

# Baseline Questionnaire— Community Profile

## Spitak

---

### GENERAL FEATURES OF COMMUNITY

Spitak is located in Lori *marz* approximately 100 kilometers north of Yerevan at the juncture of highways M-3 and M-7.



### General Executive Summary

The population of Spitak is 15,500 with 4,500 households. Spitak continues to struggle to overcome the problems related to the destruction of the 1988 earthquake and the impact on its residents. The city's appearance has improved greatly, and the administration is making progress in its new City Hall and the services it provides to its residents. Although the mayor is in his second term, only three council members were reelected.

Economic activity in Spitak is fairly diversified, although the largest sector is agriculture, a reflection of the general region. Spitak has several active nongovernmental organizations (NGOs) in the city and interacts frequently with them.

Spitak's actual budget revenues and expenditures over the past three years have been stable although tax collection increases have leveled off. Given the small percentage of error in the tax data, the collections would seem to be near the maximum. The funding for capital projects is very limited, and there are no capital expenditures other than donor or government of Armenia (GOA) grant funds at this time. Spitak has not implemented an asset management system, nor does it have a system that assists in making use of assets or in sale or lease decisions. The internal control system is weak and needs to be strengthened through greater local transparency and check-and-balance control procedures.

Mandatory public services in Spitak are provided by the city and by a local private enterprise. The city provides kindergartens, special schools, a library, apartment building maintenance, and street lighting. The private enterprise provides solid waste collection, street cleaning, landscaping, storm drainage, and cemetery maintenance. The primary problem with the solid waste collection is the low level of fee collection. It has averaged around 30 percent, with the city subsidizing the remainder.

The city of Spitak has its own local newspaper, *Reborn Spitak*, and a local TV station, *Spitak*. The city has received training on the Freedom of Information (FOI) Law and has established a department for public and media relations. Although the city manually tracks requests for service, inquiries, and complaints, it resolves 95 percent of them within the timeframes provided for in the FOI Law.

The City of Spitak has established rules of procedures for the local council. However, the local council desires additional training on the roles and responsibilities of council members and the implementation of the Law on Local Self-Government (LLSG). City Hall has a room set aside for council members to meet with constituents; however, the room is currently occupied by another agency.

**Table 1-1. Key Contacts**

Position	Name	Phone #
Mayor	Vanik Asatryan	(0255) 2-25-00; 2-43-43
Deputy Mayor	Garegin Dilbaryan	(0255) 2-37-97
Chief of Staff	Vahan Ghochikyan	(091) 48-48-24

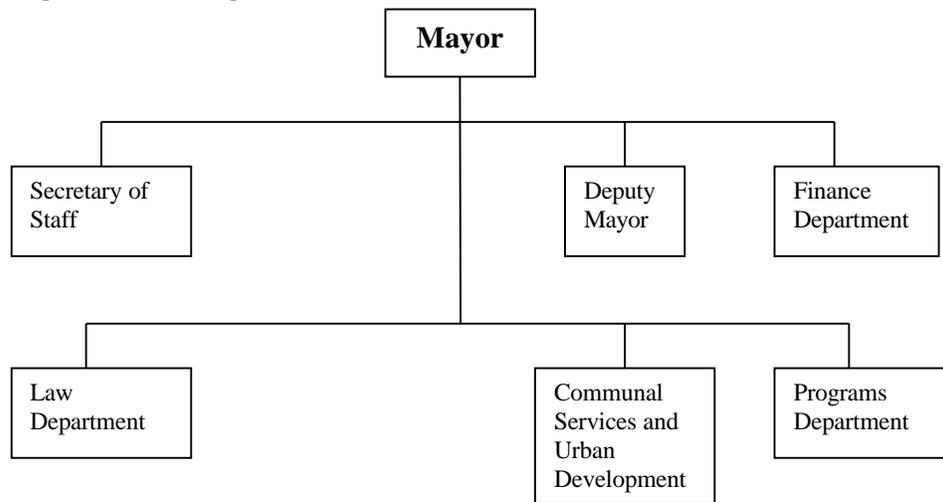
**Table 1-2. General Information**

Item	Number	Yes	No
Population, 2002 census	15,500		
Number of households	4,500		
Area (est.)	1,049 hectares		
Certification of boundary		X	
Term of mayor (1st, 2nd, etc.)	2nd term		
Number of local council members	11		
Number of local council members reelected	3		

