

Baseline Questionnaire— Community Profile

Yeghegnadzor

GENERAL FEATURES OF COMMUNITY

Yeghegnadzor is located in the Vayots Dzor *marz*, approximately 119 kilometers south of Yerevan on highway M-2.



General Executive Summary

Yeghegnadzor's population is 8,187. Although the unemployment is relatively low, the percentage of the community working outside of Yeghegnadzor is high at 28 percent. The city may be depopulating based on the lack of available jobs.

Although Mayor Babayan is in his third term, only 3 of the 11-member local council were reelected. However, this perception may be skewed given the out-migration and lack of real political contention for the mayor and council positions.

Yeghegnadzor is an agricultural community; its sector mix reflects the dominance of agriculture in local economic activity.

The actual budget revenues and expenditures indicate a substantial growth in 2005 (32 percent), but this can be attributed to receipt of funds for capital improvements. The tax collection seems to have faltered after the first 2 years, falling 27 percent in 2005. This is an area that technical assistance can address. Other areas needing assistance are municipal asset management and internal control procedures to reduce the potential of error and fraud.

Public services are divided in terms of provision of these services. Yeghegnadzor owns 34 percent of the stock of the private enterprise that collects its solid waste, though the city operates the landfill. Other services provided by the private enterprise are street cleaning, cemetery maintenance, and landscaping. Yeghegnadzor provides a wide range of special schools for its size, indicating an emphasis on education. Its urban development department provides some maintenance to large apartment buildings on an as-needed and prefunded basis.

In terms of public and media relations, Yeghegnadzor has been fairly active in communicating with its citizens through the local newspaper. The city also has some limited access to the *marzped* TV station. The city is not as aware of the Freedom of Information Law (FOI) as it should be. Neither staff nor local council has received training on the FOI Law.

The local council has not received training on its role and responsibilities as a policy setting body. Nor has the council been proactive in taking on that responsibility. The council does meet with local residents almost daily and is expected to inform the

residents, answer questions, and forward requests for service to the relevant department or the mayor. The local council has established rules of procedures.

Table 1-1. Key Contacts

Position	Person	Telephone
Mayor	Sirekan Babayan	(0281) 2-20-20; (093) 77-88-06
Deputy Mayor	Vardges Haroutiunyan	(0281) 2-51-20
Chief of Staff	Angela Sargsyan	(0930) 82-64-60

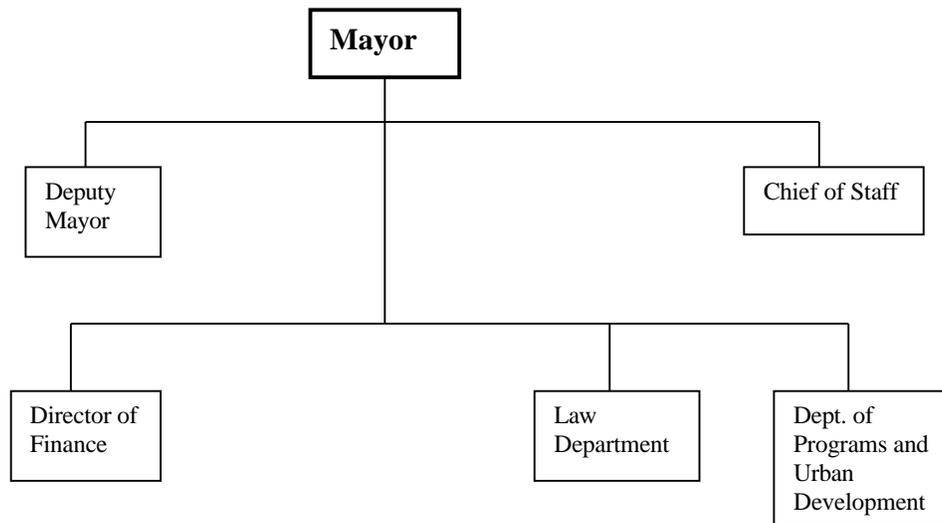
Table 1-2. General Information

Item	Number	Yes	No
Population, 2002 census	8,187 currently estimated at 10,500		
Number of households	2,382		
Area (est.)	549		
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	9	66	7	44
Total	21	75	7	25

Figure 1-1. Organization Chart of Local Government*



*(The city of Yeghegnadzor did not have an organization chart. What is reflected here is the general reporting structure based on the interviews conducted.)

