

CITY CORPORATE CUM BUSINESS PLAN

FINAL REPORT

MELUR MUNICIPALITY

August, 2008

Sponsored by

Tamil Nadu Urban Infrastructure Financial Services Limited

Government of Tamil Nadu

Consultants

FICHTNER Consulting Engineers (India) Private Ltd.

Chennai – 600 028

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Abbreviation and Acronyms

ANM	:	Auxiliary Nurse Midwife
BOT	:	Build, Operate and Transfer
BPL	:	Below Poverty Line
BSUP	:	Basic Services for Urban Poor
CAA	:	Constitution Amendment Act
CAGR	:	Compounded Annual Growth Rate
CC	:	Cement Concrete
CCP	:	City Corporate Plan
CBED	:	Community Based Energy Development
CDP	:	City Development Plan
CFC	:	Central Finance Commission
CIP	:	Capital Investment Plan
CPHEEO	:	Central Public Health & Environmental Engineering Organization
CPM	:	Consultative Process Meeting
D&O	:	Dangerous and Offensive Trade
DFR	:	Draft Final Report
DPR	:	Detailed Project Report
EAR	:	Environmental Assessment Report
ECR	:	East Coast Road
ESF	:	Environmental and Social Framework
ETRP	:	Emergency Tsunami Reconstruction Project
FY	:	Financial Year
FOP	:	Financial Operating Plan
GLR	:	Ground Level Reservoir
G.S.T Road	:	Grand South Trunk Road
Gm	:	Grams
GoTN	:	Government of Tamil Nadu
Ha	:	Hectares
HP	:	Horse Power
HSC	:	House Service Connection
IHSDP	:	Integrated Housing & Slum Development Programme
IPT	:	Intermediate Public Transport
ISP	:	Integrated Sanitation program
IUDP	:	Integrated Urban Development Project
JNNURM	:	Jawaharlal Nehru National Urban Renewal Mission
Kg	:	Kilogram
Km	:	Kilometer
LAP	:	Local Assistance Programme
LCS	:	Low Cost Sanitation

LI	:	Lakh Litres
LPA	:	Local Planning Area
Lpcd	:	Liters Per Capital per day
M	:	Metres
MIAM	:	Municipal Infrastructure Asset Management
ML	:	Million Litres
MLD	:	Million Litres per day
MSW	:	Municipal Solid Waste
NGO	:	Non Governmental Organisation
NH	:	National Highway
Nos	:	Numbers
OHT	:	Over Head Tank
O&M	:	Operation and Maintenance
PAP	:	Project Affected Persons
PHC	:	Primary Health Center
PPI	:	Pulse Polio Immunization
PPP	:	Public Private Partnership
PWD	:	Public Works Department
SFC	:	State Finance Commission
SH	:	State Highway
SHG	:	Self Help Group
Sq.km	:	Square Kilometers
SST	:	Summer Storage Tank
STP	:	Sewage Treatment Plant
SWM	:	Solid Waste Management
TEAP	:	Tsunami Emergency Assistance Project
TNEB	:	Tamil Nadu Electricity Board
TNRDC	:	Tamil Nadu Road Development Corporation
TNSCB	:	Tamil Nadu Slum Clearance Board
TNUDP	:	Tamil Nadu Urban Development Project
TNUIFSL	:	Tamil Nadu Urban Infrastructure Financial Service Limited
TPD	:	Tonnes Per Day
TUFIDCO	:	Tamil Nadu Urban Finance and Infrastructure Development Corporation
TWAD	:	Tamil Nadu Water Supply and Drainage Board
UA	:	Urban Area
UGD	:	Under Ground Drainage
UIDSSMT	:	Urban Infrastructure Development Scheme for Small & Medium Towns
ULB	:	Urban Local Body
VAMBAY	:	Valmiki Ambedkar Awas Yojana
WBM	:	Water Bound Macadem
WSP	:	Waste Stabilization Pond
WTP	:	Water Treatment Plant

EXECUTIVE SUMMARY

MELUR MUNICIPALITY

The objectives of preparation of City Corporate cum Business Plan (CCCBP) for ULBs are:

- i. To assess the present status of infrastructure facilities available in the ULB and to suggest a comprehensive infrastructure plan with capital investment plan to meet the future needs.
- ii. To outline issues in revenue realization in the ULB and suggest measures for revenue enhancement & financial improvement in the ULB
- iii. In consultations with Stake holders and Council, suggest Action Plan and FOP to implement the infrastructure plan.

Town Profile and Growth Potential

Melur is a second grade municipal town situated in Madurai District. It is located on Madurai – Thirchirapalli Road (NH-45B). The town extends over an area of 15.02 sq.km holding a population of 33881 (2001). The economic base of the town is mainly are trading and allied activities.

INFRASTRUCTURE

Water Supply:

The sources for water supply are the bore wells and open wells located within the municipal limit. The municipality supplies water at the rate of 63 lpcd. To improve the present situation the municipality has proposed CWSS at a cost of Rs.2600.00 lakhs.

Sewerage:

The town does not have an UGSS. Disposal of Sewage is usually by way of individual facility (Septic Tank) and the sullage is discharged through the open drains. To improve the present situation, TWAD Board has taken up the preparation of DPR for UGSS. The estimated cost for the UGSS is Rs 2553.82 lakhs.

Storm Water Drains

The length of the storm water drain is 95.4 km against 38.75 km length of roads. To improve the existing situation, it is proposed to provide Pucca covered drains along the existing roads and streets at a cost of the Rs.204.00 lakhs. Besides, the ULB proposes to rehabilitate 2 Ooranies at a cost Rs.15.00 lakhs to improve the ground water level in the town.

Solid Waste Management

It is estimated that the town generates 13 MT of Solid Waste of which about 100% is collected every day. Inadequate infrastructure facilities and outmoded vehicles are the issues in Solid Waste Management. Purchase of machineries and construction of approach roads, fence, windrows for the existing compost yard are the proposed to improve the present situation at a total estimated cost of Rs 39.80 lakhs

Roads and Bridges

The municipality maintains 38.75 km length of roads, besides Highways. B.T. roads constitute 78%, followed by cement road 11% of the total network. Upgradation of roads and relaying of BT surface (31 km) at a cost of Rs 290.00 lakhs have been proposed. Further, construction of new B class bus stand is proposed at a cost of Rs.200.00 lakhs.

Street Light

Of the total street lights (1309), 90% are tube lights. The proposals are provision of additional energy saver lights, retrofitting of lights, energy saving devices at a cost of Rs 53.90 lakhs.

SOCIAL INFRASTRUCTURE:

Slum Improvement:

On slum improvement, the Municipality under IHSDP has proposed provision of basic amenities in 13 Slums at a cost of Rs.858.77 lakhs.

Medicare

The town maintains a Reproductive and Health care centre located in Santhapettai. Other than this, private hospitals and clinics are within the town. Repairs and maintenance of hospital building and the existing facilities is proposed at an estimated cost of Rs.2.00 lakhs.

