creating and ensuring possibilities for hobby education. Nine municipal hobby schools and three hobby schools in the composition of the Old Town Educational College were active in Tallinn in the year 2010 with a total of 9,969 students. 25,447 children participated in hobby groups active at general education schools. The students were able to practice technology, natural history, theatre, sports, art, music, dancing, design and foreign language. The project for partial renovation of the Tallinn Hobby Centre Kullo was composed at the end of the year, cofinanced by the Structural Funds of the European Union.

**Number of children acquiring hobby education in Tallinn, 2005-2010 (at the end of the year)**



Juvenile committees help ensure compulsory school attendance and organise crime prevention work in the city districts. In 2010, a total of 540 juvenile offence cases were heard, which is 340 less than in 2009. Several special youth work projects directed at the risk groups of young persons were carried out in cooperation with non-profit associations. Classes for students with behavioural problems have additionally been created in five municipal schools of Tallinn with the aim of correcting the behavioural habits of the students, decrease neglect of studies, increase general social competence and shape the studying habits and value judgments.





# Culture





# Culture

The purpose of the field of culture is ensuring a broad and high-quality choice of cultural services for citizens of Tallinn as well as tourists.

The most important direction for activities was continuing the elaboration of the project "Tallinn – European Capital of Culture 2011". European Capital of Culture 2011 Tallinn presents grand international events, introduces young persons to culture, calls for volunteers to help out, teaches one to study their home city and promotes green mentality. The preparation of the event is supported by the Foundation Tallinn 2011 established by the city in 2007 with the purpose of planning the programme of the Capital of Culture and organising the events in order for the year 2011 to be an exciting, special and high-level cultural year in Tallinn. The year of the Capital of Culture gathers together the most competent professionals in Estonia as well as the world; therefore a cultural event, function, etc., will take place every day. The year 2010 was the preparatory year for "Tallinn – European Capital of Culture 2011", during which the preparatory programme "52 Weeks" was composed, issuing the weekly newspaper Kultuuripealinn was started, introductory events for the programme of the Capital of Culture took place on Tallinn Day (15 May) and the programme for volunteers and for hospitality was initiated and the information centre for the Capital of Culture in the Rotermann Quarter was opened on 20 August, the Day of Restoration of Independence. The Capital of Culture project was also introduced across the gulf in the neighbouring Finland where an Estonian-themed St. Martin's fair took place and the programme of the Capital of Culture was introduced on the Senaatintori in Helsinki. One of the main cultural events of 2010 was the Award Gala of the European Film Academy in Tallinn, attracting numerous representatives of the film world of Europe. The event may also be considered as the notional introduction to the year of the Capital

Culture  
calls  
2011  
TALLINN  
EUROPEAN CAPITAL OF CULTURE

of Culture as the movement of the capitals of culture and the Film Academy share a common history.

In order to ensure diverse possibilities for spending free time, including development of hobby and society activities and organising concerts, theatrical performances and exhibitions, 10 cultural institutions of the city were active in Tallinn in 2010: the Tallinn Dome Club, Pelgulinn Community Centre, Information Centre for Cultural Societies, Russian Culture Centre, Culture Centre Lindakivi, Mustamäe Culture Centre Kaja, Salme Cultural Centre, Nõmme Culture Centre, Tallinn Haabersti City District Leisure Centre and the Pirita Leisure Centre. 6,877 people of different age groups and different interests were involved in the activities of the 299 hobby groups of these institutions.

The Tallinn City Theatre, a performing arts institution belonging to the city, performed 396 theatrical performances for a total of 53,093 spectators. The repertoire of the theatre included a total of 25 productions, including eight new productions. The performances are held in three different halls and the foundation for the tradition of the summer theatre was laid on the open-air stage. The play "Us, the Heroes" in the repertoire of the City Theatre was awarded the annual prize of the Estonian Theatre of 2010 and Elmo Nüganen, the producer, was awarded the prize of best producer. The international theatre festival "A Winter Night's Dream" organised by the theatre took place for the sixth time at the end of the year 2010. The guest of the festival was Dmitri Krõmov with his school of dramatic art. The guests brought six new productions and gave a total of seven performances.



The Tallinn Philharmonic Society organised the Birgitta Festival for the sixth time; it is becoming a token festival for Tallinn. The programme had a large scale and it was varied. The

main guest of the Festival was the Novaya Opera from Moscow with two productions. "Orpheus and Eurydice" of C. W. Gluck and the ballet "Joanna Tentata" of E. Tamberg were performed in the framework of the Festival as their own productions. The season of the Tallinn Philharmonic Society was opened in the autumn with concerts in the Estonia Concert Hall in Tallinn and the Golden Hall of the Vienna Musikverein in Austria. The Tallinn Chamber Orchestra was the first Estonian orchestra to perform in the Golden Hall of the Vienna Musikverein.

The series "Golden Age" of the Tallinn Chamber Orchestra, introducing listeners to music from the Golden Age of Baroque, the exclusive concert series "Saloon" introducing the music of various ethnicities and ages, the series of church music "Viva Oratorio" and the music festival "Perfect Silence" of the record company ECM continued in 2010. An extremely



successful concert tour "Blissful Evening" was organised in four Estonian cities in cooperation with the Tallinn City Theatre. Songs belonging to the classics

of popular music were performed in the course of the tour. The series "Meetings at the Fireplace" connecting jazz and literature was a new initiative where musicians and actors gathered in the cosy and creative atmosphere of the Kloostri Ait.

17 library branches were active in the City of Tallinn that were visited by nearly 1.06 million people during the year. Two branches are situated in the Haabersti City District, three in the City Centre, three in Mustamäe, three in Nõmme, one in Pirita and three in Northern Tallinn, with an additional library bus operating around the city. The Year of Reading project highlighted the theme of reading in society and this has positively affected the use of library services. Traditional activities for school holidays were continued in the Children and Youth Service in cooperation with schools and nursery schools. The book "Onu Heino väike pere" ("Uncle Heino's Tiny Family") was given as a gift to every child commencing studies in the 1st class in the City of Tallinn in 2010. The purpose of the new activities was to increase interest in reading for children and young persons. Meetings with popular young actors were organised, the Children's Paper was improved and new interactive possibilities were created.

Informal education and hobby and in-service training was provided to 2,446 people in the Tallinn Folk University in order to diversify the training market and value lifelong learning.





# Culture

151 lecture series and courses for practical activities were offered. The courses "Trends in World Literature", "Chinese Medicine", "Genealogy Research", "Cultural Pearls" and "Wine School" gathered the biggest interest. Language courses and photography and handicraft courses were also popular. 11 events promoting the Folk University and 13 exhibitions were organised in addition.

The Tallinn Council for UNESCO World Heritage was formed. The recommendations of the UNESCO expert group that visited Tallinn in January 2010 served as the motive for forming the council that was assembled by the Tallinn City Government. The purpose of the Council is to create a transparent and open environment for discussion and dialogue for preservation and development of Tallinn as a World Heritage Site. The Council is also responsible for composing the management plan and executing it in the framework of the development plan of the Old Town.

The Russian Museum Foundation was established with its activities focused on studying and reflecting the history and cultural traditions of the 300-year old Russian community in Estonia.