Table 1-4. Economic Base of City

Sector	Estimated Percentage of Local Activity
Agriculture	60
Transportation	5
Tourism	0
Industry (Light and Heavy)	20
Services	5
Small Commercial	5
Other	5
Total	100

The estimated unemployment rate for the city is 4 percent (people who own land are not considered unemployed). The estimated number of residents working in other countries (primarily Russia) is 2,300.

Figure 1-2. Yeghegnadzor Economic Activity by Sector

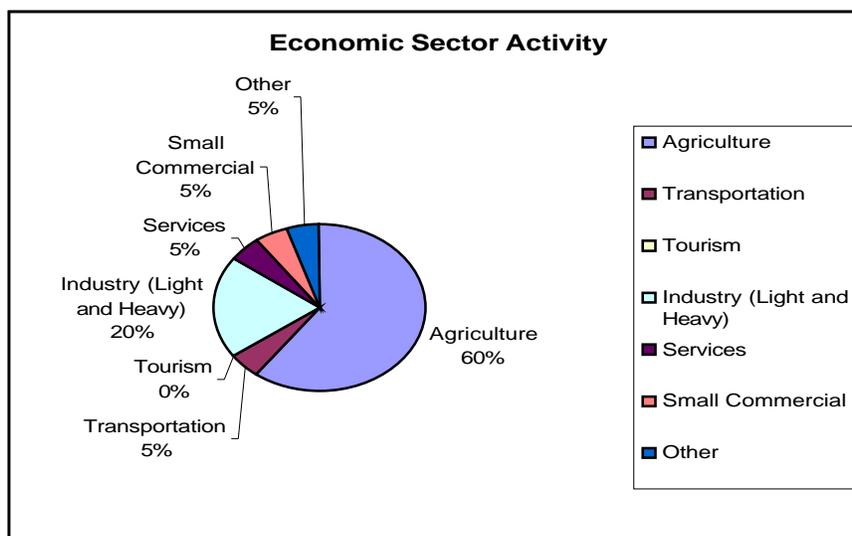


Table 1-5. Computer and Office Equipment of Local Government

Equipment Type	Number	Yes	No
Notebook computers	0		
Desktop computers	9		
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 budget		X
Oracle (tax collection)	X	
Geographic information system (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
The Urban Institute	Local government program
Save the Children	Sports school renovation
Eurasia Foundation	Information center
Armenia Social Investment Fund	Potable and irrigation water project

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
Center for Assistance to Young Families	
War Veterans and Volunteers	
Armenian Fund for Relief	
Red Cross	
Council of Veterans	

NGO = nongovernmental organization; CSO = civil society 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

A review of the actual budget revenues and expenditures over the past 3 years indicates that, with the exception of capital improvements transfers, the budget has been stable. The tax collection effort needs to be improved as do the regulations and policy for internal controls for procurement, sales and lease of property, and subcontracting for services.

Because of the lack of a municipal asset management plan, a rational basis for determining continued use of specific assets for municipal functions or whether to lease or to sell the asset has not been possible. An asset management plan would also allow the mayor and local council to compare costs of each facility over several years to see cost and maintenance trends.

The city staff and local council need to involve local residents and NGOs, as well as other groups such as businesses, in local budgeting and capital improvement decisions.

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

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures in (AMD)	Per Capita Expenditures* (AMD)
2005	69,239,600	8,457	69,239,600	8,457
2004	55,985,800	6,846	55,985,800	6,846
2003	62,838,000	7,684	62,838,000	7,684

AMD = Armenian drams

Budget numbers 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	75,930,000	9,285	73,263,000	8,959
2004	57,439,200	7,024	53,900,000	6,591
2003	55,580,000	6,796	52,904,000	6,469

AMD = Armenian drams

Budget numbers 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	9,746,000	1,192
2004	13,426,000	1,642
2003	7,953,000	972

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	10 (average)	
Who collects the property tax ?	Finance Department	
Tax collection commissions	Not applicable	
Tax collection problems	Yes	Information on vehicle s creates 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	
Produce a budget in brief		X	
Funding for projects in the community development plan	1,280,000 AMD	X	

AMD = Armenian drams.