Education

The Municipality maintains 2 elementary schools and 1 middle school. The improvements to educational institutions are proposed at a cost of Rs.18.00 lakhs

In addition to this, improvement of parks, play grounds, daily market and other projects are proposed at a cost of Rs.264.15 lakhs

B) E-Governance

Towards e-governance, it is proposed to procure a printer and replace batteries for U.P.S. The total estimated cost for the proposed project is Rs. 1.00 lakh

C) Other Projects

Towards other projects, it is proposed to buy a sullage tanker lorry at a cost of Rs.20.00 lakhs.

Municipal Finance

The total income of the municipality has increased from Rs. 174.16 lakhs to Rs.244.31 lakhs during 2001-02 to 2005-06 and the total expenditure incurred is Rs.170.86 lakhs to 262.06 lakhs during the above period. It is observed that the Municipality has incurred deficit in three out of the last 5 years. This suggests that the Municipality need to undertake lot of fiscal reforms and full leverage of its assets over the next few years to improve its financial strength.

Capital Investment and Priority Projects

In consultation with the stakeholders of the town and based on their vision statement, the priority projects with capital investment are given below.

Multi Year Investment Plan

S.No.	Particulars	Amount	Year 1	Year 2	Year 3	Year 4	Year 5
		(Rs. in lacs)					
Physical Infrastructure Facilities							
1	Water Supply	2600.00		1560.00	1040.00		
2	Sewerage	2553.83			1021.53	1532.30	2553.83
3	Strom Water Drains	204.00			60.00	70.00	74.00
4	Water Bodies	15.00			7.50	7.50	
5	Solid Waste Management	39.80	20.00	19.80			
6	Roads	290.00	11.00	29.00	80.00	90.00	80.00
7	Bus Stand	200.00		200.00			
8	Street Lights	53.90	53.90				
Social Infrastructure Facilities							
9	Slum Improvement	858.77		300.00	300.00	258.77	
10	Medicare	2.00	2.00				
11	Education	18.00	18.00				
12	Parks & Playgrounds	135.00			43.00	46.00	46.00
13	Burial Ground	39.90		8.10	31.80		
14	Market						
	Daily market	38.00		38.00			
	weekly market	50.00	50.00				
15	Urban Greenary	1.25					1.25
Other Projects							
16	E-Governance	1.00	1.00				
17	Purchase of sullage tanker lorry	20.00	20.00				

18	Updation of Database on GIS platform	45.00					45.00
	Total	7165.45	2502.05	2656.43	1288.45	472.27	246.25

Reform Agenda

The proposed municipal reforms are broadly classified under the heads of:

1. Reforms in Taxation

- Assessing unassessed and under assessed properties
- Implementation of Property tax revision

2. Reforms in resource mobilization

- Implementing metered water supply connections
- Pre-mobilization of deposits for the proposed UGSS project
- Implementing graded tariff for UGSS
- Implementation of Conservancy fee for SWM for hotels, marriage halls, industries and other commercial establishments
- Pre-mobilization of deposit to meet capital cost of the commercial complex

3. Reforms in Privatisation of Municipal functions

- Privatisation of Collection mechanism through private operators and SHGs
- Privatisation of O & M of water supply system, O & M of the Sewer network & STP
- Privatisation of door to door collection of solid waste in all wards
- Privatisation of Compost yard management and produce of compost
- Regularisation of parking areas & advertisement boards and collection of fees through private agencies and SHGs
- Privatisation of O & M of street lights

4. Reforms in Audit and Accounting

- Timely auditing of accounts - August 30th of next fiscal year
- Appointing a private Chartered Accountant as consultant
- Publishing audited statement in municipal website - September 30th of next fiscal year

5. Regular and mandatory capacity buildings sessions for elected representatives & municipal officials

FOP, Borrowing capacity and Investment Capacity

The borrowing capacity is based on the Income and expenditure projections including debt severing of existing loans as of financial year 2007. The summary of borrowing and investment capacity of the Melur Municipality is as follows

Borrowing capacity (BC)	Rs. 282.19 lakhs
Investment capacity (BC/0.04) (IC)	Rs. 7054.81 lakhs
Investment Requirement (IR)	Rs. 7165.45 lakhs
Sustainable investment Capacity	= 98%

At an aggregate level, assuming loans to be equivalent to 4% of investment, the sustainable investment capacity works out to Rs. 7054.81 lacs, which is about 98% of the total investment requirement.

Thus while loans and own funds should be used to finance remunerative projects like water supply, sewerage and markets, Melur should leverage and utilize Grants from schemes like UIDSSMT and IHSDP to undertake non-remunerative projects relating to roads, storm water drains, slum development, canal desilting etc. Further, Melur should also consider involvement of private sector in implementing remunerative projects. Besides the loan portion on remunerative projects should also be based on returns expected and fixed accordingly.

CONTEXT, CONCEPT AND CONTENTS OF CCCBP

1.1 CONTEXT OF THE STUDY

The Government of India has received a loan equivalent to US \$300 millions from the World Bank towards the cost of Third Tamil Nadu Urban Development Project (TNUDP III) which comprises, in turn a number of components including preparation of City Corporate cum Business Plans for eligible urban centres in Tamil Nadu. The Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) of Tamil Nadu Urban Development Fund (TNUDF) is a financial intermediary which, inter alia intends to assist select urban centres in strengthening and improving their resource positions for effective Capital Investment Management and delivery of urban services. TNUIFSL has identified urban local bodies which have good potential for implementation of such financial reforms immediately, and for such towns, TNUIFSL considered it essential to formulate City Corporate cum Business Plans (CCCBP). Incidentally, such urban local bodies had recently prepared the Vision Plans which encompass projects that were felt necessary, and it is broadly required now to assess the need and feasibility of these projects and while updating them, prepare Capital Investment Plan on a sustainable mode.

1.2 OBJECTIVES

The objectives of the study include:

- Defining the directions of growth and up gradation of services relevant to economic activities and development.
- Examination of the need for the projects identified by the Urban Local Bodies, and assessment of the demand in terms of gaps either as deficiency or as excess.
- Studying the status of essential urban infrastructural services and outlining broadly the needs.
- Defining specific rehabilitation and capital improvement needs of infrastructural facilities and services in all parts of the urban areas including slums.
- Analysis of improvement techniques and methods to enhance the local bodies' resource positions and improve the management system that would sustain the proposed rehabilitation programmes.

- Identification of reforms required in administration and service delivery system of the urban local body.
- Studying improvements / changes required in the ULB setup to improve the O&M of assets.
- Identifying measures to address overall growth measures including service needs in a sustainable mode.

