

Baseline Questionnaire— Community Profile

Armavir

GENERAL FEATURES OF COMMUNITY

Armavir is the administrative center for Armavir *marz* and is located approximately 44 kilometers due west of Yerevan on highway M-5.



General Executive Summary

Armavir is a city of 32,500 people with nearly 5,000 households. Like many other Armenian cities outside of Yerevan, Armavir has had difficulty in rebuilding its manufacturing sector after the fall of the Soviet Union and the markets it represented. Consequently, agriculture has become about half of the local economic base and appears to be relatively stable. Small commercial businesses, services, and industries have lagged behind the agriculture sector in growth and development of jobs. Tourism development may be an option because of the city's proximity to Yerevan.

Armavir has a first-term mayor and 40 percent new council members. Given the size of the community, the city has a relatively modest workforce of 59 employees. However, the 59 employees do not include employees of the city's wholly owned enterprises. Recently the city has had a very modest population increase. The increase seems to reflect the closeness to Yerevan; commuters can afford housing in Armavir yet commute to work in Yerevan.

City Hall is fairly well equipped with computers and office equipment. The city also has good access to the Internet. The software being used is an older version of the Information Systems Development Training Center (ISDTC) Office Works, and the budget is kept on Microsoft Excel spreadsheets.

The city is currently not working with any international donor programs. The city works with local nongovernmental organizations (NGOs) and civil society organizations (CSOs) to address specific problems. The local council has not had any public relations training, nor does it have its own rules of procedures.

Armavir revenues appear to be growing slightly overall. A strong growth of local land and property tax collection indicates progress in local (own source) revenues. The 12 percent increase in revenues for 2004 reflects a grant for capital improvement. The contribution from land and property tax more than doubled in the 3 years from 2003-2005, from 7.6 percent to 15.8 percent of the city's total actual revenues. Because Armavir contracts out tax collection, its land and property tax collection is 15 percent higher than shown in the tax collection revenue figures.

Armavir has established an internal control system and has adopted local legislation to regulate the sale or lease of property. However, it does not have an asset management program.

Commercial borrowing has not been used to finance capital investments. Projects in the community plan are unfunded and depend on national government subventions¹ or donor funding. There is little citizen participation in the annual budget preparation and adoption process. Improvements can be made by publishing and distributing a budget in brief to inform citizens about where revenues originate and how expenditures are allocated.

Armavir’s water and sewer services are provided by a local company, Nor Akunk, which is a joint stock company. The company is made up of a consortium involving local investors and KfW (a German bank). The city is also a part owner with 20 percent of the stock. Other basic services such as solid waste collection, street lighting, street cleaning and repairs, and cemetery maintenance and operation are carried out by a wholly city-owned enterprise, Barekargum, which also maintains the city-owned landfill.

The city provides education and culture that includes 12 kindergartens, three music schools, and three sports schools. Other city facilities include four libraries and two community centers.

Armavir has three local TV stations and a local newspaper and is served by the national press. The city has established a Press and External Relations Department. The city produces a periodic newsletter of events, issues, and meetings and posts these at places where foot traffic is highest. The Law on Freedom of Information is the only guide on dissemination of information. The Armavir local government staff and council have received some training relative to public and media relations and information handling. However, the person who received the training has left city employment.

Table 1-1. Key Contacts

Title	Name	Phone #
Mayor	Ruben Khlgatyan	(0237) 6-36-54; (091) 42-61-63
Deputy Mayor	Khachik Mktchyan	(0237) 6-26-34; (091) 21-74-12
Chief of Staff	Rafik Dolinyan	(0237) 6-38-69

Table 1-2. General Information

Item	Number	Yes	No
Population 2002 census	35,200		
Number of households	4,963		

¹ Subventions are national government grants for capital projects.

