

Baseline Questionnaire— Community Profile

Martuni

GENERAL FEATURES OF COMMUNITY

Martuni is located approximately 130 kilometers from Yerevan at the junction of highways M-10 and M-11. The community is located in Gegharkunik *marz* on the south edge of Lake Sevan.



General Executive Summary

The newly elected Mayor is Bagrat Harutiunyan. The local city council has 11 members, 4 of whom were reelected in 2005. City Hall administration has 30 employees.

The community has a population of 14,500 living in 3,600 households. About half of the local economy is based on agriculture, with the remainder of the economic activity spread over small commercial and other activities. The official unemployment for the city is 4.6 percent, but the unofficial estimate is five to seven times higher.

Approximately 3,000 residents of Martuni (21 percent of the total) are temporarily working in other countries, primarily Russia.

Martuni's revenues and expenses have been relatively stable, taking into account the subvention¹ granted in 2004. However, land and property tax collection decreased by 22 percent over the 2003-2005 budget years. Part of the problem may be caused by a 20-percent error rate in the land and property tax database.

The city has produced a budget in brief to inform citizens of the budget's major revenues and expenditures. Also, the city publishes announcements for procurement bids for goods and services and the sale and lease of municipal assets. However, the published announcements are in a national newspaper rather than the local newspaper, and local residents may not be aware of the transaction.

The city government provides a number of services to the community. Solid waste collection, landscaping, street cleaning, and street lighting (installed in 2005) are operated and maintained by a wholly city-owned enterprise. Water and sewer services are provided by the Armenia Water and Sewerage Company (AWSC), a national-government-owned enterprise that is managed by a private company.²

A wide range of educational and cultural services are offered through four kindergartens, a sports school, an art school, a music school (transferred in 2006), a library, a museum, and a community center. The city provides maintenance service to nearly 1,100 housing units.

¹ Subventions are national government grants for capital projects.

² In 2005, the AWSC entered into a 5-year management agreement with the French company, S AUR.

Residents have access to some city information through the local TV and newspaper. However, the local media do not cover local council meetings on a regular basis.

The city's citizen information center takes inquiries, requests for service, and complaints. The city has assigned the public relations responsibility to a staff member, and the city has installed an information board at City Hall. Also, city staff responds well to the requirements of the freedom of information law, stating that nearly 100 percent of the requests for information and service, as well as complaints, receive a response within the law's specified timeframe. Although city council sessions are open to the public, there is very little citizen attendance and participation, partly because meeting announcements are not made to the general public. The local council has not received formal training on the roles and responsibilities of council.

Table 1-1. Key Contacts

Position	Name	Telephone
Mayor	Bagrat Harutiunyan	(0262) 4-00-05; (091) 41-84-63
Deputy Mayor	Radik Harutiunyan	(0262) 4-10-81; (093)23-00-20
Chief of Staff	Khachik KhIghatyan	(0262) 4-11-56; (093) 83-24-95

Table 1-2. General Information

Item	Number	Yes	No
Population, 2002 census	14,500		
Number of households	3,600		
Area (est.)	175 hectares		
Certification of boundary		X	
Term of mayor (1 st, 2nd, etc.)	1st term		
Number of local council members	11		
Number of local council members reelected	4		

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	0	0
Local council	11	100	0	0
Staff of City Hall	20	67	10	33
Total	32	76	10	24