1.3 REVIEW MEETING FOR INTERIM REPORTS

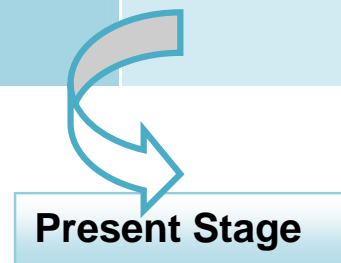
On submission of the Draft Final Report (Stage-III), the review meeting was held at TNUIFSL, T,Nagar, Chennai on 18.6.08 for Cluster II covering Periyakulam, Chinnamanur, Cumbum, Bodinayakanur, Usilampatti, Melur, Tirumangalam, Paramakudi, Devakottai, Aranthangi Municipalities. The minutes of the meeting and the consultants reply are given below:

The consultants were asked to

Points raised in the minutes of meeting	Reply / Remarks
1. According to the recent order by CMA, deposits and tariffs should be increased by 15% once in 3 years. Hence, the consultants were requested to consider the same in the FOP.	The suggestions have been considered and applied to the FOP projections- We have assumed increase @ 15% once in every 5 years in the financial projections for property tax, profession tax, water and sewerage charges. This is based on the discussions we had in your office at the various meetings.
2. Rate of Taxation is proposed to be increased in all the towns and the expected increase is in the range of 25% to 40%. Hence, it was informed to the consultants that a gradual revision of tax from 25% in the first year, 30% in the second year, 35% in the third year and 40% in the fourth year and thereafter may be considered for the purpose of FOP projections.	The rate of taxation has been analyzed and updated for all the 10 towns - 25% increase assumed in all towns based on Govt. notification. Besides in certain municipalities with very low property tax rates we have assumed further increase based on suggestion by RDMA in the meeting.
3. Maternity centers were suggested by the consultant in towns and it was clarified by RDMA that Maternity centers would be handled by maternity assistants and Maternity homes will be handled by maternity doctors. Hence, the consultants were asked to study and suggest maternity homes wherever required.	Maternity homes in lieu of maternity centres have been suggested for Paramakudi.
4. The consultants were asked to revise the project cost with the latest figures available with the ULB preferably with the current schedule of rates.	The project costs, project status have been updated after discussions with the respective Municipalities.
5. The consultants had considered improved scenario for preparation of FOP projections. In this regard, it was discussed that the consultants may give the base scenario as well in the report and indicate the improvements to the FOP between the two due to implementation of reforms suggested.	The two scenarios as suggested have been worked out and furnished in Chapter-8. The improvement in sustainability of projects due the proposed reforms are given in percentage basis.
6. Wherever funds are tied up for projects, the consultants were asked to incorporate the means of finance in the FOP based on sanctions.	The means of Finance for sanctioned projects have been incorporated accordingly.
7. It was discussed that UGSS projects may be considered only after implementation of WS scheme and the consultants were asked to revise the priorities accordingly.	Since done. Refer Chapter-7 Table 8.2 Multiyear Investment Plan.
8. It was discussed that CWSS will be taken up by TWAD for implementation on a parallel basis and hence the consultants were requested to consider CWSS projects simultaneously in respective towns	The suggestions have been considered and proposed accordingly for the respective towns.
The points raised during the last meeting but not addressed by the consultants in the report are as follows:	
9. Including 24 X 7 water supply proposal for Periyakulam municipality as water is available in adequate.	The feasibility of the proposals was analysed by the Infrastructure specialist and the recommendations have been incorporated in the Draft Final and the Final Reports.
10. Including risk assessment and mitigation plan in the report specific to the town.	Project specific, town specific risks and mitigation measures for key projects included in the Draft Final and the Final Reports. Refer Chapter-7.
11. Identifying and suggesting more improvements to Paramakudi municipality as plenty of lands are available in the municipality unlike other municipalities.	The list of ULB owned lands from Schedule -1 have been identified and projects wherever feasible have been suggested and incorporated in the Draft Final and Final reports. Refer Chapter -9.

Road map for City Corporate cum Business Plan

Stage I Inception Report	Stage II Interim Report	Stage III Draft Final Report	Stage IV Final Report
Town reconnaissance and Data collection.	Consultations and Analysis	Finalization of CIP and FOP	Adoption by Council
<p>➡ Modules :</p> <ul style="list-style-type: none"> - Demand Assessment - Rapid Urban Assessment 	<p>➡ Modules :</p> <ul style="list-style-type: none"> - Strategic Plan, - CIP and - Priority asset management - Project risk, ESR 	<p>➡ Modules :</p> <ul style="list-style-type: none"> - Policy interventions - Technical Assistance - Draft MoA - FOP 	<p>➡ Modules:</p> <ul style="list-style-type: none"> - Council Resolution - MoA
Deliverables 9 weeks	Deliverables 18 weeks	Deliverables 23 weeks	Deliverables 24 weeks



TOWN PROFILE, PHYSICAL PLANNING AND GROWTH MANAGEMENT

2.1 REGIONAL SETTING

Melur is a grade II Municipality located in Madurai district. It is geographically located between 10 ° 1' & 10 ° 10' latitude and 78 ° 20' & 78 ° 30' longitudes. The town is about 30 km northwest of Madurai and 90 km northeast of Trichirapalli. The town is well connected to major cities by NH 45B. The Madurai – Trichy road, which passes through the town, links the town with Chennai on the north and Tirunelveli on the south. Melur town spreads over an area of 15.02 sq.km and is divided into 27 wards. The town is surrounded by Alagarkoil and Natham on the north, Thirupathur and Sivaganga on the south and Madurai on the southeast. The regional setting of the town and the Town map is given in Fig 2.1 & 2.2. The details of the town are given in the Table below.

Table 2.1 Salient features of Melur

TOWN	MELUR
District	Madurai
Area	15.02 sq.km
Census population	33881 (2001)
Connectivity	Road –The Major roads connects to Madurai, Alagarkoil, Sivaganga, Thirupathur and other urban centres in the region.
	Rail – Nearest railway station is Madurai - 30 km from Melur. Sivaganga – 26 km from Melur
Climate	Temperature – Max-35°C and Min-29°C Average Annual Rainfall – 557 mm

Source: Municipal Records, 2007

2.2 PHYSICAL FEATURES

The town is bisected by the National Highway 45B along southwest - northeast axis. The growth of the town is closely linked and dependent upon Madurai. The major water bodies in the town are Malampatty Oorani and Salakarayan Oorani. The town is surrounded by agriculture wet lands. The major groups of soils that are found in the town are black and red soil. The town gets rainfall mainly during northeast monsoon. Coconut, palmyrah, tamarind trees are prominent in this town and the surrounding villages.

2.3 HISTORY OF THE MUNICIPALITY

Melur was constituted as a Town Panchayat as early as 1888 and upgraded to grade III municipality in the year 1978. It was again upgraded to the present status of grade II Municipality in 1998. The entire area of Melur town revenue villages namely Melur and Karuthapuliampatti were included within the jurisdiction of the Municipality.

2.4 DEMOGRAPHIC FEATURES

2.4.1. Population and its growth

The population of the town was 33,881 according to the Census 2001. The population growth rate was 33% in 1981 sharply declined to 3 % in 2001. Table 2.2 gives the growth of population of Melur town from 1971 to 2001.