Item	Number	Yes	No
Area (est.)	1,250 hectares		
Certification of boundary			X
Term of mayor (1st, 2nd, etc.)	1st term		
Number of local council members	15		
Number of local council members reelected	9		

Table 1-3. Gender Mix of Council and City Staff

Office	No. of Males	Percent of Total	No. of Females	Percent of Total
Mayor	1	100		
Local council	15	100		
Staff of City Hall	4	40	6	60
Total	21	71	6	29

Figure 1-1. Organization Chart of Local Government

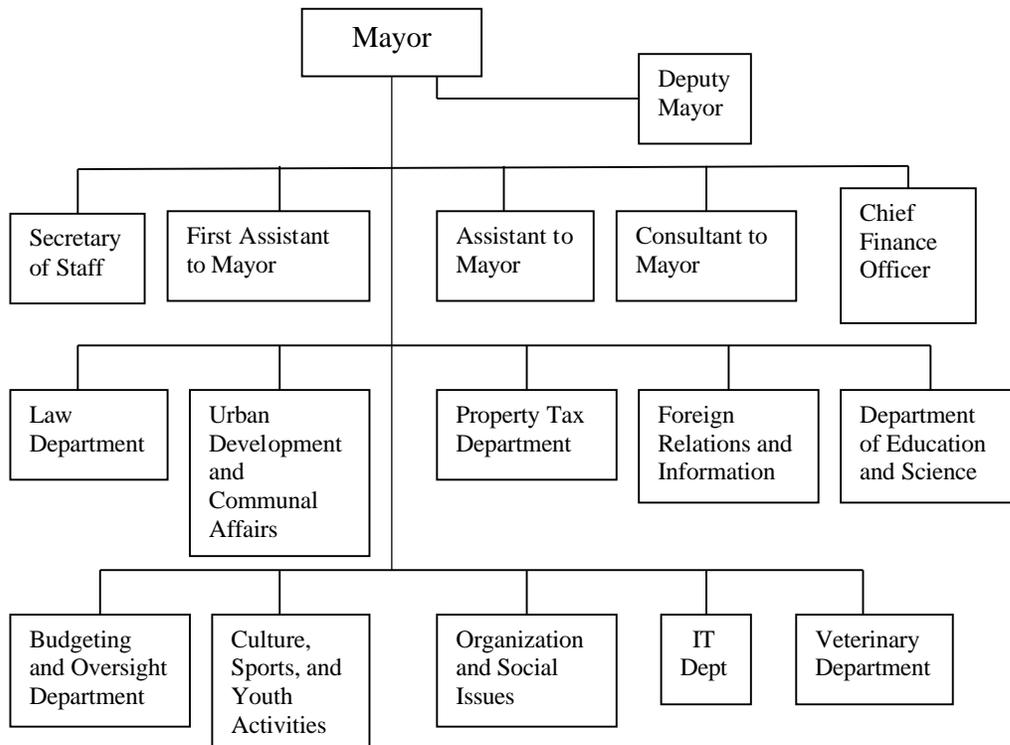


Table 1-4. Economic Base of City

Sector	Estimated Percentage of Local Activity
Agriculture	50
Transportation	5
Tourism	0
Industry (Light and Heavy)	10
Services	30
Small Commercial	5
Other	0
Total	100

The local unemployment rate is 15 percent with an estimated 6,000 working outside the city or country.

Figure 1-2. Armavir Economic Activity by Sector

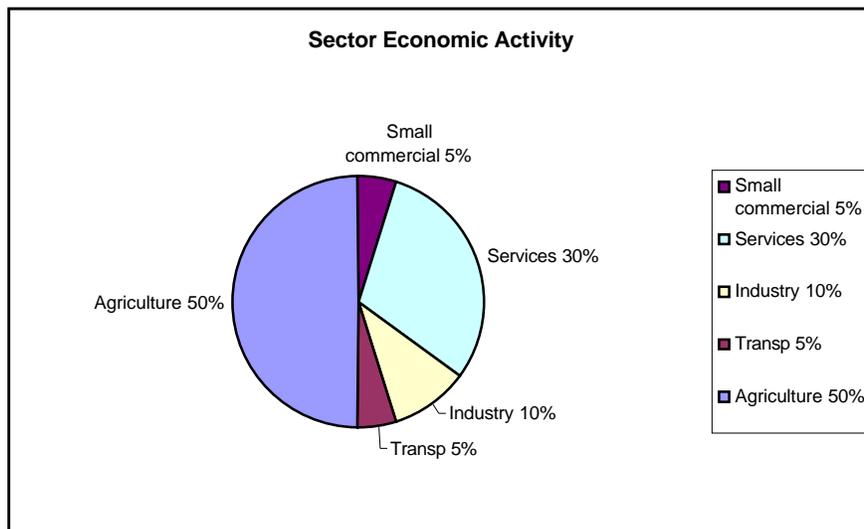


Table 1-5. Computer and Office Equipment of Local Government

Equipment Type	Number	Yes	No
Notebook computers	0		
Desktop computers	12		
Servers	2		
Networked		X	
Copiers	2		