Construction and restoration activities in the Old Town of Tallinn and for monuments outside the Old Town were continued in 2010 in order to preserve and acknowledge the cultural heritage, ensure the material maintenance of monuments and value the historic physical and social environment. The restoration of monuments, buildings of the Old Town and valuable details was continually supported, documentation for restoration was ordered, field studies were performed and general supervision was exercised. The newly restored

Tower Behind the Monks that forms an incredibly attractive complex along with the Helleman Tower and the section of the defence passage of the town wall that is nearly 200 metres long was opened for visitors in spring 2010. Exhibitions and other cultural projects take place in the towers.

Grants for restoring the details (historic doors, windows, boundary strips and dripstones of windows, awnings, original exterior boarding, etc.) of 58 historical buildings were awarded in 2010 in order to preserve and acknowledge the values of the architecturally and culturally completely preserved historic city space (built-up areas of cultural and environmental value) for the citizens. The campaign "Repair Old Buildings!" valuing the historical urban regions of Tallinn that was initiated in 2001 was continued. Cooperation with the Information Centre for Sustainable Renovation was continued; the Centre organised seminars and information days for citizens and interested persons regarding maintenance of old buildings and gave advice on architectural and engineering matters.

A new prize "Meritorious Culture Character" was created to recognise the creative activities of deserving culture characters of Tallinn. The prize will be awarded for long-term outstanding creative activities in the fields of art, theatre, film, dancing, music, architecture or literature from 2011.

The prize "Cultural Act 2010" was awarded to recognise the cultural events and activities of the year and value outstanding creative persons. The title and prize of the cultural act was awarded to Katusekino OÜ for the roof cinema project that gained international attention and enhanced the cultural environment by designing an open-air cinema for the empty parking lot of the Viru Centre, achieving high attendance and positive media coverage. The prize of the Cultural Act of the year 2010 was awarded to Riina Roose for creative and interpretative activities in recording the Estonian music history, for her contribution to organising the cooperation of the Tallinn Philharmonic Society and the Tallinn City Theatre, for her work as an editor in elaborating the series of radio lectures "Estonian Banknotes" and the grateful work of convincing actors to sing as

the manager of the music department of the Tallinn City Theatre. The Kristjan Raud Art Award and the Black Nights Film Festival Award also found their respective owners.

A contest of plays dedicated to Jaan Poska was organised to commemorate the 90th year since the death of Jaan Poska. The play "Jaan Poska Saga" by Loone Ots won the contest.

A marble sculpture of Marie Under by Mati Karmin was unveiled in front of the Estonian National Library to commemorate the 30th year since the death of the poetess.

Development of the creative, spatial and technical possibilities of cultural institution was continued in order to offer the citizens and visitors a wider selection of cultural services. Reconstruction of the Tallinn Song Festival Grounds and the Salme Cultural Centre was continued. The Culture Kettle project was further developed, resulting in completing the basic project for the complex of buildings and announcing the public procurement for the reconstruction of the Culture Kettle. The Tallinn City Museum opened the restored bastion passages and the new exhibition of the Kiek in de Kök. Construction started on the Environmental Education Centre of the Tallinn Zoo.





## Citizens of Tallinn need to be physically active in order to remain cheerful and healthy

**I**t is essential that the citizens be able to practice various sports and participate in and be a part of sports events. The city therefore deems it important to widen the possibilities of all citizens and especially young persons to be engaged in hobby activities as well as amateur and competitive sports.

In 2010, six sports institutions of the city offered possibilities for sports: the Kadrioru Stadium, Kristiine Sport, Pirita Sports Centre, Tallinn Sports Hall, Lasnamäe Sports Complex and the Nõmme Sports Centre. The sports institutions had 24 sports facilities that allowed for being engaged in very different and diverse sports with respect to amateur and competitive sport; the Kalevi Sports Hall that is in need of renovation was added to these at the end of the year. In 2010, the services were accessible for an average of 10-13 hours per day and seven days a week for sports enthusiasts.

The Nõmme Sports Centre, one of the most used institutions of the city that offers possibilities for recreational sport and leisure, is a modern sports complex that offers year-round diverse possibilities for sports for persons engaged in a healthy lifestyle of various ages as well as sports clubs. Several recreational courses have been constructed for improving the possibilities for sports and spending spare time.

The most popular services of the Pirita Sports Centre are related to the skating rink and health courses. In the winter period, it is possible to skate on the largest outdoor rink

(dimensions 42x42 m) and ski on the best ski tracks in Tallinn prepared with a snow groomer.

73 various sports and cultural events, including 17 international events, were held in Kadrioru Stadium, which is the only stadium in Estonia to hold the Class 2 Certificate of the International Association of Athletics Federations (IAAF). The stadium was used by nearly 25,500 athletes and there were approximately 59,000 spectators of sports events.

All recreational sports events were drawn together to the support programme "Tallinn Moves!" that was launched to support a healthy and moving lifestyle and improve the health of the inhabitants. 233 recreational sports events were organised in the framework of the programme, including orienteering and skiing events, the Tallinn Gymnastics Party (ESS Kalev), Olympic Run, Pirita Folk Triathlon, etc., with a total of 182,000 people participating. Numerous regional sports events, competitions and recreational days were additionally organised in the city districts.

Sports clubs were continually supported in order to organise sports activities for children and young persons aged 4-19, including disabled children and young persons and persons with permanent (at least 40%) incapacity for work, giving 20,035 persons the opportunity to engage in sports in very different fields such as track and field, ball games, wrestling, chess, checkers, water and ice sports, cycling, etc. The activities of 191 sports clubs were supported; the average support per person was 2,850 kroons.





## Sports and youth work

Organising championships for several sports and the already traditional sports events was also supported in Tallinn in 2010. Of the international championships, Tallinn held the European Championship in figure skating, the World Championship in Melges Class 24 sailing, the European Championship in sailing for classes Laser Standard and Laser Radial, etc. However, the SEB Tallinn Autumn Run with 12,249 participants and the first genuine Tallinn Marathon that was the biggest marathon of all time in terms of participants (900 runners) can be considered as the greatest sports events of the year.

Design work for the Nõmme Sports House and the stadium of the Tallinn University of Technology was completed in 2010. Multifunctional development of the Pirita Sports Centre was initiated with the purpose of developing a multifunctional sports centre on the territory of the current cycling track and the Pirita River Valley landscape protection area with conditions and possibilities for engaging in recreational, amateur and competitive sport. Preparation of the detailed plan for the Varraku 14 registered immovable and design work for the ice rink to be constructed on the immovable was initiated.

The purpose of youth work is to offer opportunities for high-quality pastime for young persons in the city and shape healthy lifestyles for children and young persons.

The city offers youth work services in 11 regional youth centres, information centres and information and guidance centres. The most large-scale activity of the youth centres was organising the Youth Week with the purpose of offering various activities during the week and spread information about activities that can be engaged in during extracurricular time in Tallinn and to introduce the youth centres active in Tallinn in a wider scope. The youth centres were visited 565,028 times in 2010. 41 clubs or studios offering hobby activities were active in the youth centres.

The most extensive activities of the youth centres in 2010 were:

- the project “Summer Soup” – warm food was offered to children from deprived families in the Lasnamäe and Kopli youth centres in cooperation with the Nõmme Union for Child Welfare, and the children and young persons were additionally able to participate in the daily activities of the youth centres;
- the charity concert “Get Well, Friend” – funds were raised in the framework of the concert for purchasing art supplies for the Tallinn Children’s Hospital, various children’s choirs and youth choirs performed in the concert and the patron of the event was Uku Suviste; and
- the project “Providing Youth Work Services Through Youth Centres” with the purpose of developing the activities of youth centres operating in the form of open youth work and to enable hobby activities to be performed for young persons with social difficulties aged 7-11 and young people with a risk of social exclusion aged 12-16; in the course of the project, young persons were able to apply for resources to carry out their own ideas, and working life and various occupations were introduced to young persons.