Table 2.2 Population growth

Year	Population	Decadal Variation	Percentage Variation	Sex Ratio
1971	19884	-	-	990
1981	26292	6,408	33.23	973
1991	32848	6,556	24.94	966
2001	33881	1,033	3.14	965

Source: Census of India 1971-2001

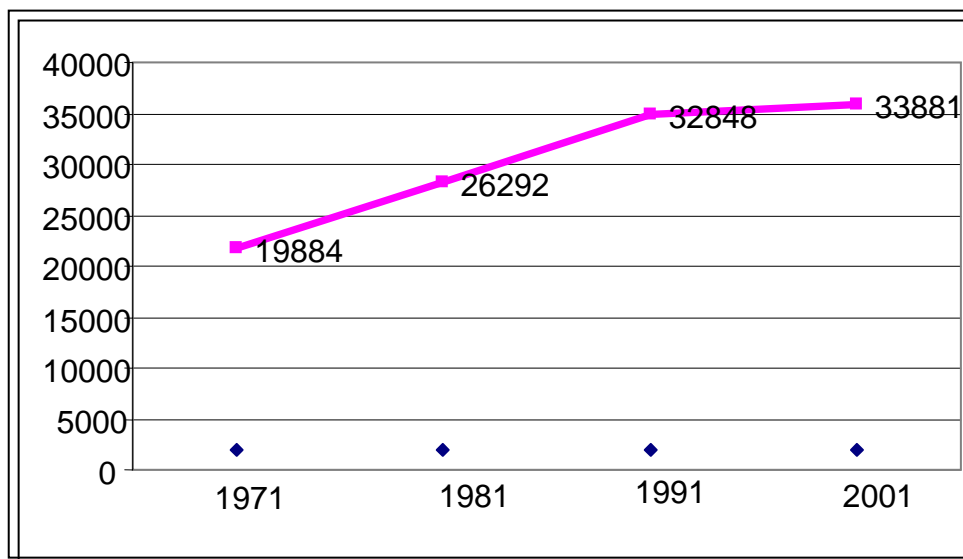


Figure 2.3 Population growth of Melur - 1971-2001

2.4.2 Population projection

Based on the growth rate for the past few decades, the future population of the town has been projected using various methods and are tabulated as below:

1. Arithmetical Increase Method
2. Geometric Increase Method
3. Incremental Increase Method
4. Method of least square

Table 2.3 Comparative statement of projected population

Sl. no.	Method	Projected Population for		
		2009	2024	2039
1	Arithmetical Increase	37614	44612	51611
2	Geometrical increase	37552	45541	55230
3	Method of Least Square	39726	47226	54726

Source: Analysis and computation

After a detailed analysis and comparison of each method, Method of least Squares is found to be suitable and the population projections are based on the same. The details are given in Annexure-2. Therefore the projected population for Melur town is:

1. **Base year 2009** - 39726
2. **Intermediate year 2024** - 47226
3. **Ultimate year 2039** - 54726

2.4.3. Sex ratio and literacy rate

The sex ratio of the town has gradually decreased over the past few decades as given in the table 2.2. The sex ratio of the town as per 2001 census is 965. It is higher comparing to the district figure of 952 females for 1000 males. The Literacy rate accounts to 74.8%

2.4.4. Density pattern

The town has recorded an overall population density of 23 people per hectare. Maximum density occurs in the central area of the town and decreases towards the peripheral areas of the town.

2.5 OCCUPATION PATTERN

The economic base of the town is mainly are trading and allied activities. About 84% of working population is involved in tertiary activities according to 2001 census.

Granite quarries are one of the major employment providers to Melur and environs. There are over 50 granite quarries in the region surrounding Melur town. Each of the quarries employs 300 to 1000 people. Of these some of the quarries are run by state-owned Tamil Nadu Minerals Ltd, while the rest is all privately run.

The work force in the town constitutes 33% of the total population. The major work force is involved in the tertiary sector i.e., trade and commerce. The occupational pattern of the town is given in the table below:

Table 2.4 Occupational Pattern – Melur 2001

Category of Workers	Total	% to total Population	% to Main work force
Total Workers	11198	33	
Main Workers	10534	31	100
Cultivators	699	2	6.6
Agricultural labourers	821	2.4	7.8
Workers in household industries	211	0.6	2.0
Other Workers	8803	26	83.6
Marginal Workers	664	2	
Non Workers	22683	67	

Source: Census of India 2001

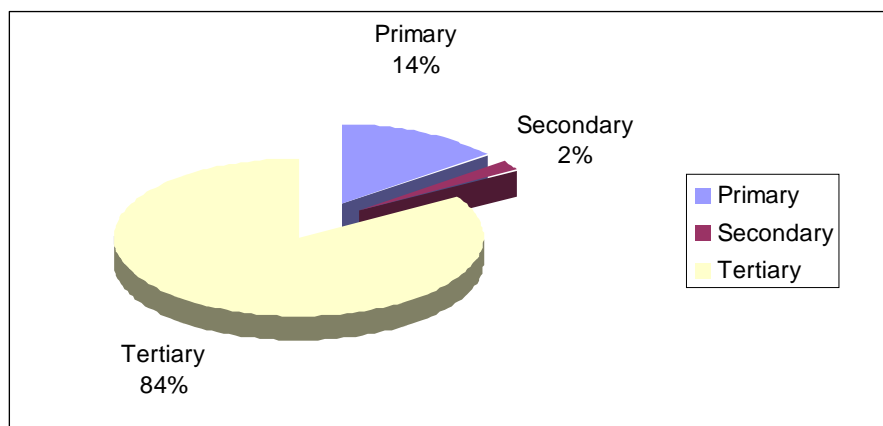


Figure 2.4 Occupation pattern 2001

2.6 PHYSICAL PLANNING AND GROWTH MANAGEMENT

2.6.1 Growth Direction

The economic base of the town is mainly trading and commercial activities. The major commercial and institutional developments are along the Madurai - Trichy road and Melur - Alagarkoil road. The future growth directions are along Madurai - Trichy road and Melur- Alagarkoil road towards the northern side of the town. The growth direction of the town is given in fig 2.3

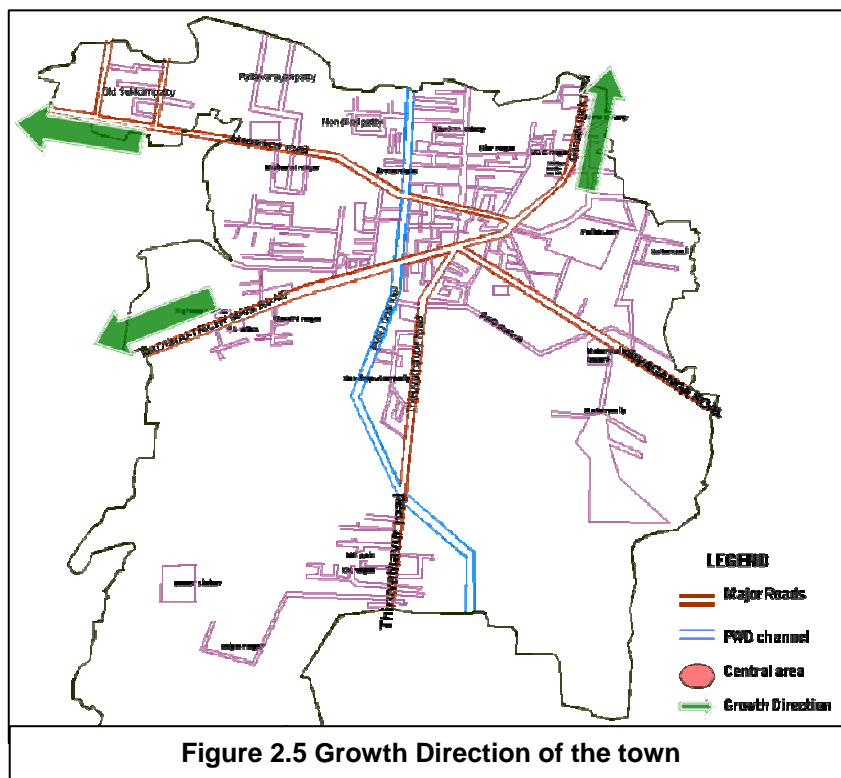


Figure 2.5 Growth Direction of the town

2.6.2 Existing Land Use - 1997

The total area of the town is 1502 hectares. The latest land use pattern available on records with the Municipality relates to the year 1986. As per the 1986 land use map, about 84% of the land is under non-urban use. Of this, the agricultural use zone occupies about 69% of the total area of the town. About 60% of the developed area is under residential use. The land use distribution is given in table below