Equipment Type	Number	Yes	No
Fax machines	1		
Internet service		X	

Table 1-6. Computer Software in Use

Software Function	Yes	No
Word processing	X	
Microsoft Excel	X	
Specialized budget		X
Geographic information systems (GIS)		X
Citizen registry	X	
Office Works by Information Systems Development Training Center (ISDTC)	X	

Table 1-7. USAID or Other Donor Programs Active in Community

Donor	Type of Program
None currently	

Table 1-8. Active Nongovernmental Organizations or Civil Society Organizations

NGO or CSO	Type of Cooperation or Service with Local Government
Association of Women	Consultative
Association of Veterans	Consultative
Native Armavir Peoples Association	Consultative
Development Center of Armavir	Consultative

CSO = civil society organization ; NGO = nongovernmental organization

Table 1-9. How the City Receives Information about Adopted Legislation

Source	Yes	No
IRTEK (Legal Information Center)	Information not provided	
LGU associations	Information not provided	
<i>Marzped</i>	Information not provided	
National Assembly	Information not provided	
Other (newspapers, TV, etc.)	Information not provided	

LGU = local government unit

COMPONENT TWO

LOCAL GOVERNMENT FINANCIAL MANAGEMENT SYSTEMS

Executive Summary

Armavir revenues appear to be growing slightly overall. Strong growth of local land and property tax collection indicates progress in local (own source) revenues. The 12 percent increase in revenues for 2004 reflects a grant for capital improvement. The contribution from land and property tax has more than doubled in the 3 years (2003-2005), from 7.6 percent to 15.8 percent of the city's total actual revenues. Because Armavir contracts out its tax collection, its land and property tax collection is 15 percent higher than shown in the tax collection revenue figures.

Armavir has established an internal control system and has adopted local legislation regulating the sale or lease of property. However, it does not have an asset management program.

Commercial borrowing has not been used to finance capital investments. Projects in the community plan are unfunded and depend on national government subventions or donor funding. There is little citizen participation in the annual budget preparation and adoption process. Improvements can be made by publishing and distributing a budget in brief to inform citizens about where revenues originate and how expenditures are allocated.

Table 2-1. Revenues and Expenditures, 2003–2005—Planned

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)
2005	291,094,100	7,277	333,656,800	8,341
2004	251,332,900	6,283	332,041,900	8,301
2003	368,871,000	9,222	285,792,600	7,145

AMD = Armenian drams

Budget figures include both operating and capital budgets. Budget figures not adjusted for inflation.

* Based on census population figures.

Table 2-2. Revenues and Expenditures, 2003–2005—Actual

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)
2005	340,434,000	8,511	298,462,100	7,462
2004	402,917,900	10,073	360,355,200	9,009
2003	343,619,900	8,591	251,991,100	6,300

AMD = Armenian drams

Budget figures include both operating and capital budgets. Budget figures not adjusted for inflation.

* Based on census population figures.

Table 2-3. Property Tax Collections, 2003–2005

Fiscal Year	Property Tax (AMD)	Per Capita* (AMD)
2005	53,946,100	1,349
2004	43,698,400	1,092
2003	26,070,200	651

AMD = Armenian drams

Budget figures not adjusted for inflation. * Based on census population figures.

Table 2-4. Property Tax Collection Process

Activity	Amount	Description
Percentage error in property tax data	N/A	Department of Property Tax Registration, Services and Collection oversees. In addition, contracted staff was hired to foster tax collection
Who collects the property tax?	Contracted staff	The city has contracted tax collectors
Tax collection	All	Outsourced to contracted tax collectors
Tax collection commissions	15%	Commission to contracted tax collectors
Tax collection problems		Collection of taxes for previous years and past debts

Table 2-5. Budget Process

Activity	Amount	Yes	No
Borrowed money from a bank			X
Citizen participation in formation of the budget			X
Citizen participation in adoption of the budget			X
Produced a budget in brief			X
Funding for projects in the community development plan			X

