

19th Management Meeting**Date – 26th March 2024****Time – 12:00PM****Venue – Thromde Conference Hall****Members Present**

Sl/No	Name	Designation
1	Ugyen Dorji	Thrompon
2	Karma Namgyel	Executive Secretary
3	Kinley Penjore	Specialist
4	Thinley Norbu	Chief UPD
5	Tashi Phuntsho	Chief, CoED
6	Yeshe Wangdi	Chief Engineer
7	Kinzang Dendup	Chief TEO
8	Norbu Dendup	Chief Finance Officer
9	Sonam Wangchuk	Chief, CiED
10	Tashi Dorji	Officiating Chief, O&MD
11	Thinley Norbu	Survey Engineer
12	Nidup	LRO
13	Tashi Dorji	Urban Planner
14	Sonam Tobgay	Electrical Section
15	Ugyen	Billing Unit
16	Pema Thekchok	Water Section
17	Sangay	STP operation and Maintenance Unit
18	Karma Dorji	Sr. Planning Officer

Opening Remarks

The Chair welcomed all the members of the Management to the 19th sitting. He also welcomed the new survey engineers who has recently join the Land Record and Survey Division and assured to render full support and coordination in delivering the public services. Without further ado, the Chair directed the floor to straightaway moved to adopt the agenda and initiated the discussion with the first agenda as follows.

Agenda 19.01 – FY 2024-2025 Budget proposal overview

The Chief Finance Officer has presented the Budget overview for FY 2024-2025, revealing a total proposed budget of Nu 6322.679 M, including both recurrent and capital grants. Of this sum, Nu 431.371 M will be covered through an internal revenue, while the remainder will be sourced from RGoB capital grants, GoI-PTA projects, spillover activities, and subsidies for City Bus services. The total proposed capital budget amounts to Nu 3060.99 M. Below is a detailed summary of the proposed budget for Thimphu Thromde for FY 2024-2025:

Summary of the Budget Porposals				
SI No.	Particulars	Amount in Million Nu.		Remarks
1	Mandatory budget from Thromde Fund	168.015	431.371	TT Fund
2	Controllable Budget from Thromde Fund	263.356		
3	Mandatory Budget from RGoB	1,201.350	4,597.308	RGoB
4	Controllable expenses from RGoB	223.968		
5	Annual Capital Grants from RGoB	3,060.990		
6	Spillover Activities	11.000		
7	Subsidy fo City Bus Services	100.000		
8	GoI- PTA	1,294.000		External
	Total	6,322.679		
Capital Budget Proposal Break-up				
1	FD	8.000		
2	Infra Division	715.770		
3	OMD	55.000		
4	Education Division	2,275.920		
5	Environmnt Division	6.300		
	Total	3,060.990		

Decision

Since the revenue collection projection for the FY 2024-25 is less than the projected budget, the Finance Division was asked to bifurcate the controllable budget into Thromde Fund and Subsidy in the budget proposal itself. The Management approved the FY 2024-2025 budget and the same with comments incorporated is forwarded to Tshogde for endorsement.

Action. – Finance Division

Agenda 19.02 - Review on grant phase out plan and financial reporting framework

The Finance Division also presented the revenue status and expenditure for past 5 years starting from FY 2018-2019 till date. He also presented the revenue projections for next 5 years. These are the requirements of MoF to be submitted along with the budget proposal.

Discussion

The Executive Secretary stated that in recent years, the Thromde has utilized revenue for capital purposes. However, moving forward, it may prove challenging to continue this practice based on the projections. Additionally, he emphasized that while these submissions are included as part of the budget proposal requirements, discussions regarding the new PAVA rate will need to be held with the Ministry of Finance. It is essential to develop a financial sustainability plan for agencies such as Thimphu Thromde.

Decision

For the financial sustainability of Thimphu Thromde, following decisions have been proposed by the Management to be included in the financial sustainability plan:

1. The Management directed the Finance Division to initiate working out the rental charges for those Thromde housing units and submit to the Management.
2. Decentralizing local tax will have to be considered by the relevant authorities
3. Going forward, PPP model concept will have to be explored and construction of City Hall will have to be taken up.
4. The Management also directed the Finance Division to take a lead in Developing comprehensive financial sustainability plan

Action – Finance Division**Agenda 19.03 – Next course of action for the Prepaid voucher case**

The Chief Finance Officer conveyed that, according to information received from the Ministry of Finance, the voucher issue has been resolved and is now being waived off. Moving forward, the Thromde has been requested to submit a clearly defined format outlining who should be provided with vouchers.