**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	26	62	16	38
Total	38	70	16	30

**Figure 1-1. Organization Chart of Local Government**

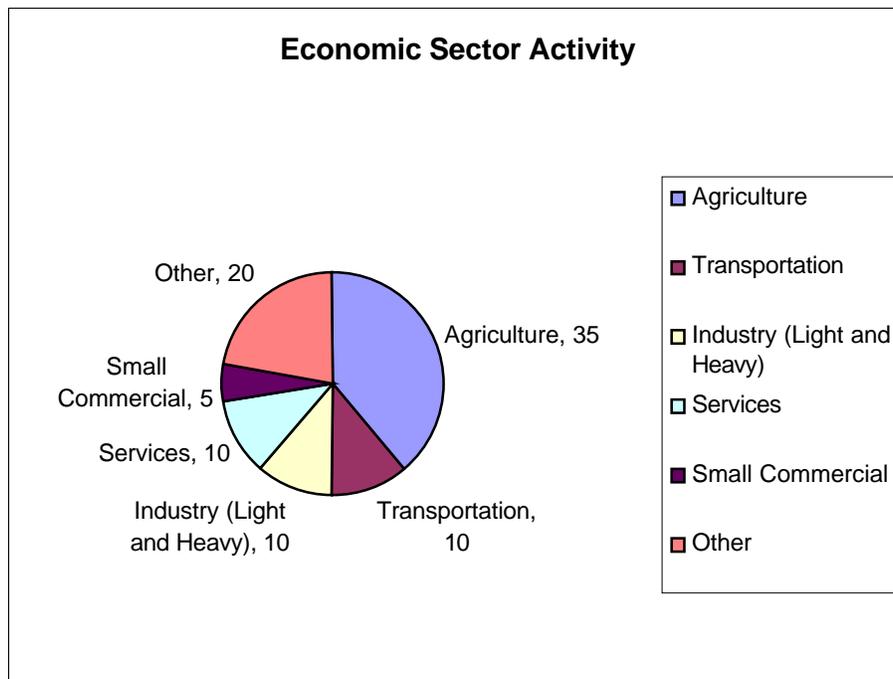


**Table 1-4. Economic Base of City**

Sector	Estimated Percentage of Local Activity
Agriculture	35
Transportation	10
Tourism	0
Industry (Light and Heavy)	10
Services	10
Small Commercial	5
Other	20
Total	100

Estimated unemployment rate for the city is 10 percent. The estimated number of residents working in other countries (primarily Russia) is 5,000 (32 percent of total population).

**Figure 1-2. Spitak Economic Activity by Sector**



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

Equipment Type	Number	Yes	No
Notebook computers			X
Desktop computers	7		
Servers	1		
Networked		X	
Copiers	2		
Fax machines	2		
Internet service		X	

**Table 1-6. Computer Software in Use**

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

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

Donor	Type of Program
Open Society International (OSI)	Establishment of a TV studio
World Food Programme (WFP)	
USAID	Boiler house
Armenia Relief Association	
Armenia Social Investment Fund (ASIF)	

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
Young Men's Christian Association (YMCA)	Consultative
New Spitak (disabled persons)	Consultative
SOSE NGO	Consultative
Spitak Charity Organization	Consultative
Foundation for the Renaissance of Spitak	Consultative
Astghik, NGO	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)		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

Over the past three years, Spitak’s actual budget has moderately increased while the land and property tax collection has leveled off. Capital project subventions in 2004 and 2005 have been substantial (45,000,000 AMD)<sup>1</sup>. Neither of the subventions were a part of the community’s development plan, although the repaving of streets would qualify as an effort of community and economic development.

Spitak does not have an asset management system. Decisions about asset use, continued use, lease, or sale are made without the assistance of past maintenance comparative data, expense and revenue projections, or comparative use patterns (e.g., closure of kindergarten buildings based on gross underutilization of the structures).

Spitak’s financial internal control for procurement, sale or lease of assets, and subcontracting for services needs to be strengthened to ensure against error and fraud.

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

Fiscal Year	Revenues in AMD	Per Capita Revenues* (AMD)	Expenditures in AMD	Per Capita Expenditures (AMD)*
2005	137,787,100	8,895	138,896,100	8,961
2004	101,755,400	6,565	101,755,400	6,565
2003	136,798,000	8,826	136,798,000	8,826

AMD = Armenian drams

Budget numbers 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 in AMD	Per Capita Revenues* (AMD)	Expenditures in AMD	Per Capita Expenditures* (AMD)
2005	135,202,400	8,723	135,850,000	8,765
2004	127,820,300	8,247	127,820,300	8,247
2003	121,542,200	7,841	121,542,200	7,841

AMD = Armenian drams

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

\* Based on census population figures.

<sup>1</sup> AMD = Armenian dram

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

Fiscal Year	Property Tax (AMD)	Per Capita* (AMD)
2005	11,230,200	725
2004	11,429,100	737
2003	10,113,800	653

AMD = Armenian drams

Budget numbers include both operating and capital budgets. 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% (average)	Disparity of information received from STS and State Auto Inspectorate
Who collects the property tax ?		Finance Department
Tax collection commissions	Not applicable	
Tax collection problems		No significant problems

**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	Leased only agricultural land		
Number of responses received	0		
City has real estate market information for sale or lease of property	Based only on Cadastre information not market		