Table 2-6. Asset Management

Activity	Amount	Yes	No
Asset management plan developed			X
Local legislation regulation for sale or lease of property		X	
Public announcement of sale or lease of property		X	
Sale or lease of municipal property	18,255,800 AMD leased land and property 17,156,100 AMD sold land and property		

Activity	Amount	Yes	No
Number of responses received	169		
City has real estate market information for sale or lease of property		X	

AMD = Armenian drams

Table 2-7. Anticorruption Effort

Activity	Description
Who do citizens report suspected corruption to?	Mayor or <i>marzpetaran</i>
Have there been any reports of possible corruption?	No
Are procurement bids published?	Yes
Are the advertisements posted in locations and in ways to solicit the maximum number of competitive offers?	No
How many bids are sought?	Auctions, a minimum of two bids
Are bid evaluation committees staffed with professionals to review offers?	Yes (combination of city council and staff)
Are the winning bids announced publicly?	Yes
What are the most useful criteria used by the city for accepting an offer for goods or services?	Experience of firm Financial condition of the firm Track record
Is there an internal control system in place	Yes
Who is the internal auditor and who does he report to?	Chief Financial Officer per MOFE Decree # 934 "Procedures on Internal Control" [need two answers here: who the auditor is and who he reports to]
How is the collection of cash handled?	Receipts are issued; receipts are numbered and stamped

COMPONENT THREE

PUBLIC SERVICE DELIVERY

Executive Summary

Armavir’s water and sewer services are provided by a local company, Nor Akunk, which is a joint stock company. The company is made up of a consortium involving local investors and KfW (a German bank). The city is also a part owner with 20 percent of the stock. Other basic services such as solid waste collection, street lighting, street cleaning and repairs, and cemetery maintenance and operation are carried out by a wholly city-owned enterprise, Barekargum, which also maintains the city-owned landfill.

The city provides education and culture services that include 12 kindergartens, three music schools, and three sports schools. Other city facilities include four libraries and two community centers.

The municipal enterprise serves approximately 15,000 of the total population of 40,000 (38 percent coverage). An average of 7 m³ of solid waste is generated per customer per year, or about 7,200 tons of solid waste per year. The total waste stream collected divided by the number of persons served is approximately 0.48 kilograms of solid waste per person per day. This fits the generally accepted standard of 0.5 kilograms of solid waste per person per day for the whole country. One cubic meter solid waste is approximately 200-300 kilograms, provided there is no extra moisture in the material.

The waste collection fee is 60 drams per person per month. The 15,000 customers should generate approximately 10,800,000 drams per year, while the city budget pays the remainder of the operating costs. The actual fee collection for 2005 was reported to be 8,000,000, but expenditures were reported at 49,000,000 drams. Assuming this amount is accurate, actual fees collected cover 16 percent of the cost of waste collection.

Table 3-1. Basic Services Provided by the City

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Solid waste collection	Barekargum *	15,000 under contract	85	Budget and fees
Landfill operations	Barekargum	Entire city		Budget
Street cleaning	Barekargum	Entire city		Budget
Landscaping	Barekargum	Entire city		Budget
Cemetery	Barekargum	Entire city		Budget
Kindergartens (12)	City	885	220	Budget

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Music schools (3)	City	470	79	Budget
Libraries (4)	City	Entire city	20	Budget
Sports schools (3)	City	Not available	49	Budget
Community centers (2)	City	Entire city	19	Budget
Water and wastewater	Nor Akunk JSC **	Entire city and neighboring villages	100-150	Budget and fees

*City-owned enterprise ; ** 20 percent owned by city .

Table 3-2. Environmental Operations

Service or Activity	Cited or Fined	Not Cited or Fined
Water treatment and supply		X
Wastewater collection		X
Solid waste collection		X

Table 3-3. Collection Rates for Services

Service	2003	2004	2005	Remarks
Solid waste collection	20%	40%	78%	Service is subcontr acted
Kindergarten	16%	16%	16%	The city collects 16 percent as a fee and the rest comes from the budget
Music school	16%	16%	16%	
Sports school	16%	16%	16%	

COMPONENT FOUR

STRENGTHENING LOCAL GOVERNMENT PUBLIC RELATIONS

Executive Summary

Armavir has three local TV stations and a local newspaper and is served by the national press. The city has established a Press and External Relations Department. Primary functions of this department are to work with staff and council in presenting programs and announcements on local TV. However, there is no set of specific written policies for handling public relations. Council meeting dates, times, and agendas are presented in local TV public service announcements. The city produces a periodic newsletter of events, issues, and meetings and posts these at places where foot traffic is highest. There is no general circulation of the newsletter.