Table.2.5 Land Use – Existing & Proposed

Uses	Extent in hectares	Percentage to the total area	Percentage to the developed area
Residential	141.5864	9.42	60.44
Commercial	6.4589	0.43	2.76
Industrial	27.7187	1.65	10.55
Educational	5.9813	0.40	2.55
Public and Semi Public	12.3755	0.82	5.28
Transportation	43.1606	2.87	18.42
Agriculture	1044.1076	69.50	-
Water bodies	186.0866	12.39	-
Vacant	37.8389	2.52	-
Total	1502.3145	100	100

Source: Melur Master Plan, 1986.

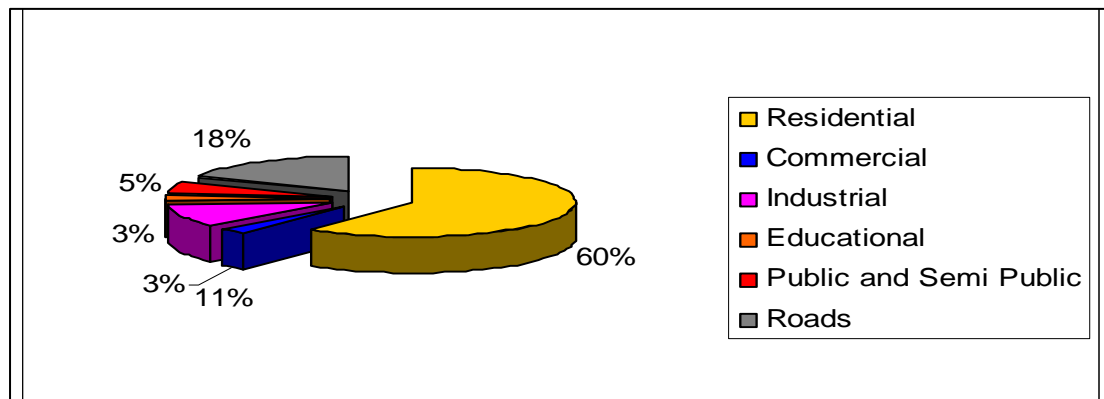


Figure 2.6 Land Use Pattern

2.6.3 Land Use Pattern

1. Residential

Residential area has developed on both sides along the arteries namely Madurai - Trichy road, Melur- Alagarkoil road, Melur – Sivaganga Road and Melur - Poovandhi road. Apart from these, small residential pockets Chokanpatti, Nondikoilpatti on the north, Malampatti, Therkupatti, Kuganadupatti on the south are scattered within the town. The total land under the existing residential use zone is 141.58 hectares.

2. Commercial

The commercial activities are concentrated mainly along the Madurai - Trichy road. The daily market is located on the eastern side of Poovandhi road (rear side of municipal office). The weekly market is situated on the western side of Madurai - Trichy road opposite to Veterinary hospital. Both the daily market and weekly market are functioning at locations which are easily accessible from different parts of the town. The total land under the existing commercial use zone is 6.46 hectares.

3. Public and Semi-public Uses

Public offices are located on the northern part of the town that is along the Madurai - Trichy road and Melur- Alagarkoil road. The public offices in the town include the Municipal office and other Government offices. Only 0.82% of the total area of the town comes under this use. The total land under public and semi-public use zone is 12.3 hectares.

4. Transportation

Madurai - Trichy road is the major artery passing through the town. The following other roads radiate from the town and provide access to the surrounding settlements:

1. Melur - Sivaganga
2. Melur - Alagarkoil
3. Melur - Poovandhi

A large number of goods vehicles pass through the town enroute Trichy and Madurai. Frequent bus services are available to Madurai and Trichy. Apart from this, town buses connect the town to the surrounding settlements. These buses provide good communication links to the surrounding areas. There is no railway link for this town; the nearest railway station is Madurai and Sivaganga, about 26km and 30 km away from the town respectively.

3.1 Stakeholders Workshop and Vision Statement

The City Corporate Plan is a tool which adapts a corporate approach in planning and implementing projects in a participatory mechanism involving users, elected councilors, line agencies, private organizations, NGOs and CBOs. In this process, residents of various sections of the communities in the town were enquired into at random during reconnaissance survey and visits to all the sites of the projects identified by the Municipality and also otherwise suggested by the elders.

The broad purpose of stakeholders participation is to involve the stakeholders in the development plan for the city. The Vision Statement has been firmed up based on the feed backs received from the stake holders and expert survey of the municipal services for the perspective year of 2030.

The analysis and findings of the study are primarily based on secondary data collected from respective departments and during the course of the study, data gaps if any were supplemented through primary survey.

A detailed analysis to find out the existing status of each admissible sector, cross-referring the norms and standards, demand and gaps based on present and future service requirements is done. A SWOT analysis was done based on the data collected on the resources and consultation with the stake holders in the following section. Accordingly, interventions are suggested.

3.2 SWOT ANALYSIS

A SWOT (Strength, weakness, opportunities and threats) analysis illustrates the Stakeholders perception and the consultants' analysis of the town. A brief SWOT analysis for Melur town is given below:

Table 3.1 SWOT analysis

STRENGTHS	WEAKNESS
Proximity to Madurai(35 km)	Absence of local source for water supply
Strategic location and well connected with the nearby urban centers by road.	Water logging, a common feature in and around the town after heavy rain.
Located along the major growth direction of Madurai.	Inadequacy and poor quality of roads
Location of Mattuthavani bus terminus, High Court, Meenakshi mission hospital, wholesale vegetable and flower market and proposed IT-ITES developments enroute Madurai.	Slum problem needs to be tackled with greater degree of attention.
Golden quadrilateral passing through the town	Water bodies not utilized for Rain water harvesting
OPPORTUNITIES	THREATS
Potential for IT-ITES development enroute Madurai	Infrastructure deficiencies
Granite Quarries, IT industrial units around the town as employment opportunities	Town requires significant investments in basic infrastructure
Opportunities for development of trade and commerce	Infrastructure provision in the slums is inadequate that can lead to very poor living conditions.
Effort to enhance city landscape and recreational spaces	Threat to natural water bodies

Source: Analysis and feed backs from consultative meeting.

3.3. THE VISION FOR MELUR TOWN

Melur municipality is located in the Madurai District. The town is vastly dependent on the mother city of Madurai for its sustenance and growth. The economic base of the town is mainly trading and commercial activities.