**Table 2-7. Anticorruption Effort**

Activity	Description
Who do citizens report suspected corruption to?	Mayor or <i>marzpet</i>
Have there been any reports of possible corruption?	No
Publication of procurement bids?	Yes
Are the advertisements in locations and in ways to solicit the maximum number of competitive offers?	Yes, post announcement at city hall entrance
How many bids are sought?	Not less than two
Are bid evaluation committees staffed with professionals to review offers?	Yes, specialists on municipal staff
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?	Best quality and lowest price for purchases; highest bid on leases and property sales
Is an internal control system in place?	Yes, follows formal decrees of the Min. of Finance
Who is the internal auditor and who does he report to?	Finance director reports to the mayor
How is the collection of cash handled?	Cash payments are made to branches of Armeconombank, Armsavingsbank, and ACBA Bank

# COMPONENT THREE

## PUBLIC SERVICE DELIVERY

### Executive Summary

Public services in Spitak are provided by the city and by a local private enterprise. As can be seen in Table 3-3 below, the collection rate for solid waste collection and other services provided by the private enterprise is very low, on average 30 percent.

Another item that needs to be addressed is the fee collection rate and methodology for apartment building maintenance. Although it is 70 percent for this past year, it should still be improved further.

**Table 3-1. Basic Services Provided by the City**

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Kindergarten (2)	City budget org.	192	39	81% budget; 19% fee
Library	City budget org.	Entire city	23	100% budget
Sports School	City budget org.	286	22	100% budget
Art School	City budget org.		22	87.5% budget; 12.5% fee
Culture Center	City budget org.	Entire city	9	100% budget
Music School	City budget org.	113	28	71% budget; 29% fee
City Park	City budget org.	Entire city	9	100% budget
Solid Waste Collection • Street cleaning • Landscaping • Irrigation • Street repair • Cemetery	Housing and Communal Services of Spitak (A private enterprise)	Entire city for all but solid waste collection, where approximately 90% is serviced	20	85% budget; 15% fee
Apartment building maintenance	City budget org.	1,800 apartments	5	100% fee
Street lighting	City Budget org.	Entire city	2	100% budget

**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	60%	60%	70%	
Kindergarten	90% of fee*	90% of fee	90% of fee	10% are vulnerable population
Solid waste collection	30%	30%	30%	

# COMPONENT FOUR

## STRENGTHENING LOCAL GOVERNMENT PUBLIC RELATIONS

### Executive Summary

The council and staff of Spitak are fortunate that they have both a local newspaper and a local TV station. Staff are well aware of the Freedom of Information (FOI) Law and use the local media to inform residents of local events and decisions. Based on interviews of staff, the response time for inquiries, requests for services, and complaints are carried out within the timeframes required by the FOI Law. However, there are areas in which the city could improve its public relations with residents. Publishing a budget in brief and involving youth in municipal matters could increase transparency and local support for municipal programs.

**Table 4-1. Access to Local Media**

Media Type	Yes	No
Television	X	
Radio		X
Newspaper (national papers only)	X	

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

Activity	Amount	Yes	No
Established Public Relations Responsibility		X	
Aware of the FOI Law		X	
Received training on FOI Law			X
Established an information center		X	
Track citizen requests for information or service, or complaint		X	
Tracking system is Manual		X	
Average monthly inquiries, service requests, and complaints	20		
Timely response to FOI Requests	90%		
City has an information board		X	
City Hall has a directory		X	
City Staff has access to citizens (TV, public meetings, etc.)		X	

Activity	Amount	Yes	No
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 NGOs		X	
City Hall office numbers are published or otherwise made available to citizens		X	

FOI = freedom of information; NGO = nongovernmental organization

# COMPONENT FIVE

## LOCAL COUNCIL TRAINING

### Executive Summary

The local council for Spitak has established detailed rules of procedures. However, the city would welcome training for local council members on their roles and responsibilities. The council makes an effort to communicate with local residents and has an office at City Hall set aside for that purpose.

**Table 5-1. Local Council Composition and Contact Numbers**

Council Member	Gender	Contact Information
1. Samvel Gabrielyan	M	(091) 345-550
2. Arshaluys Asatryan	M	(091) 345-451
3. Arsen Ghukasyan	M	(091) 345-733
4. Mkhitar Makaryan	M	(091) 345-722
5. Mikael Davtyan	M	(091) 316-558
6. Gaghik Harutyunyan	M	(091) 592-604
7. Yurik Khachatryan	M	(0255) 23-008
8. NorikMirzoyan	M	(091) 345-519
9. Aramajis Avetyan	M	(091) 545-565
10. Vardan Sahakyan	M	(093) 335-257
11. Meruzhan Lambaryan	M	(0255) 22-897

**Table 5-2. Council Training and Selected Practices**

Item or Activity	Yes	No
Are established rules of procedures in place?	X	
Have council members received training on the roles and responsibilities of the council?		X
Do newly elected council members receive any 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

Item or Activity	Yes	No
Do citizens actively participate in council meetings ?		X
Are minutes of council meeting open to public ?	X	
Does the council participate in the strategic planning for the city ?	X	
Does the council conduct service oversight hearing s?	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 communication s?		X