The Youth Information Centre is the only institution in Tallinn that is in charge of administration of citywide information with respect to young persons and communicates information to the young persons of the city and the persons dealing with young persons. There were a total of 360,468 contacts for information and counsel in 2010 with the majority formed by visits to the popular web-based information portal for



young persons [www.taninfo.ee](http://www.taninfo.ee). The Tallinn Youth Information Centre issued six different publications in 2010 with a total run of 66,600 units, organised 18 information events and 116 information hours in schools.

As of 2010, the Tallinn Youth Information Centre and the Tallinn and Harju County Information and Counselling Centre for Young Persons offer the services of career information and counselling. A total of 8,356 young persons received career counselling and career information was communicated to 3,347 young persons in 2010. Career days, seminars and lectures were additionally organised with a total of 5,608 participants.

As of August 2009, the Tallinn Branch of the AHHA Science Centre operates in the premises below the Freedom Square that was visited by more than 72,000 persons (estimate). In 2010, exhibitions of flavours, rescue work, the Euro and the invisible exhibition were held. Workshops were also organised (marzipan and chocolate laboratory, CSI: fingerprints, DNA, etc.), providing the opportunity to gain new knowledge or develop motor skills of hands. The nine-seat 4D cinema capsule was continually open. During the session, it is possible to seemingly race at full speed among snow-covered

mountains, inside the core of the Earth, in space and other locations. The AHHA fulfills a special programme purpose in the youth work of the city by introducing new and innovative approaches and giving knowledge of different subject fields of science to children and young persons. The AHHA Science Centre with its focus on the family supports the title “Child and Youth Friendly City” awarded to the city by the UNICEF.

Youth camps meant for children and young persons of Tallinn were supported. Agreements were entered into with 41 partners to organise the summer youth camps. The amount of the benefit was 40 kroons per participant per day and the number of supported participants was 4,113.

The student brigade that was active for the seventh year had 43 groups in 2010, including 25 groups from outside the city and 18 groups from the city with a total of 800 young persons participating. In addition to the regular strawberry and raspberry picking, tidying up manors, forest cleaning, piling and packing firewood, taking care of forest plantations and landscaping, the year 2010 included care for animals and farm work. Four exterior groups of the brigade were also formed who were active in Rapla, Valga and Järva Counties.





## Social welfare and health care



One of the main goals of the city is ensuring the ability of various groups of citizens to cope socially by aiding and supporting the elderly, the disabled, children and families with children

**T**aking care of everyone in need of support, the city has substantially contributed to social welfare and health services in the last few years. In the conditions of the recession, this field became one of the most high-priority fields in implementing the Tallinn Aid Package.

The population of Estonia as well as Tallinn is continuously growing older. The purpose of welfare services for the elderly is to ensure the ability to cope of people receiving the retirement pension, enable the elderly to live in their homes for as long as possible with the help of open care services and offer a high-quality general care home service. General care home services were provided to 350 people at a time in need of care at the Iru Care Home; 460 citizens of the City of Tallinn in need of care received the service in other care homes all over Estonia. Providing the interval care service was continued in the Iru Care Home on the principle of providing a round-the-clock service in order to support the coping skills of elderly people after being in hospital if care in their homes was impossible due to temporary absence of family members or people closest to them. Providing the alarm button service related to the field of social security was extended to all elderly and disabled people who require the service. As of March 2010, the Tallinn support group for caregivers for family members commenced work under the lead of MTÜ Inkotuba with the purpose of offering knowledge to people providing care to those closest to them at home.

It is essential that all children feel that they are cared for, protected and assisted. The purpose of child welfare is to facilitate providing care for children without parental care in children's homes, providing shelter and rehabilitation services for the children and young people whose parents are suffering from addictions, providing counselling for parents and providing supportive social services for risk families and aid for mothers and children who are victims of family violence. Shelter and rehabilitation services are provided at the Tallinn Centre for Children at Risk with 48 spots for children in need of social rehabilitation and 14 spots for providing shelter services. In 2010, the support person service for disabled children was initiated at the Tallinn Family Centre as a new service and construction of family houses for the children's home was continued.

22,302 disabled people live in the City of Tallinn; 1,407 of them are children. The city supports the coping of disabled people in society by offering transportation services, personal assistant services, work and occupational centre services and organising daily activities and care. Welfare services for disabled people focused on ensuring access to public buildings for people with mobility disability in 2010 in cooperation with the Tallinn Association for people with Mobility Disability. People with mobility disability were provided services for transportation for the disabled to attend work and school and the caregivers of disabled people were enabled to rest by offering interval care. A model for a private school was developed at Käo Day Care Centre for servicing children with multiple disabilities and an application was submitted for receiving an education licence. In order to provide better information for disabled people, the 2nd Tallinn Disabled Fair was organised and training commenced at Tallinn Ambulance for ambulance workers to improve communication with hearing-impaired patients.

Day centres of city districts offer a chance to actively participate in social life; their services are used by the elderly who have been left out active social life, disabled people, children, people directed from social welfare institutions and other risk groups. The domestic services provided by city districts are meant for elderly and disabled people who need care in a social welfare institution if the service did not exist. The city widened the activities of soup kitchens, keeping them open daily if necessary, and ensured meals for people in need of assistance in shelters for the homeless.





## Social welfare and health care

One of the purposes of the Tallinn Aid Package passed in April 2009 was to help people in hardship cope better. The number of beds for inpatient services for people without health insurance was increased, the number of spots in shelters for the homeless was increased, counselling services for people in hardship were extended and preservation of nursery school spots and participation in hobby groups or sports clubs for children from families with difficulties in coping was ensured in the framework of the Aid Package. Clothing aid and domestic supplies were provided to the least privileged people through the programme "Caring Official". Throughout the year, 137.8 million kroons were paid as social benefits to families with children, the elderly and the least privileged families. The rate of the paid benefit was increased from 1,000 kroons to 1,200 kroons in order to compensate for the increase in prices for the elderly and disabled children. The City of Tallinn established a new benefit for families receiving subsistence benefits whose children are attending school in 2010 and supported these families with 500 kroons per child at the commencement of the academic year; 1,300 people received support. The rapid increase of unemployment saw the number of people who needed subsistence benefits rise. While subsistence benefits were paid to 2,636 people in a total amount of 21.4 million

kroons in 2009, the number of people receiving the benefits was 4,463 to a total amount of 56.45 million kroons in 2010.

It is essential to ensure high-quality and accessible first contact care and specialised medical care for all citizens. An inter-sectoral health coalition has been formed at the city level. Three sessions of the coalition have been held under the direction of the Mayor of Tallinn where composing the health profile for Tallinn was discussed and the possibilities of resolving issues raised on the basis thereof, and preparations were made to join the international Safe Community network. The Tallinn Health Profile was created in cooperation with health promoters of city districts, Departments and Offices of the City Government; it is a large-scale document that reflects the current situation of the health of the residents, tendencies of health-related behaviour and com-

mon issues in the field. A profile of the injuries of the citizens of Tallinn was composed in the field of health in 2010; visit fees for children were compensated for medical institutions and home nursing/care services for patients with long-term chronic illnesses were paid for. Nursing services were provided in the social houses of the city in addition to the Iru Care Home. Tallinn City Council adopted the foundation resolution of the Tallinn Municipal Family Health Centre Private Limited Company and design work commenced for the Õismäe Health Centre and Care Clinic in the Haabersti City District.