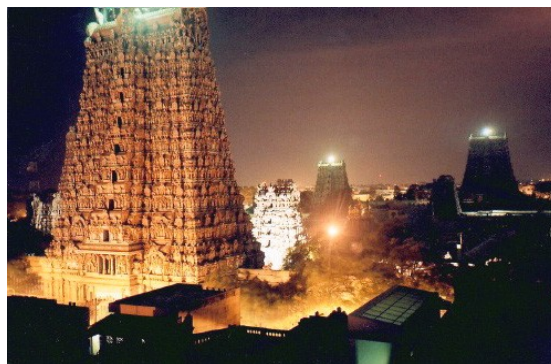
The vision statement for the town is to achieve ***‘a pollution free, clean and green city having planned developments to create employment opportunities with up gradation in physical and social infrastructure.***

3.4 STRATEGIES FOR ECONOMIC DEVELOPMENT

Melur town is located on Madurai – Trichy Highway (NH 45B), 35 km from Madurai city. The town is surrounded by isolated hills namely Azhagar Malai, Natham Hills and Aialur Hills. It is the taluk headquarter town and function as a service center to cater to the needs of the surrounding villages in the area.

Benefit from the proximity to Madurai to generate employment opportunities and economic development.

Melur, 'Granite city' is located on the Madurai - Trichy National Highway. The Madurai Moffusil bus stand, the wholesale market, Madurai high court are located on the way to Melur – Madurai. The Provision of adequate housing, infrastructure, medical, educational and recreational facilities would enhance economic growth of the town.

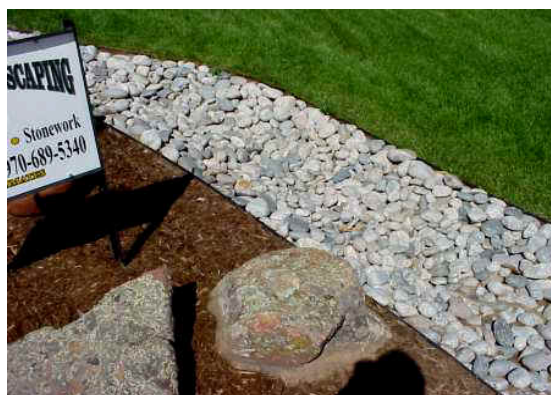


Presence of Granite Quarries in and around Melur town as an economy driver

Quartz, Granite is available around Melur town, which has good demand in foreign countries. Granite has emerged as a potential employer in this area since 1991. At present there are 50 quarries in operation including the state owned quarries run by Tamil Nadu Minerals Ltd. Each of the quarries employs a maximum of 300 persons, and a few employ 1000 people. Establishment of more industries in this area will enhance the economic development in the locality.



The crushed granite stone product is a commodity which can be used in conjunction with concrete aggregates or by themselves to achieve desired finishes on pre-cast concrete products as well as many other applications where natural stone color is required. The crushed granite stones can also be used in landscaping.



Capitalize on the IT enabled growth of second tier cities - The growth triggered by the IT majors and MNCs is an emerging economic base in and around

Madurai. ELCOT has proposed 2 IT SEZs in Madurai, of which one is located 4 kms north of Madurai in Ilandaikulam Village, considering the potential for establishment of IT industrial units in the area owing good accessibility from Madurai, Trichy, where trained professionals are available besides vacant land is available at a less cost. Further, press reports point to an exponential increase of IT majors in the region.



3.5 URBAN INFRASTRUCTURE

Infrastructure (physical and social) provision brings in social and economic development, particularly for women. Improved infrastructure reduces women's work burden and gives them more time, increased more home-based economic activity, improved lighting and better road coverage increase mobility and security at night. Infrastructure provision is perceived to have a significant impact on health, reducing incidence of illnesses which are related to an unhygienic living environment. Thus, infrastructure plays an inevitable role in the economic development and social well being of the town.

3.5.1 Sector wise Vision

The sector wise vision for the key infrastructure services are as given in the table below:

Table 3.2 Sector wise vision for infrastructure services

	Sector	Vision statement
1	Water Supply	<ul style="list-style-type: none"> i. To check wastage and misuse of water ii. To generate more revenue for better operation & maintenance of the systems and to supplement the capital works, in order to render the delivery of the service self sustaining over a period of time.
2	Sewerage and Drainage	<ul style="list-style-type: none"> i. To provide 100 percent coverage of the sewerage and drainage facilities

		<ul style="list-style-type: none"> ii. To maintain high level of environmental hygiene generally in the town and particularly the cleanliness of the water bodies iii. To avoid water stagnation and flooding in the town.
3	Storm water drainage and improvement to water bodies	<ul style="list-style-type: none"> i. To improve condition of storm water drains to handle run off water and prevent water stagnation. ii. Rejuvenate water bodies and improve recharge of ground water. iii. To provide Rain Water Harvesting to improve the quality and quantity of Ground water.
4	Solid Waste management	<ul style="list-style-type: none"> i. To provide a litter free town for the healthy living of the public. ii. To minimize the O&M expenditure of SWM
5	Roads and Streets	<ul style="list-style-type: none"> i. To provide safe, comfortable and speedy circulation network for the residents. ii. To relieve congestion by adopting a traffic management plan iii. To channelise by-passable traffic through arteries outside the town limit.
6	Street lighting	<ul style="list-style-type: none"> i. To provide sufficient illumination to the town, for safety of the people. ii. To optimize the use of electricity by adapting energy efficient technologies
7	Educational Institutions	<ul style="list-style-type: none"> i. To Provide comfortable conducive physical infrastructure and sound environment for the learning process
8	Medicare	<ul style="list-style-type: none"> i. To make quality preventive and curative care available and accessible for the Public. ii. To support people for healthy living and environment.

3.6. PERFORMANCE AND DEMAND ASSESSMENT

To assess the indicators of performance in each sector of infrastructure, the existing levels of key Municipal services is benchmarked against their norms and standards to arrive at performance assessment index .The norms and standards are based on SFC recommendations, Planning Commission recommendations, UDPFI guidelines, CPHEEO manuals, Best practices etc.

The demand assessment for projects is arrived from the Stake holder consultative meetings, discussions with officials, field visits and service analysis. The improvement needs proposed are based on the demand and performance assessments with reference to short term and long term proposals for each sector.

The Performance assessment index for the existing status against the norms and standards for water supply, sewerage, drainage, solid waste, street lighting and social facilities are illustrated in the table below:

Table: 3.3 Performance Indicators for key Municipal Services

SI No	Service Indicators	Unit	Normative Standard	Current Status
Performance of Key Water Supply Service Indicators				
1	Daily per capita supply	Litres	120	63
2	Roads covered with distribution network	Percent	>100	70
3	Storage Capacity with respect to supply	Percent	33	104
4	Property tax assessments covered by service connections	Percent	85	10
5	Proportion of non – domestic service connections	Percent	> 5	1
Performance of Key Sewerage and Sanitation Service Indicators				
7	Sewage contribution	lpcd	100	50
Performance of Key Storm water Drainage Service Indicators				
6	Road length covered with storm water drainage	Percent	130	123
Performance of Key Solid Waste Management Service Indicators				
7	Estimated waste generation per capita per day	Grams	400	385
8	Waste collected as per the estimate of ULB (w.r.t. waste generation)	Percent	100	50
Performance of Key Road Service indicators				
9	Road density	Km/sq.km	10-15	3.44
10	Per capita road length	meters	1.75	0.9
11	Proportion of surfaced roads	Percent	100	89
Performance of Key Street Lighting Service indicators				
12	Spacing between lamp posts	Meters	30	39
13	Proportion of tube lights) w.r.t. to total lights	Percent	60	90
14	Proportion of high power lights w.r.t. total lights	Percent	40	10
Performance of Key indicators for Slums				
15	Proportion of slum population to total city population	Percent	<10	20

From the above table, the gap in each infrastructure service is identified after comparison with the benchmarks and standards. The chapters that follow propose projects needed to ensure efficient delivery of the services.