Decision

The management instructed the Finance Division to obtain an official letter from the Ministry of Finance, clearly stating that the voucher issue has been resolved and waived. This shall facilitate the dropping of the long-standing memo with the Royal Audit Authority (RAA).

Action – Finance Division**Agenda 19.04 - ACC order on Stilt Parking floor**

The Chief of CoED submitted to the Management that this is the with reference to the recent order of the ACC directing to reconvert the stilt floor from all other different uses to parking purpose only. He raised the issue as the division has been following the decision of the Thromde Tshogde to impose annual fines to all the buildings converting their stilt floor for residential/commercial purposes until they revert to parking uses.

The case was deduced from the particular case in the Hejo area whereby the owner has been imposed fine for the conversion. He informed that that the owner has been notified to change the usage of the floor as approved in the drawing. He also mentioned that the division has been facing a huge challenge in identifying the buildings within Thromde with such issues and particularly in collecting the fines.



Decision

The Chair informed that the Thromde Tshogde's decision shall imply to the buildings that had converted their parking floor for others uses as of the date of the Tshogde decision. However, going forward, such stilt floors are strictly for parking purposes and other usages will not be allowed and will be dealt on case by case. The chair instructed to deal the Hejo case accordingly.

Action – CoED**Agenda 19.05 - Precinct designation for labour camps at Motithang.**

The urban planner from the Urban Planning Division presented to the Management the precinct issues concerning the labor camps in the Motithang area. The current labor camps area falls within the environmental precinct, designated as a no development zone. Even according to the new TSP, it is not identified as a developable zone. The issue arose when Thromde applied for LUC for the labor camps area. He recommended maintaining it without LUC and keeping the area as a temporary developed area and develop the area as per the TSP plans later, or issuing LUC with the existing precinct.

Decision

1. The Management decided to keep the area as it is without processing LUC and no further developments will be allowed.
2. The Management also directed the Asset manager to keep record of all those living in the area and inform them that no new structure will be allowed. If they vacate the place, no substitute will be put there and demolish the structure.

Action – UPD and Asset Manager**Agenda 19.06 - Building Plumbing Services Demand from owners in conflict with Thromde Service Compliance rule".**

The Executive Secretary expressed concern about the absence of proper policies and the shortage of certified private sectors capable of delivering specific services such as plumbing and sewer services, particularly within private premises. This situation is causing inconvenience for the public, some even end up paying exorbitant amounts to obtain these services. Thromde is only able to deliver services up to the meter point or sewer manhole and does not extend into the building to provide services. The matter was raised with the Management to explore potential options.



Discussion

The Chair conveyed that the public has been requesting if Thromde could provide such services. In addition to water and sewer services, a few maintenance tasks within buildings could also be handled by Thromde through the imposition of service charges. The Chief Engineer suggested that it would be prudent to first review the compliance rule, as it strictly states that Thromde can only deliver services up to the meter point or manhole chambers. The Chief of UPD mentioned that if it benefits the public at large, Thromde could communicate with relevant ministries regarding the initiation of a new modality, prompting a review or update of old policies.

Decision

The Management directed the O&M Division to work out the manpower requirement and the service charges for such cases and put to Tshogde for directives. Initially, it can start with sewer and plumbing services.

Action – O&MD**Agenda 19.07 - Realignment of DI Pipes from affected private plots below Simtokha BPC Sub-station**

The Water Section under the O&MD reported to the Management that the main trunk line of Thromde water service line from Chamgang traverses through five private plots. These pipelines were laid in 2009-2010 along the irrigation channel, which also intersects private plots. It has been determined that approximately 500 meters of realignment is necessary, with an estimated total cost of around Nu 5.38M according to the BSR. Retrieving the old pipes would incur additional costs over Nu 0.7M. Consequently, the total expense is expected to surpass Nu 7.0M. This information has been submitted to the Management for further directives.