Tallinn Ambulance is also active as an institution of the City of Tallinn that provided 62,781 responses to emergency calls and ambulance services with 14 ambulance crews in 2010. In the summer months, the ambulance bicycle patrol worked successfully in the Old Town of Tallinn with the purpose of more operatively servicing the street responses often occurring in this city district and to move faster in regions that are hard to access with vehicles. 89 patients were taken abroad and brought back by plane, ship or ambulance. Safeguard services were provided for 124 cultural and sports events.



Six citywide clinical conferences and the international conference AdRisk (prevention of injury among young people and adults) were organised in cooperation with the Social Welfare and Health Care Department and the management boards of hospitals. A citywide conference "The Heart of Man" was organised in cooperation with the Estonian Health Foundation and the conference "Health of School Children" was organised for education workers. A separate cubicle was used to participate in the fair "Child and Family 2010", introducing the reasons for child injuries and the methods of prevention thereof, and practical self-aid and first aid methods were taught.





A high-quality and green physical and social environment is essential for citizens, including the purpose of promoting an environmentally friendly lifestyle

**27%** of the area of Tallinn is covered by greenery. There is a total of 43.3 km<sup>2</sup> of green areas; parks of citywide importance comprise 3.5 km<sup>2</sup> thereof and parks of importance for city districts comprise 11.4 km<sup>2</sup> thereof. The main purpose for property maintenance is creating a network of well-maintained green areas and city forests. For this purpose, the existing parks, green areas and fountains were maintained and reconstructed, and new ones were founded. A tight programme of events was composed to increase the attractiveness of green areas. Apartment associations were supported in tidying up courtyard areas and façades with the purpose of improving the physical and social environment.

A park was established in the area left unoccupied after the demolition of the depreciated nursery school building in the urban region of Karjamaa in Northern Tallinn to provide better possibilities for recreation for the residents of Northern Tallinn; playing equipment for children aged 2-15 and equipment for recreational sports for adults were placed in the park. A sculpture of a cow made of concrete by the sculptor Simson Seakülast was placed in the middle of the centre square of the park. The reconstruction of Kadriorg Park was continued. Approval for the European Union (EU) application for reconstruction of Kadriorg's North-East Pond and shaping the surrounding area into a Japanese garden was received in 2010.

The international Tallinn Flower Festival was held for the second time in 2010 from 21 May to 28 August and visited by over 400,000 people; the purpose of the festival was to restore good floral design traditions and introduce long-term programme activities for promoting the art of floral design. 31 flower gardens on the subjects "Grandmother's Flowerbed" and "Paradise

Garden" were created for the festival. 12 theme days and 14 concerts were organised in the framework of the festival. There are plans to develop the festival into an annual large-scale event that brings gardening and flower enthusiasts to Tallinn from Estonia and around the world. Excursions, concerts and exhibitions were organised in Kadriorg Park in summer 2010 to introduce park art. The cultural programme peaked with the October light festival "Light Treads in Kadriorg". A seasonal ice rink has been open on the Harju Street green area in winter since 2006 to extend possibilities for skating. The ice rink was open from 1 January to 4 April and 14 November to 31 December in 2010. A total of 27,419 people visited the ice rink throughout the year, of whom 4,884 were students.

12.9 million kroons were allocated as benefits for apartment associations in the framework of the ever more popular project "Clean up the Yards", satisfying the applications of 143 apartment associations for property maintenance of their yards. The main property maintenance work performed on the territories of the associations was extension of parking lots and repairs to paths.

The project "Repair the Façades" was commenced in 2010 with the purpose of improving the general appearance of the city and making the apartment buildings more energy-efficient. The self-financing necessary for apartment associations to apply for a loan for renovating the façades of buildings will be covered by benefits of the city. 4.7 million kroons were allocated to apartment associations as benefits in 2010, satisfying the applications of 27 apartment associations.

Successful contests for waste transport were also organised for the first time in 2010 for the former free market regions in Lasnamäe and Mustamäe. Thanks to this, organised waste transport can be implemented in these city districts as well in 2011. The new service prices are more than 50% lower for residents than the previously applicable prices.







## Public water supply and sewerage system



**C**onstructing sewerage systems for previously inhabited regions was finished in 2010. The city has thus fulfilled the requirement imposed on local governments in the EL Directive and the Water Act to ensure the existence of a public sewerage system by 31 December 2010 in order to protect groundwater. In 2010, 15,695 m of water facilities, 50,080 m of sewage facilities and 20,976 m of rainwater facilities were constructed for this purpose in Tallinn, amounting to a total of 87,479 m of water and sewerage facilities. The sewerage system construction work was mainly performed in the Haabersti, City Centre, Kristiine, Nõmme and Pirita City Districts. The city continued granting compensation for joining the public water supply and sewerage system for residents of inhabited regions without a sewerage system. The expenses of joining the public water supply and sewerage system of 1,557 registered immovables were compensated for the residents in a total amount of 216.7 million kroons.



## City economy

### A purposeful dwelling policy and sustainable land use are essential for the interests of the city as a whole

**R**esolving issues related to dwelling problems of the least privileged people was still the most significant course of action in the field of the civic economy. The dwelling issues of sitting tenants were resolved in 2009; this was the main objective of the residential building construction programme “5000 Dwellings for Tallinn”, and fulfilment of the second residential building construction programme commenced. The programme is a part of the larger dwelling policy of the city, focusing on creating lease possibilities of dwellings for workers necessary for the city and young families. 100 young families and workers necessary for the city received a dwelling in the framework of the programme in 2009 and the respective number was 180 in 2010. A total of nine residential buildings are to be constructed on Raadiku Street in 2009-2011 with a total of 1,215 apartments with a total area of 75,148 m<sup>2</sup>. Three residential buildings of the 2nd construction stage were completed in 2010 with 312 apartments and a total area of 19,650 m<sup>2</sup>.

Supporting apartment associations in applying for energy labels for the residential buildings administered by them that was initiated in 2009 was continued. 1.5 million kroons were allocated to 1,001 apartment associations as benefits in 2010, i.e. approximately 1,500 kroons per residential building. The information point for apartment associations was active in the information hall of the City Government where lawyers of the Estonian Union of

Cooperative Housing Associations provided consultation on issues related to apartment associations. Apartment associations were also supported with training benefits. A total of 601,160 kroons were allocated for training 374 managers of apartment associations, i.e. an average of 1600 kroons per trained person.

The city is also obliged to provide for people who are incapable of taking care of themselves. The City of Tallinn has four social housing units for re-socialising homeless people. People who are incapable of economically coping in municipal apartments are likewise placed in social housing units. Creating family homes in order to create a family-centred physical and social environment for children from children's homes that was initiated in 2009 was continued. Five semi-detached houses and two detached houses where children living in the current so-called combination-type children's homes will be housed are planned for construction in various districts of the City of Tallinn in the framework of the project. The first four family homes will be finished in 2011.

The Nõmme Market that was renovated in 2009 was still held in high esteem by the citizens. The Nõmme Market building that was renovated in autumn 2009 burned down to the ground at the end of April 2010. The market faced the spring season with active trading regardless of the accident. All the sales spaces (total of 1,001.4 m<sup>2</sup>) were leased and the open-air counters (174 units) were completely booked until autumn. The market building was restored thanks to the received insurance indemnity and re-opened to visitors in November 2010. The strategic purpose of the activities of the market is marketing goods of Estonian small producers and to also offer cultural entertainment for visitors. In December, the market opened an ice rink with an artificial surface on its territory; it has become a very popular place for recreation for citizens.