3.7 STRATEGIES FOR POVERTY REDUCTION AND SLUM UPGRADATION

Towards Building Successful Slum-Upgrading Strategies

- **Youth groups can be very effective.**

Youth SHGs can be encouraged and made active participants in developmental activities. Unlike Women SHGs, which are formed originally for social empowerment, Youth SHGs can aim at both economic empowerment and social empowerment as the primary focus. The focus can be on skill training for increasing their employability and promotion of economic activities.

Group formation:

The SHGs can be formed with unemployed youth in the age group of 18 to 35 years. Each group may comprise 10 to 20 members drawn from the below poverty line population.

Youth SHGs can be beneficial in the following ways

- To engage the communities in development activities through a dialogue with the active participation of the youth (men and women) with a sense of commitment and integrity
 - To equip the youth by building their skills, capacity and capability in managing development, so that, they can help build the capacity of the citizens to manage the affairs of the community on their own.
-
- **Infrastructure provision**
Infrastructure provision brings indirect social and economic development, particularly for women. Improved infrastructure reduces women's work burden and gives them more time, increased space allows for more home-based economic activity, and lighting and better road coverage increase mobility and security at night. Infrastructure provision is perceived to have a significant impact on health, reducing incidence of illnesses which are related to an unhygienic living environment.
-
- **Community halls** are valuable for project work as well as for private and public social activities, however, halls are prone to capture and maintenance can be a problem. They can also be used as location for health camps, balwadis (pre-schools), vocational training and neighborhood committee meetings. They can be used by the community for a variety of occasion such as religious ceremonies, marriages, political meetings etc. conflicts over use

and maintenance are common, and control over the hall give some individuals power in the community.

- **Balwadis** (pre-schools) benefit poor and working families, especially working mothers. If timings of balwadis are appropriate, then they have a positive effect on the lives of working women, freeing them of childcare and giving more time to women to do paid as well as non-paid work.

- **Vocational Training**

Vocational training will not benefit if they are not targeted. Provision of one-off training in isolation of financial support is unlikely to impact livelihoods.

- **Medical facilities**

Frequent illnesses and consequent break from work is a major factor that costs the time and money of the low income group. The availability and accessibility to medical facilities as necessary needs to be addressed as a priority issue.

3.8 INCOME GENERATION ACTIVITIES

a. Upliftment of Trade and commerce

There should be efforts to build a data base on the following areas in all the regions

- Nature of internal trade;
- Nature of services of wholesalers to manufactures and retailers;
- Nature of retailers;
- Nature and classification of the types of retailers;
- Nature of forms of small scale and large scale retailers; and

The following services can be offered to the people, among others for effective trade and commerce in all the regions:-

- Identification of products which are produced locally
- Assistance for sourcing of the products and components;
- Providing import/export and internal trade data at micro level

- Providing on demand up to date information on trade to industries, Importers and Exporters, Chambers of Commerce, government departments, Export Promotion Councils, Embassies etc.
- Providing product/process ideas to entrepreneurs based on the information collected through research.

Effective trade and commerce depends on

- Empowering the people with socio-economic activities.
- Training on management of income generating activities
- Technology upgradation in existing industries.
- Scientific land management programme for sustainable livelihood.
- Reforms in land use planning on water resources, natural resources & sanitation.

Training can be undertaken in the following areas in all the regions:

- Areas of functional capability development,
- Occupational health,
- Animal health care and livestock promotion,
- Bakery science and fruit and vegetable preservation,
- Basket weaving and hand-woven technology for SC women empowerment,
- Sustainable biodynamic farming.
- Training in computer science and information technology.
- The training on block printing and embroidery on paper and paper products. The products could be jewelry boxes, carry bags, diaries, dustbins, lampshades,

Involvement of the local manpower for collection of house hold waste, vegetable /fruit waste, agro & forestry waste, etc.

4

ORGANISATIONAL STRUCTURE

The organizational structure of the Melur Municipality generally consists of administrative and executive wings.

4.1 ELECTED BODY

The Municipal Council, the political wing of the Melur Municipality consists of 27 elected councilors. Each Councilor represents one electoral ward. The Councilors in turn elect the Chairperson as head of the Municipal Council.

Administrative wing

The administrative wing gives overall guidance to the municipal functions through set of committees. Three committees have been formed namely, Appointment Committee, Contract Committee and Taxation and Appeal committee consisting of the Chairman, the Municipal Commissioner and elected Councilors as members. Appointment Committee is a statutory committee, and the Chairman of the Municipality is also the Chairman of the committee. The Committee is responsible for making appointments for posts which fall under the purview of the Appointing Committee. Contract Committee is another statutory committee and quotation of works up to the value of Rs. 50,000/- is finalized by the Contract Committee. The Taxation Appeal Committee is responsible for hearing of appeals of the tax items.

4.2 EXECUTIVE BODY

The executive wing is responsible for the Municipal operations and maintenance. The Commissioner is the administrative head of the executive wing and is supported mainly by 5 department heads in the Municipal operation and maintenance. The organization structure of the Municipality comprises of 5 functional departments namely,

1. General Administration
2. Engineering and Water Supply Department
3. Accounts Department
4. Public Health Department, and
5. Town Planning Department

4.2.1 General Administration

Melur Municipality is a second Grade Municipality. The Manager is the head of Administration next to the Commissioner in the section of General Administration, and he is responsible for general supervision and administration of the Office. All establishment matters are dealt by the General Administration Section.

Manager

Manager is the Head of General Section. His duty includes general supervision of the ministerial staff, and maintenance of discipline in the office premises, ' and to sign receipts for all remittances made in the Municipal Treasury to acknowledge registered tapals, Money orders etc on behalf of the Commissioner. The Manager is the custodian of the cash collected by daily-checking of Chitta and Cash and Petty cash, payment advance etc, and for the administration report by way of Annual Inspection of the office, checking of Personal Registers of all staff and subsidiary registers in respect of all the sections. All papers are routed through the Manager to the commissioner except the Engineering section and the Health section.

All matters relating, to the Establishment including public health, maintenance of Increment & Punishment registers, maintenance of service registers, register of Probationers; maintenance of temporary and permanent post sanction register, Pension & Gratuity for all Establishment Audit Register, issue of Office order, common office order book, maintenance of stock file, maintenance of personal register & audit objection register etc are looked up by the Manager.