Figure 1-1. Organization Chart of Local Government

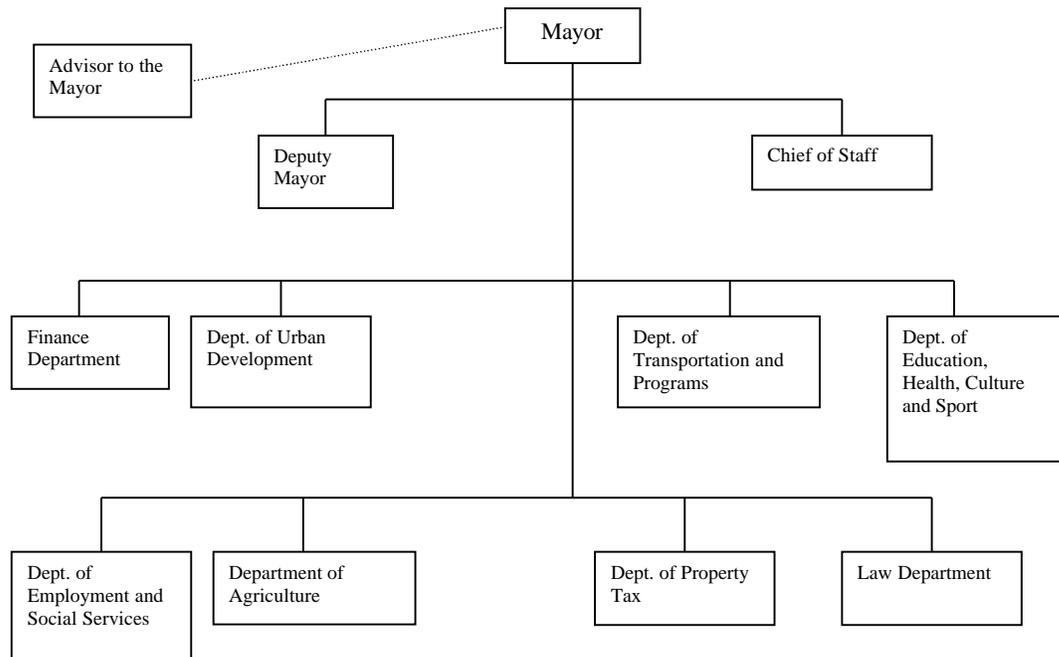


Table 1-4. Economic Base of City

Sector	Estimated Percentage of Local Activity
Agriculture	50
Transportation	5
Tourism	0
Industry (Light and Heavy)	5
Services	5
Small Commercial	10
Other	25
Total	100

The estimated unemployment rate for the city is 4.6 percent (people who own land are not considered unemployed). An estimated 3,000 residents (21 percent of the total current population) work temporarily in other countries.