# City transport and traffic safety

The public transport of the city is first and foremost organised by transport undertakings belonging to the city. 57 bus lines, four tram lines and eight trolleybus lines are operating in the city to ensure possibilities for moving around the city. At working day peak hours, the lines were serviced by 299 buses, 52 trams and 82 trolleybuses, amounting to a total of 433 public transport vehicles. Four new buses and seven new trolleybuses were put into service on the public transport lines in 2010. Eight used buses, including four articulated buses, were additionally acquired. The annual line mileage was 28.6 million kilometres and 115.4 million passengers were serviced.

The "Tallinn Aid Package for City Residents and Entrepreneurs" was adopted with Resolution No. 71 of Tallinn City Council of 16 April 2009, creating social jobs in the transport operators Tallinna Autobussikoondise AS (hereinafter the TAK) and Tallinna Trammi- ja Trollibussikoondise AS (hereinafter the TTTK) belonging to the city to alleviate employment in Tallinn. An average of 234 travel assistants and 57 cleaners worked for the TAK and 163 travel attendants, 36 cleaners and five support workers worked for the TTTK throughout the year.

The city deems it essential to increase the ease of use of public transport. Preparations were started in the framework of the project "CIVITAS MIMOSA – Making Innovation in

Mobility and Sustainable Actions" that received foreign funding in order to abandon the use of the expensive paper tickets currently used in Tallinn and create a modern electronic ticketing system based on contactless cards.

The projects "Park and Travel" and "School Bus" were continued in order to decrease the traffic load in the city. The "Park and Travel" parking lots are open in the directions of Pirita-City Centre, Õismäe-City Centre, Peterburi mnt-City Centre and Pärnu mnt-City Centre. The project "School Bus" initiated in 2007 for Viimsi was extended to the directions of Vääna-Jõesuu, Tabasalu and Randvere in 2008. The school buses were used daily by an average of 210 students in the years 2009-2010.

3,899 new road signs were deployed and the existing road signs were maintained, the road surface marking was renewed to the extent of 23,350 m<sup>2</sup> and traffic management was improved in order to make traffic smoother and safer. New traffic management was established at Punane Street (Pae Street – Smuuli Tee) and the junctions of Ristiku Street and Piritä Tee – Rummu Street.

There are parking zones in Tallinn. Parking is charged round-the-clock only in the Old Town; the City Centre territory has paid parking on working days from 7:00 to 19:00 and on Saturday from 8:00 to 15:00. There are a total of 6,402 parking places in paid parking areas. It is possible to pay for parking in the public paid parking area of Tallinn in various ways: via mobile phone, by buying a parking ticket from a parking meter or using the previously purchased scratch tickets.

269 round trips on the line Tallinn-Aegna-Tallinn were performed from 15 May to 15 October 2010 with the boat 'Juku' owned by the City of Tallinn and 11,610 passengers were serviced.





## City planning

**I**mplementation of the previously commenced plans for spatial development was continued in 2010. The primary targets were re-exploitation of the areas by the sea by giving them new functions, significant improvements to the quality of city space and preparing city planning projects within the framework of the Capital of Culture 2011. The planning process for the new administrative building of Tallinn City Government was commenced along with composing a detailed plan for the area between the Cultural Cauldron, City Hall and the sea. The purpose is to shape the area of City Hall and the Cultural Cauldron into a new administrative and cultural centre of the capital that would be tightly connected to the future central section of the Tallinn Seafront to be used as the Cultural Kilometre (City Hall – Peetri harbour) and seaside activities.

One comprehensive plan and 99 detailed plans were established in 2010. The number of prepared detailed plans has decreased in the last few years due to real estate market cooling.

Creation of a 3D model of the Old Town was commenced with the support of foreign funding with the general purpose of introducing the City of Tallinn to potential tourists by creating a virtual 3D model of the Old Town along with the respective data. Information regarding the sights and events will become more accessible and attractive to users of the Tallinn Tourism website ([www.tourism.tallinn.ee](http://www.tourism.tallinn.ee)) through 3D visualisation.



## Protection of the environment

**T**he city supported improvement of the environmental condition of the city, learning it and informing thereof in various ways in 2010. A citywide maintenance campaign was organised in the spring with the purpose of cleaning the city of the waste accumulated during the winter. European Mobility Week was organised for the ninth time, this time under the slogan “Move Smarter, Live Better!” Tallinn has held car-free days since 2001 and Mobility Week since 2006. The waste handling campaign “Waste Wolf” was organised in the autumn for the eighth time. The campaign focused on promoting the use of waste-handling plants. The purpose of the campaign was to raise the awareness of people with regard to sorting waste, using waste-handling plants and other aspects related to waste-handling.

The already established environmental educational activities in the nature houses of the Aegna and Tallinn Botanical Gardens were continued in 2010. The Aegna nature house was visited by 1,762 nature enthusiasts in 2010, including 625 students and 549 teachers. 476 students from 14 schools and 21 classes participated in nature studies on five different topics according to the study programme in the nature house of the Tallinn Botanical Garden.

Tallinn joined the strategic document “Treaty of Mayors” supporting the package “Energy for a Changing World” of the European Commission adopted by the European Union on 9 March 2007 that is directed at European cities on the basis of Resolution No. 16 of Tallinn City Council of 05.02.2009. The respective obligations include reduction of CO2 emissions by 20% by 2020 to be achieved as a result of increasing energy efficiency by 20% and using a 20% proportion of renewable energy sources in general energy use. The CO2 emission base levels were determined and the “Tallinn Action Plan for Sustainable Energy Economy 2011-2020” was developed in 2010 in order to achieve this goal.





# Roads and streets

The City of Tallinn has 1,460 road and streets with a total area of 13.2 million m<sup>2</sup>. Road facilities were cleaned on 8.4 million m<sup>2</sup> to ensure that the roads and streets are drivable, including additional maintenance of greenery located on road areas on four million m<sup>2</sup>. Current repairs of road facilities were performed on 166,418 m<sup>2</sup>. The spring/winter and autumn/winter seasons were extremely snowy in 2010. The extreme nature of 2010 is characterised by the snow record of Tallinn: the snow depth was measured at 62 cm at the Tallinn-Harku meteorological sample point on 03.01.2010. 574,479 m<sup>3</sup> of snow were removed from the streets of Tallinn as ordered by the city in 2010.

251.3 million kroons, including foreign aid to the extent of 94.4 million kroons, were used for major repairs and reconstruction of roads in 2010. Implementation of the large-scale project "Reconstruction of the Ülemiste Crossing in Tallinn" with foreign financing was initiated. The technical project for the Ülemiste Crossing was completed in 2010 and tender documents for reconstruction of the Ülemiste Crossing were prepared on the basis thereof. The registered immovables

Filtri Tee 12, Filtri Tee 18 and Juhkentali Street 58 that are necessary to implement the project were acquired and the registered immovables Filtri Tee 9a and Tartu mnt 88a were expropriated. Four public procurements were organised in order to carry out the reconstruction work and agreements were entered into for installation of a 110 kV electrical cable line, construction of a temporary railway, construction of a rainwater collector and water utility lines and reconstruction of the Ülemiste Crossing. Preparatory work for the construction and construction of the rainwater systems was initiated in 2010. The total value of the project is 1.2 billion kroons and the planned end date is in 2013. A transport plan for the City of Tallinn and the immediate surroundings was composed in relation to reconstruction of the Ülemiste Crossing.