Discussion

The UPD clarified that the expense of realigning the main trunk line is nearly equivalent to the cost of compensation for the portion of the affected plots(as per PAVA rate 2023). The plot owners may not agree to the compensation as the deduction of the affected area would make the plots under standard plot size (25 decimals) and render some plots unusable. Moreover, owners have complained about leakages from the water pipeline causing inconveniences to them as the water pipeline is located just above their buildings on the slope. If the pipeline is not realigned, all plots would need to be relocated or acquired, presenting another obstacle as owners may not readily agree to the lands identified by Thromde or the compensation rates set by the government. Moreover, Thromde might have to compensate for the structure as some plots are already



developed. Therefore, realignment has been strongly recommended. This viewpoint was also emphasized by the Chair.

Decision

The Management decided to go with realignment and directed the Finance Division to explore the fund. If there is no capital saving, it can even be financed through revenue. The Management also decided to make a joint site visit and explore the ROW for the realignment.

Action – O&MD**Agenda 19.08 - Modification on existing water Tariff**

The billing unit under O&MD submitted to the Management that there are issues with metering for those mix unit building, i.e., those buildings with both commercial and residential units. The Division proposed to differentiate based on the number of commercial units or residential units.

Discussion

The Chief UPD suggested to be based on the precincts. For example, UV1 is commercial and it can be charged commercial and UV2 and above could be considered residential and charge accordingly. This was also supported by the Chair adding that fully commercial in UV2 and above must be charged commercial.

Decision

1. The Management decided to base the water billing on existing precincts.
2. Core and UV1 shall be charged the commercial rate
3. UV2MD as mixed use. However, if it is fully commercial (like hotels), it will be charged on commercial rate.
4. For mixed use in UV2MD as stated in point 2 above, 30% shall be the commercial rate.

Action – O&MD**Agenda 19.09 - Management of STPs**

The O&MD presented to the Management the operational and management challenges encountered with STPs. Some STPs are experiencing overload while others are underutilized. Additionally, the Division is struggling to find suitable locations for sludge disposal. Presently, it is being deposited in pits, but securing vacant space is proving to be exceedingly difficult. The Division also submitted a list of immediate repair and maintenance works required at various STPs, with a proposed budget of Nu 1.68M.



Decision

1. The Management approved the proposed budget for the operation and maintenance of STPs from internal revenue. The Total budget of Nu 1.68M. The management directed the O&MD to process and Finance Division to release immediately.
2. The Management also directed the CiED to explore the possibilities of disposing the sludges from the STPs at landfill site.

Action – O&MD, Finance Division, CiED

Agenda 19.10 – Report on the Accident case of an Electrician helper

The Electrical section under O&MD presented the case of an accident involving an electrician helper during official work. The helper remains hospitalized, and unfortunately, the accident resulted in the amputation of one of his arms. The Division submitted that, according to the Labour and Employment Act, he is eligible for specific compensation. The Chief of O&MD also mentioned that a request has been made to retain him or one of his dependents as employees in Thromde to help sustain the family. Currently, he continues to receive a monthly salary from Thromde.

Decision

1. The Management decided to retain him in Thromde and assign the task based on his capabilities.
2. The Management also decided Nu 25000 as semso for the helper to cover up daily expenses when at hospital from revenue. This is not compensation.

Action – Finance Division

Agenda 10.11 - Refund of Land Tax of Late Gup Naku & Singye Namgyel DJ1-012

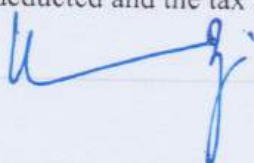
The Land Record and Survey Division presented to the Management the two cases of land tax refund. A total of Nu 12,905 for late Gup Naku and Nu 927 for Mr. Singye Namgyel.

Discussion

Thromde did not deprive any development; it was due to their own internal conflicts that prevented them from developing the land stated the Chief of UPD. He also said that the land was never deducted and the owner has been paying for the whole of land. The land pooling will be done now and henceforth, tax shall be levied accordingly.

Decision

1. The Management did not approve the tax refund for Late Gup Naku as till date, the land pooling was never deducted and the tax was paid for what's in the thram.



2. The tax refund of Nu 927 for Mr. Singye Namgyel has been approved.

Action – LRSD, Finance Division

Conclusion

The Chair thanked all members for their attendance and valuable contributions to the productive discussion. The 19th Management meeting adjourned at 5:00 PM.

Rapporteur – Karma Dorji, Sr. Planning Officer