Figure 1-2. Martuni Economic Activity by Sector

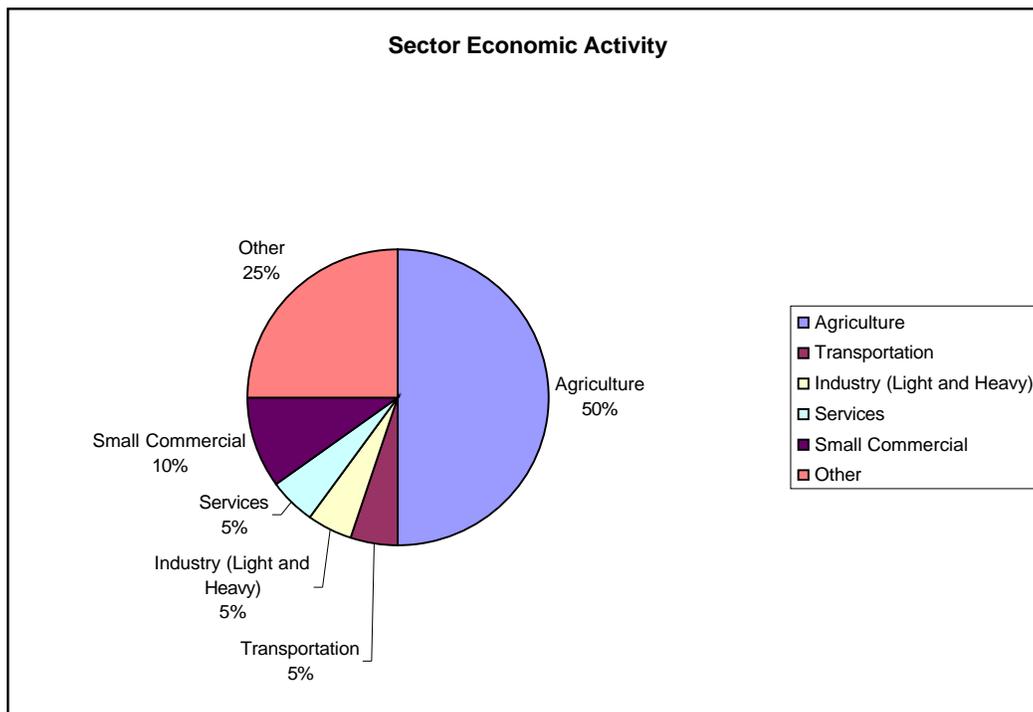


Table 1-5. Computer and Office Equipment of Local Government

Equipment Type	Number	Yes	No
Notebook computers	0		
Desktop computers	12		
Servers	1		
Networked		X	
Copiers	1		
Fax machines	2		
Internet service		X	

Table 1-6. Computer Software in Use

Software Function	Yes	No
Word processing	X	
Microsoft Excel	X	
Specialized bud get		X
Oracle (tax collection)	X	
Geographic information systems (GIS)		X
Citizen registry	X	
Office Works by the Information Systems Development Training Center (ISDTC)	X	

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

Donor	Type of Program
Save the Children	Kindergarten repair
World Food Programme (WFP)	Community self -help program
Armenia Forests	Tree planting
Eurasia Foundation	Information center

USAID = United States Agency for International Development

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

NGO or CSO	Type of Cooperation or Service with Local Government
Youth Organization	Consultation
Mothers of Large Families	Donation

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)		X
Union of Communities	X	
<i>Marzped</i>	X	
National Assembly Web site	X	
Other (newspapers, TV , etc.)	X	

COMPONENT TWO

LOCAL GOVERNMENT FINANCIAL MANAGEMENT SYSTEMS

Executive Summary

Martuni’s revenues and expenses have been relatively stable, taking into account the subvention granted in 2004. However, land and property tax collection decreased by 22 percent over the 2003-2005 budget years. Part of the problem may be caused by a 20-percent error rate in the land and property tax database.

The city has produced a budget in brief to inform citizens of the budget’s major revenues and expenditures. Also, the city publishes announcements for procurement bids for goods and services and the sale and lease of municipal assets. However, the published announcements are in a national newspaper rather than the local newspaper, and local residents may not be aware of the transaction.

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

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)*
2005	128,520,700	8,863	128,520,700	8,863
2004	95,762,100	6,604	95,762,100	6,604
2003	97,676,800	6,736	97,676,800	6,736

AMD = Armenian drams

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

* Based on census population

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

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)
2005	95,289,100	6,572	94,777,500	6,536
2004	104,773,500	7,226	103,685,000	7,151
2003	94,252,300	6,500	93,690,700	6,461

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	10,636,700	734
2004	12,620,000	870
2003	13,719,600	946

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	5% 10-20%	Personal property tax Legal property tax
Who collects the property tax ?	All	Department of Local Property and Land Tax
Tax collection commissions	Not applicable	
Tax collection problems		Removing errors in the database

Table 2-5. Budget Process

Activity	Amount	Yes	No
Borrowed money from a bank			X
Citizen participation in the formation of the budget			X
Citizen participation in the 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 regulating the sale or lease of property			X
Public announcement of sale or lease of property		X	
Sale or lease of municipal property	3,083,100 AMD	X	
Number of responses received	One		
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
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, national newspapers only
How many bids are sought ?	Min. of two bids
Are bid evaluation committees staffed with professionals to review offers?	Yes, Department heads, architect and two council members
Are the winning bids announced publicly?	Yes
What is the most useful criterion used by the city for accepting an offer for goods or services?	For leases and sale of property , the highest price; for procurement , the lowest price
Is an internal control system in place ?	Yes
Who is the internal auditor and who does he report to?	Finance director ; reports to mayor
How is the collection of cash handled?	Cash is deposited in local banks using numbered deposit slips (Hayeconombank, Unibank, Ardshininvest bank and Armsaving bank)

COMPONENT THREE

PUBLIC SERVICE DELIVERY

Executive Summary

The city government provides a number of services to the community. Solid waste collection and street cleaning are provided by the Martuni Pail, a closed joint stock company (CJSC) wholly owned by the city. Landscaping (installed in 2005) is operated and maintained by a separate wholly city-owned enterprise. Water and sewer services are provided by the Armenia Water and Sewerage Company (AWSC), a national-government-owned enterprise that is managed by a private company.³

A wide range of educational and cultural services are offered through four kindergartens, a music school, a sports school, an art school, a library, a museum, and a community center. The kindergartens and special schools reorganized as a noncommercial organization (NCO). This organization format, recently provided for by amended legislation, allows these schools to collect and keep fees that are charged for each student. However, the NCO is only semiautonomous since the majority of costs are still covered by the municipal budget.