Construction of the new connecting road between Veerenni Street and Filtri Tee along with a pathway was finished in 2010 with the support of foreign financing. Excavation and treatment of oil-polluted soil was performed in the area of the connecting road between Veerenni Street and Filtri Tee, supported by the financing of the Environmental Investment Centre. Preliminary building design documentation for performing reconstruction work of the Nõmme level crossing of Pärnu mnt and the preliminary building design documentation and the technical project for the Pääsküla level crossing and an

application for financing from the Cohesion Fund were also composed with the support of foreign financing.

More attention has been paid to the construction of pathways with respect to road construction in the last few years. Construction of the network of pathways of Harju County commenced in 2010 with the support of foreign financing. The largest pathways constructed in Tallinn in 2010 were the Rannamõisa Pathway (Printsu Tee – Tiskre stream) and the pathway of the extension of Tehnika Street (Veerenni Street – Filtri Tee). A total of 7.1 km of pathways were constructed in 2010 of which the Rannamõisa Pathway of 0.4 km along with the Tiskre stream bridge was constructed as an inde-

pendent pathway. Construction was initiated on the pathway of Valdeku Street and Viljandi mnt in 2010 and preparatory work for construction of the Männiku Tee pathway was performed. A pathway was constructed in the course of the reconstruction of Pärnu mnt (Laane Street – Vääna Street).

The largest road sites completed in 2010 without foreign financing were Pärnu mnt (Hiiu Street – Laane Street), Kärberi Street, Keskuse Street, Ristiku Street, Punane Street, Randla Street and Uue Maailma Street. Regional roads and footpaths were additionally maintained in all city districts. As a continuation of the programme for asphaltting the yard areas of nursery schools initiated in 2008, the yard areas of five nursery schools were maintained in 2010 and parking lots were constructed for seven nursery schools.

In the interests of the well-being of citizens and safety of traffic, the lighting of the streets, parks, green areas and other public territories of the City of Tallinn was improved. The duration of use of street lighting was decreased from the required 4,012 hours per year to 3,548 hours, i.e. by 464 hours in 2010 in order to cut expenses. 53,300 lighting fittings are installed for lighting the streets and roads of the city. 900 new lighting fittings were installed in the course of street lighting work. The programme "Safe Pedestrian Crossing" was continued; 272 pedestrian crossings have received special lighting since 2005 as a result, including 56 pedestrian crossings in 2010.







## Public order

**P**ublic order on the administrative territory of the city is ensured by the Tallinn Municipal Police Department. The main objectives of the Municipal Police Departments are detection of misdemeanours, responding to submitted applications and imposing warnings and penalties. The surveillance functions of various institutions were concentrated in the Municipal Police Department along with the respective positions in order to enhance the surveillance system of the city and abolish duplication in 2010. The Parking Inspection Department was formed at the beginning of 2010 with the main purpose of enhancing parking inspection on the city streets to ensure smooth traffic and orderly parking. A School Surveillance Group was created at the beginning of 2010 to inspect the schools of Tallinn.

Video surveillance of the City Centre has been organised for protection of public order and constant surveillance of property maintenance rules. The city cooperates with the Northern Police Prefecture in ensuring safety. Operation of the Tallinn Aid Number 1345

is ensured in cooperation with the rescue centre of the Rescue Board. Citizens' associations and organisations that are active in ensuring safety in the city are also supported. The activities of Neighbourhood Watch were continually supported. Safety of the residents of and visitors to Aegna Island in the summer season was ensured for the sixth consecutive year. Lifeguard services were also organised for all public beaches in Tallinn during the summer season – Pirita, Stroomi, Kakumäe, Harku and Pikakari.



## Business environment and tourism





# Business environment and tourism

The main objectives in the field are support and development of business, increasing competitiveness, reducing unemployment and social employment; promoting the reputation of Tallinn as a tourist attraction, organisation of consumer protection and supervision over the business of the city

Supporting business development was focused on consulting new businesses, increasing the competitiveness of undertakings through cluster cooperation, alleviating the impact of unemployment and social employment. The applications of 197 undertakings were supported for creating new jobs and social jobs, field training instructors and fairs in order to increase business activity and improve the employment situation.

Assisting the creation of inter-sectoral forms of cooperation was continued in cluster development; informative events were supported and organised and the cluster associations created were consulted. Development of cooperation with social partners, including associations of undertakings in a non-profit form, was continued.

The first Aid Package of the City of Tallinn for 2009-2010 gained international recognition and it was chosen as one of the nine best packages from 131 European cities. Approximately 1,110 unemployed people were employed in social jobs created in the undertakings and agencies of the City; around 300 unemployed people were employed in private undertakings thanks to the received benefits; 200 new jobs were created thanks to benefits for acquisition of fixed assets and about 1,400 unemployed people found short-term public work. The resources of the European Social Fund were used in cooperation with the Unemployment Insurance Fund to improve the employment conditions in Tallinn, provide counselling for unemployed people, provide in-service training, language learning

and retraining and pay the wage subsidy; co-financing for social jobs was partially applied for and received from the European Social Fund through the Unemployment Insurance Fund. Paying social benefits to compensate the increase in prices of thermal energy consumed for heating apartments via the district heating network was initiated in order to reduce housing expenses and compensating the increase in the price of water for the least privileged residents of Tallinn was continued.

Tallinn City Council adopted the "Second Tallinn City Aid Package for Citizens and Entrepreneurs 2011-2012" in December 2010 that focuses on six fields, similar to the first Aid Package: alleviating unemployment, benefits and social welfare, counselling for people in difficulty, decrease of housing expenses, support of business and consumer protection.

In 2010, the former direction in spreading consumer education was continued and a second citywide information day for consumers was organised with the purpose of thoroughly introducing consumer rights to the

citizens of Tallinn. The Price and Consumer Protection Service gave advice to residents and entrepreneurs, settled 3,479 submitted complaints and inspected 1,724 places of sale for retail and street trading and service and catering facilities. In-depth preparations for the changeover to the euro were initiated in the second half of the year by coordinating the amendment of the necessary legislation, advising entrepreneurs and additionally informing the public.

46 events for marketing with regard to the business environment were organised in 2010. The most important event of the year was Tallinn Entrepreneurship Day, which promoted enterprising spirit and gave recognition to entrepreneurs. The main topic of the day was cooperation; various exhibitions, meetings and seminars were dedicated to the topic. Labour Exchange and Labour Fair events and information days for unemployed people were organised in the framework of the Tallinn Aid Package and a handbook was composed for the unemployed.

The purpose of business incubators is to increase the competitiveness of new undertakings and enliven business in the city, offer a favourable and high-quality working environment (premises and infrastructure) for undertakings during the initiation period as well as supportive services. The Ülemiste and Kopli business incubators as well as the Creative Incubator were successful in their operations. As a token of significant recognition, the Creative Incubator was awarded the 2nd prize in the international contest "Best Science-Based Incubator 2010".