Table 2-6. Asset Management

Activity	Amount	Yes	No
Asset management plan developed			X
Local legislation regulating the sale or lease of property		X (reference the LLSG)	
Public announcement of sale or lease of property		X	
Sale or lease of municipal property	1,280,000 AMD	X	
Number of responses received	3		
City have 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?	Relevant ministry
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, only in the State Official Gazette
How many bids are sought ?	Not less than 3
Are bid evaluation committees staffed with professionals to review offers?	Relevant staff
Are the winning bids announced publicly?	No
What is the most useful criterion used by the city for accepting an offer for goods or services?	Highest price in sale or lease of assets; lowest price in purchase of goods and services.
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?	Through the Finance Department

COMPONENT THREE

PUBLIC SERVICE DELIVERY

Executive Summary

Although Yeghegnadzor has a private enterprise that provides solid waste collection, street cleaning, landscaping, and cemetery maintenance, the city owns 34 percent of the stock of that enterprise. The recent solid-waste collection tariff increase from 100 drams per person per month to 150 drams did not result in a decrease in collections. However, the collection rate of 75 percent leaves many questions that need to be addressed. According to staff, about 8,000 persons are served out of 10,500 (a 76 percent coverage). The collection rates for the other services are shown below. The city has provided maintenance to large buildings, but only when the residents raise the funds for the needed repairs.

Yeghegnadzor uses a fee structure much like that of other Armenian cities of similar size, with education activities heavily subsidized. However, the solid waste collection is also heavily subsidized at 78 percent of the costs.

Table 3-1. Basic Services Provided by the City

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Kindergarten (3)	Noncommercial organization (NCO)	210	43	95% budget; 5 % fee
Art school (1)	NCO	47	9	88% budget; 12% fee
Sports school	NCO	280	21	100% budget
Children's crafts center	NCO	320	15	100% budget
Solid waste collection	Private enterprise (34% owned by the city)	8,000	23	100% budget
Street cleaning Landscaping Irrigation Street repair Street lighting	Private enterprise (34% owned by the city)	8,000	**	78% budget; 22% fee
Apartment building maintenance	Condominium associations (2) are inactive; city provides essential maintenance	36 apartment buildings	*	Budget

* 34% ownership by city

**Same as solid waste collection

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	Collect fee prior to action	Collect fee prior to action	Collect fee prior to action	
All schools	90%	90%	90%	
Solid waste collection	75%	75%	75%	

COMPONENT FOUR

STRENGTHENING LOCAL GOVERNMENT PUBLIC RELATIONS

Executive Summary

Public and media relations in Yeghegnadzor are basic. There is a local newspaper but no local radio or television station to place public service announcements or hold informative programs. Although the secretary of staff has been designated the municipal information officer, neither the staff nor the local council have received public relations training, nor training on implementation of the Freedom of Information (FOI) law.

Table 4-1. Access to Local Media

Media Type	Yes	No
Television		X
Radio		X
Newspaper (Not local but use <i>Law</i> , a national newspaper .)	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	50		
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	
City produces a newsletter for residents		X	

Activity	Amount	Yes	No
City presents the budget to citizens		X	
Youth involvement in local government activities			X
City collaborate s with local nongovernmental organizations (NGOs)		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 interacts almost daily with constituents, and the mayor has open office hours during which he responds to citizen requests for information and service, as well as to complaints. The council has not participated in developing a strategic plan for the community but has developed rules of procedures to govern its meetings.

Table 5-1. Local Council Composition and Contact Numbers

Council Member	Gender	Contact Information
1. Grigor Khazaryan	M	(0224) 23-437
2. Vardan Khachatryan	M	(0224) 24-123
3. Khoren Hovhanessyan	M	(0224) 25-464
4. David Khachatryan	M	(0224) 24-669
5. Grigor Grigoryan	M	(0224) 22-679
6. Suren Babyan	M	(0224) 22-283
7. Marat Babajanyan	M	(0224) 24-242
8. Artak Aloyan	M	(0224) 22-112
9. Hyak Khakhanyan	M	(0224) 24-460
10. Tigran Poghosyan	M	(0224) 20-145
11. Armen Margaryan	M	(0224) 23-034

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 role 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 (not always)	
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 meetings open to the public?		X
Does the council participate in the strategic planning for the city ?		X
Do citizens participate in budget adoption ?		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 (in the new City Hall building)	
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