The city provides maintenance service to nearly 1,100 housing units.

Table 3-1. Basic Services Provided by the City

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Kindergarten (4)	Community NCO	98	75	83% budget; 17% fee
Library	City budget org.	Entire community	21	100% budget
Sports school	City budget org.	487	42	100% budget
Art school	City budget org.	80	11	100% budget
Community center	City budget org.	Entire city	14	100% budget
Music school (transferred 2006)	Community NCO	Not available	Not available	100% budget
Museum	City budget org.	Entire city	7	100% budget
Solid waste collection	Martuni Pail, CJSC	91% coverage of community	8	100% fee
Street cleaning	Martuni Pail, CJSC	Entire city		100% budget

³ In 2005, the AWSC entered into a 5-year management agreement with SAUR.

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Apartment building maintenance	Condominium Association and City Communal Services Dept.	1,094 units	5	50% budget; 50% fee

CJSC = closed joint stock company; NCO = noncommercial organization

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
Apartment building maintenance	15%	15%	15%	
Solid waste collection	New company in 2006 and no figures on collection are available			

COMPONENT FOUR

STRENGTHENING LOCAL GOVERNMENT PUBLIC RELATIONS

Executive Summary

Residents have access to some city information through the local TV and newspaper coverage. However, the local media do not cover local council meetings on a regular basis.

The city’s citizen information center takes inquiries, requests for service, and complaints. The city has assigned the public relations responsibility to a staff member, and the city has installed an information board at City Hall. Also, city staff responds well to the requirements of the freedom of information law, stating that nearly 100 percent of the requests for information and service, as well as complaints, receive a response within the law’s required timeframe. Although city council sessions are open to the public, there is very little citizen attendance and participation, partly because meeting announcements are not made to the general public.

Table 4-1. Access to Local Media

Media Type	Yes	No
Television	X	
Radio		X
Newspaper, <i>marz</i> level	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, service, or complaint		X	
Manual tracking system		X	
Average monthly inquiries, service requests, and complaints	100		
Timely response to FOI requests	90%		

Activity	Amount	Yes	No
City has an information board		X	
City Hall has a directory			X
City staff has 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 collaborates with local nongovernmental organizations (NGOs)	4 active	X	
City Hall office numbers are published or otherwise made available to citizens		X	

FOI = freedom of information; NGO = nongovernmental organization

COMPONENT FIVE

ASSISTANCE TO LOCAL COUNCILS

Executive Summary

The local council has not received formal training on the roles and responsibilities of council.

Of the 11 council seats, only 4 were elected in a general local government election in 2005.

Table 5-1. Local Council Composition and Contact Numbers

Council Member	Gender	Contact Information
1. Samvel Avetisyan	M	(0262) 44-453
2. Gurgen Avetisyan	M	(0262) 42-941
3. Hunan Avetisyan	M	(0262) 45-420
4. Gevorg Barsehyan	M	(0262) 42-136
5. Hovhannes Grigoryan	M	(0262) 44-334
6. Davit Davtyan	M	(0262) 45-222
7. Edik Darbinyan	M	(0262) 42-251
8. Artak Ziroyan	M	(0262) 45-192
9. Rashid Hakobyan	M	(0262) 44-039
10. Valerik Khazaryan	M	(0262) 42-852
11. Lyudvig Kkrtchyan	M	(0262) 42-838

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 role and responsibilities of council?		X
Do newly elected council members receive any training ?		X
Do council members receive meeting agendas 3 days prior to public meetings?	X	

Item or Activity	Yes	No
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 meetings open to the 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 city 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