The purpose of tourism marketing is increasing the international and local profile of Tallinn as a tourism destination by means of accessibility of high-quality tourism information. In 2010, foreign tourists spent a total of two million nights in the accommodation establishments of Tallinn; this is the best result of all time. Tallinn was showcased in 31 marketing events for recreational tourism and international conference/incentive-based marketing events in Europe and Asia; two marketing campaigns introducing Tallinn as a tourism destination were launched in Russia and Finland. The Tourism Information Portal, in eight different languages, is constantly accessible and updated and renewed constantly. At the beginning of the summer, the mobile application tallinn.mobi (in four languages) was completed, and Tallinn additionally uses social media channels for tourism marketing such as Facebook, Twitter, Flickr, Vimeo, YouTube and Squidoo.

The Tallinn Card offers visitors the opportunity to become acquainted with the history and cultural heritage of the city in over 100 different ways in the course of 6, 24, 36 or 72 hours. 65,291 visits were registered by partners of the Tallinn Card in 2010. 83% of clients consider the price/quality ratio of the card to be good or very good.





## Unconsolidated balance sheet

Thousand kroons, as of 31 December

	2010	2009 adjusted	2008 adjusted
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and bank	365,997	86,594	435,444
Financial investments	0	0	29,100
Taxes and fines receivable	417,667	383,266	424,699
Loans receivable	26	48	1,694
Other receivables and prepayments	153,337	156,002	117,187
Inventories	280	381	417
Fixed assets for resale	0	13,385	70,392
<b>TOTAL CURRENT ASSETS</b>	<b>937,307</b>	<b>639,676</b>	<b>1,078,933</b>
<b>FIXED ASSETS</b>			
Holdings in foundations	136,447	136,803	136,729
Holdings in subsidiaries and affiliates	1,411,807	1,467,019	1,659,172
Long-term financial investments	3,967	3,967	3,967
Long-term taxes and fines receivable	659	2,320	0
Other long-term receivables and prepayments	25,145	70,196	122
Investment properties	1,076,526	1,257,609	1,392,422
Tangible fixed assets	15,386,289	15,775,040	15,615,827
Intangible fixed assets	11,595	11,673	7,740
<b>TOTAL FIXED ASSETS</b>	<b>18,052,435</b>	<b>18,724,627</b>	<b>18,815,979</b>
<b>TOTAL ASSETS</b>	<b>18,989,742</b>	<b>19,364,303</b>	<b>19,894,912</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade creditors	355,230	268,994	270,626
Employee-related payables	268,910	283,292	330,924
Taxes and fines payable and prepayments received	603	84,633	104,995
Other payables and prepayments received	131,513	35,248	51,741
Provisions	11,069	21,527	10,987
Loans payable	231,624	231,210	215,613
Derivatives	23,290	29,479	12,064
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,022,239</b>	<b>954,383</b>	<b>996,950</b>
<b>LONG-TERM LIABILITIES</b>			
Provisions	1,017	18,868	40,168
Loans payable	3,462,034	3,477,592	3,217,390
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>3,463,051</b>	<b>3,496,460</b>	<b>3,257,558</b>
<b>TOTAL LIABILITIES</b>	<b>4,485,290</b>	<b>4,450,843</b>	<b>4,254,508</b>
<b>NET ASSETS</b>			
Hedge reserve	-20,128	-25,593	-13,305
Accumulated surplus	14,524,580	14,939,053	15,653,709
<b>TOTAL NET ASSETS</b>	<b>14,504,452</b>	<b>14,913,460</b>	<b>15,640,404</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>18,989,742</b>	<b>19,364,303</b>	<b>19,894,912</b>

## Unconsolidated income statement

in thousands of kroons, per annum	2010	2009 adjusted
<b>OPERATING INCOME</b>		
Taxes	3,842,126	3,972,805
Products and services sold	962,625	974,353
Grants received	1,236,195	1,139,720
Other income	91,448	73,813
<b>TOTAL OPERATING INCOME</b>	<b>6,132,394</b>	<b>6,160,691</b>
<b>OPERATING EXPENSES</b>		
Grants awarded	-1,274,290	-1,257,434
Staff costs	-2,309,311	-2,454,159
Administrative expenses	-1,830,645	-1,907,760
Other expenses	-299,255	-395,412
Depreciation and revaluation of fixed assets	-1,140,729	-1,288,439
<b>TOTAL OPERATING EXPENSES</b>	<b>-6,854,230</b>	<b>-7,303,204</b>
<b>OPERATING PROFIT/LOSS FOR FINANCIAL YEAR</b>	<b>-721,836</b>	<b>-1,142,513</b>
<b>FINANCIAL INCOME AND EXPENSES</b>		
Interest expenses	-142,812	-160,974
Gains/losses from shareholdings	115,077	47,281
Income from deposits and securities	298	14,393
Other financial income and expenses	-139	-88
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>-27,576</b>	<b>-99,388</b>
<b>PROFIT/LOSS FOR FINANCIAL YEAR</b>	<b>-749,412</b>	<b>-1,241,901</b>

## Unconsolidated cash flow statement

(indirect method)

in thousands of kroons, per annum	2010	2009 adjusted
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>OPERATING PROFIT/LOSS FOR FINANCIAL YEAR</b>	<b>-721,836</b>	<b>-1,142,513</b>
<b>ADJUSTMENTS</b>		
Depreciation and write-offs of fixed assets	1,140,729	1,288,439
Gains/losses on sales of fixed assets and non-monetary targeted financing awarded	-52,591	1,013
Targeted financing received for acquisition of fixed assets	-157,287	-100,509
Targeted non-monetary financing received for acquisition of fixed assets	0	-146
Change in uncollectible loan receivables	-107	-1,093
Net change in current assets	-28,729	58,153
Net change in liabilities	56,808	-71,308
<b>TOTAL CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>236,987</b>	<b>32,036</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Paid for fixed assets (excl. financial investments and holdings)	-199,747	-777,917
Received from sales of fixed assets (excl. financial investments and holdings)	141,240	92,313
Paid upon acquisition of financial investments	0	-423
Received from sales of investment properties	0	29,600
Paid upon acquisition of shareholdings	0	-700
Received from sales of shareholdings and reduction of share capital	54,007	31,000
Dividends received	178,738	85,060
Loans repaid	129	2,740
Interest received and similar financial income	317	15,822
<b>TOTAL CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>174,684</b>	<b>-522,505</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Received on account of bond issue	216,001	491,303
Paid upon redemption of bonds	-123,598	-123,598
Loan repayments	-92,404	-77,508
Capital lease principal payments made	-1,356	-1,819
Repaid under concession contracts	-13,787	-12,735
Targeted financing of fixed assets received	24,726	34,516
Interest paid and similar financial expenses	-141,850	-168,540
<b>TOTAL CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-132,268</b>	<b>141,619</b>
<b>NET CASH FLOW</b>	<b>279,403</b>	<b>-348,850</b>
Cash and cash equivalents at beginning of period	86,594	435,444
Change in cash and cash equivalents	279,403	-348,850
Cash and cash equivalents at end of period	365,997	86,594





# Budget of the City for 2010 and Its Execution

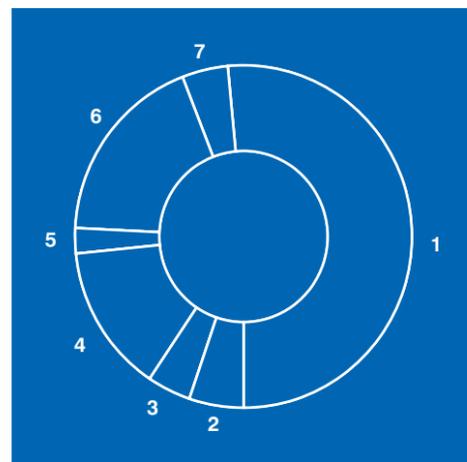
The budget of the City of Tallinn for 2010 was approved in December 2009 (Regulation No. 47 of the City Council dated 17 December 2009). The budget for 2010 was amended twice with regulations of the City Council (Regulation No. 39 of the City Council of 22 June 2010 and Regulation No. 55 of the City Council of 18 November 2010). Additionally, the budget was specified by orders of the City Government on the basis of the authorisation of the City Council during the financial year, approving the division of state budget appropriations, resources appropriated to the city on the basis of agreements and donations received by institutions of the city (Order No. 476-k of the City Government of 30 March 2010, Order No. 1087-k of 22 June 2010, Order No. 1460-k of 29 September 2010, Order No. 2059-k of 29 December 2010 and Order No. 94-k of 26 January 2011) and the transferable expenditures from the financial year 2009 were transferred to the financial year 2010 (Order No. 476-k of the City Government of 30 March 2010).