The Law on Freedom of Information is the only guide on dissemination of information. The Armavir local government staff and council have received some training relative to public and media relations and to information handling; however, the person who received the training has left city employment. Comments and suggestions are received by the external relations and press department, whereas requests for service and complaints are directed to the appropriate department through the mayor's office. Communication with the mayor's office is tracked manually.

The city has not carried out a customer satisfaction survey of its citizens relative to municipal services.

Table 4-1. Access to Local Media

Media Type	Yes	No
Television (three stations): ALT, Noy Hayastan, and MMN	X	
Radio		X
Newspaper (one local): Hairenakanch; also national newspapers	X	

Table 4-2. Local Government Public Relations Responsibility and Capacity

Activity	Amount	Yes	No
Established public relations responsibility		X	
Aware of the freedom of information (FOI) law		X	
Received training on FOI law		X	
Established an information center			X
Track citizen requests for information or service, or complaint		X	

Activity	Amount	Yes	No
Manual tracking system		X	
Average monthly inquiries, service requests , and complaints	125		
Timely response to FOI requests	90%		
City has an information board			X
City Hall has a directory			X
City staff access to citizens (TV, public meetings, etc.)		X	
City produces a newsletter for residents		X	
City presents the budget to citizens		X	
Youth involvement in local government activities			X
City collaborate s with local NGOs		X	
City Hall office numbers are published or otherwise made available to citizens			X

COMPONENT FIVE

ASSISTANCE TO LOCAL COUNCILS

Executive Summary

Armavir’s local council has not received training about the roles and responsibilities of local councils, nor are new council members given a new member orientation. The local council has not established a set of rules of procedures by which to govern its activities.

The local council is made up of 15 male members, 6 of which are newly elected. Newly elected council members do not receive any type of training or orientation prior to taking office.

Table 5-1. Local Council Composition and Contact Numbers

Council Member	Gender	Contact Information
1. Edik Israyelyan	male	
2. Radik Margaryan	male	091-41-83-60
3. Stepan Davtyan	male	091-43-72-30
4. Garnik Asatryan	male	091-41-45-92
5. Matsik Baghdasaryan	male	091-34-13-23
6. Atom Piloyan	male	091-43-31-10
7. Artyom Eghoyan	male	093-24-45-45
8. Samvel Poghosyan	male	091-57-00-06
9. Gagik Shirvanyan	male	091-33-53-00
10. Simon Simonyan	male	091-20-28-90
11.Samvel Hovhannisyan	male	091-42-34-75
12. Pargev Hasratyan	male	091-40-39-65
13.Sevak Minasyan	male	093-24-08-10
14.Artyom Gabrielyan	male	091-43-31-10
15.Lernik Harutyunyan	male	093-35-00-03

Table 5-2. Council Training and Selected Practices

Item or Activity	Yes	No
Are established rules of procedure s in place?		X
Have council members received training on the role and responsibilities of council ?		X
Do newly elected council members receive an y training?		X
Do council members receive meeting agendas 3 days prior to public meetings ?	X	
Are meeting agendas and time and place publicized prior to the meetings ?	X	
Do citizens actively participate in council meetings ?		X
Are minutes of council me etings open to public ?	X	
Does the council participate in the strategic planning for the city ?		X
Does the council conduct service oversight hearings ?	X	
Have council members participated in publicizing issues ?	X	
Are council members knowledgeable of c ity operations ?	X	
Does the council receive legal guidance on passing local laws ?	X	
Do council members meet with constituents regularly ?	X	
Is there a place at City Hall where council members can meet with constituents ?		X
Has the council used advisory committees, focus groups , or special problem workgroups?	X	
Does City Hall have a place for council members to receive mail or other communications ?		X
Does the city have an attorney on staff ?	X	
Has the city had difficulty in passing local legislatio n in conformance with national laws ?		X
Does the city council meet at least every 2 months?	X	
Does the city council meet more frequently (monthly) ?	X	
Has the council responded to resident input on the budget ?		X
Is there local legislation regulating procurement?		X