## Income

Pursuant to the Rural Municipality and City Budgets Act, the revenue base of local governments is formed of tax revenue, revenue from sales of goods and services, fees, revenue from sale of assets, income on assets, benefits and other income.

The final volume of income for the budget of the year 2010 amounted to 6,634,170 thousand kroons and the execution of the budget was 6,311,742 thousand kroons, i.e. 95.1% of the planned execution.

### Structure of income in 2010



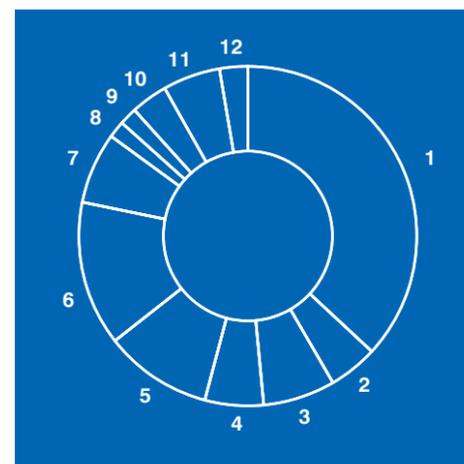
1	Income tax	51,5%
2	Land tax	5,2%
3	Local taxes	4,2%
4	Sales of goods and services	14,0%
5	Foreign financing	2,4%
6	State funding	18,3%
7	Other income	4,4%

## Operating expenses

The final volume of the operating expenses for the budget of the year 2010 amounted to 5,940,570 thousand kroons plus an additional 45,858 thousand kroons transferred from the year 2009 to 2010. The execution of the operating expenses of the year 2010 along with expenses transferred from 2009 amounted to 5,844,250 thousand kroons, i.e. 97.6% of the final volume of the operating expenses of the budget. The operating expenses not executed in 2010 and designated as transferrable in the budget were transferred to the financial year of 2011 in the amount of 69,718 thousand kroons, i.e. 4,455,820 euros (Order No. 360-k of the Tallinn City Government of 9 March 2011).

The largest proportion of the operating expenses of the city was planned for education (36.9%), followed by expenses on public transport (13.8%) and social welfare (10.3%). A comprehensive overview of all the events that took place in the various fields of activity of the city is presented in the management report.

### Structure of operating expenses by fields, 2010



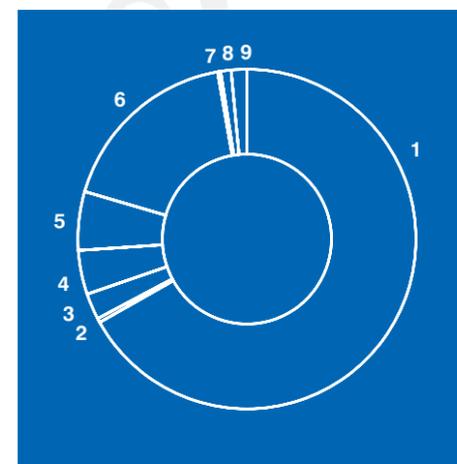
1	Education	36,9%
2	Culture	4,7%
3	City administration and support services	6,9%
4	Roads and streets	5,6%
5	Social welfare	10,3%
6	City transport	13,8%
7	Other	6,8%
8	Health care	1,6%
9	Maintenance	1,7%
10	City economy	3,5%
11	Utility networks	5,5%
12	Sports, recreation and youth work	2,7%
<b>Others, including:</b>		
	City planning	0,7%
	Business environment	1,2%
	Public order	0,9%
	Environmental protection	0,4%
	Other utility costs	0,3%
	Other economy and other fields	3,3%

## Investments

The volume of the specified budget of the investment activities for 2010 amounted to 613,251 thousand kroons. Additionally, unexecuted investment projects of the budget of 2009 amounting to 45,621 thousand kroons were transferred to 2010. The final volume of investment activities for the budget of the year 2010 therefore amounted to 658,872 thousand kroons and the execution thereof was 375,774 thousand kroons.

In addition to the investment activities of the city, the city performs investment projects in cooperation with the private sector in order to renovate school buildings, build municipal residences, develop the public water supply and sewerage system of the city and build civil engineering works for rain water. In 2010, the volume of expenses for these projects amounted to a total of 497,840 thousand kroons.

### Structure of investment projects by fields, 2010



1	Roads and streets	66,9%
2	Housing economy	0,4%
3	City economy	2,5%
4	Support services	4,2%
5	Education	5,6%
6	Culture	17,7%
7	Sports and leisure time	0,3%
8	Social welfare and health care	1,0%
9	Maintenance	1,5%

## Credit rating and loan burden of the city

One of the central documents with regard to development of the city is the budgetary strategy of the city drawn up and approved by the City Council since 2001; the strategy also specifies the loan strategy of the city for the next three years. The investment priorities of the City are determined in its development plan.

Throughout the years, the city has followed the objective of maintaining a stable level of investments. Local governments were allowed to use foreign resources pursuant to the Rural Municipality and City Budgets Act. Arising from the restrictions imposed by the amendments to the Rural Municipality and City Budgets Act that were established in March 2009, the city has only used foreign resources for partially refinancing the existing debt obligations in 2010.

In 2010, the city issued debt instruments in the amount of 216 million kroons (13.8 million euros) for a period of ten years with an interest margin of 1.3%.

The average weighed life cycle of the loan portfolio of the city was 10.7 years as of 31.12.2010 and the average weighed margin was 0.73%.

In 2010, the loan burden of the city formed 56.2% (the limit permitted by legislation is 60%) of the income from operating activities.

Moody's Investors Service has rated the credit rating of the city and the rating has been updated annually since 2007 in order for the credit rating determined for the city to reflect the actual financial situation of the city. In 2010, the rating agency approved the rating of the city at the former level (A3) and rated the rating outlook as stable again.

The majority of the reimbursements for debt obligations of the city were constituted of reimbursements for budgetary loans in 2010, amounting to 216,003 thousand kroons; reimbursements for financial lease merely constituted 1,356 thousand kroons of the reimbursements for the debt obligations.

As a result of the structure of the loan portfolio that is long-term and involves balanced reimbursements, the city has always remained within the limits of the established restrictions for servicing loan obligations – the respective ratio of the city has always been below 10% and stayed at around 6% during the last few years. The Moody's rating agency has also given a positive assessment to the good structure of the loan portfolio of the city.

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Design: Viis Vaala OÜ