4.2.2 Engineering Department

The Municipal Engineer is the over-all in-charge of Engineering Section. The Municipal Engineer is controlling the Overseer, Work Inspector, and Road Mazdoor, Water works Superintendent, Wiremen, Helper and Fitter working in the section. The Municipal Engineer looks after the maintenance of roads, street lights, road laying, and construction of building, drainage, maintenance of parks, head works and municipal vehicles. The other subordinate officers are assisting the Engineer to look after the above works.

4.2.3 Accounts Department

The Account Section is included in the General Section. The Accountant is the Head of the Wing controlling financial matters. It involves preparation of Budget and looks after the Accrual based Accounting System.

4.2.4 Public Health Department

Sanitary Officer is the overall in-charge of the Health Section. He looks after conservancy, sweeping streets, maintenance of drainage, controlling of epidemic diseases, ensuring of license to D&O trades, Birth and Death Registration and issuing of certificate to birth and death registration. Sanitary Inspector, Sanitary Supervisor and Sanitary Workers are assisting the Sanitary Officer. The Sanitary Officer is held responsible for the solid waste management. Pulse Polio Immunisation camps are conducted every year under the section.

4.2.5 Town Planning Department

Town Planning Officer/Inspector is over all in-charge of the section. He looks after the work of preparation of Master Plan, Detailed Development Plan and maintains the land use registers as per the approved zoning uses. He is also responsible for licensing of plan approved, booking of unauthorized construction, approval of lay out plans with in the town limit, controlling and removing the encroachment in the town. The Town Planning Inspector helps in planning the future development of the town and allied works.

4.3 STAFF STRENGTH POSITION AND VACANCY POSITION

As of now, there are 16 vacancies in the 136 sanctioned strength of the Municipal office. The vacancies are mostly under the Sanitation section.

Table 4.1 Staff Strength position

S. No.	Name of the department	Sanctioned strength	Working strength	No. of pos Vacant
1	General Section	24	24	-
2	Municipal Engineering and Water Supply Service	16	15	1
3	Public Health	95	80	15
4	Town Planning	1	1	-
	Total	136	120	16

Source: Melur Municipality, 2008.

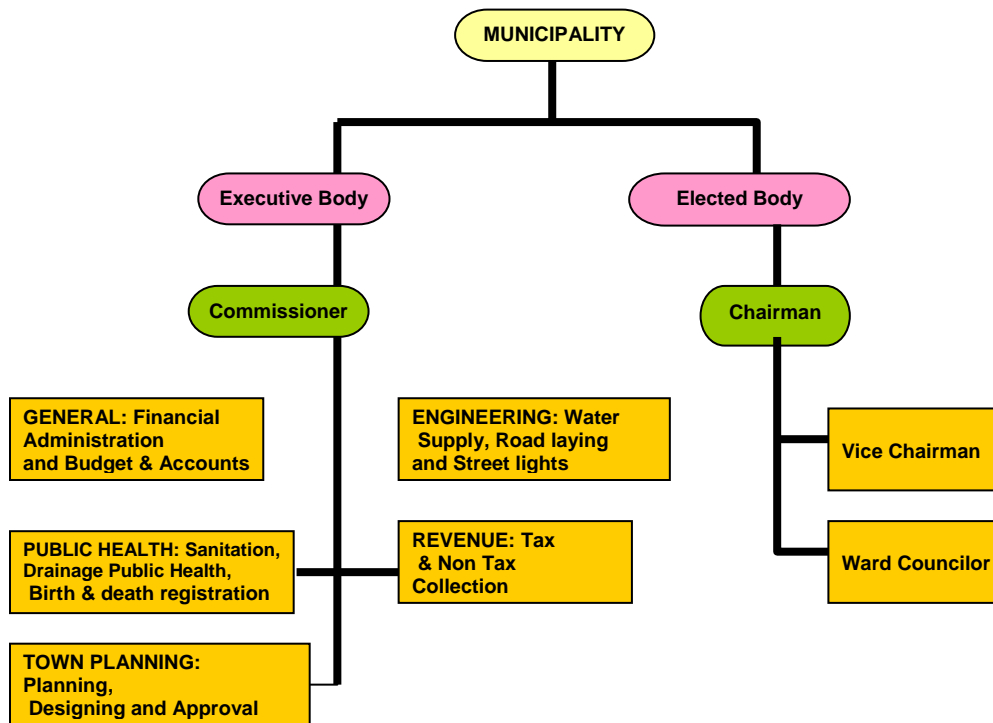
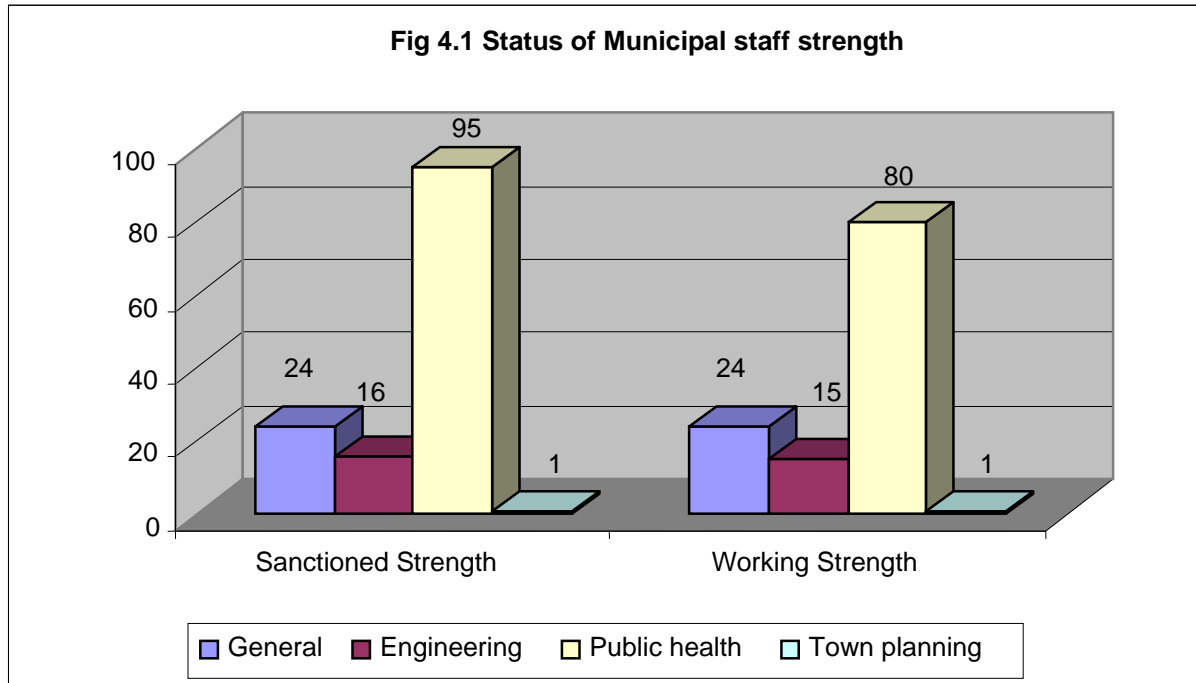


Fig 4.2 Organizational structure of Melur Municipality

Table 4.2 Staff strength position – Section wise				
S.n	Name of the post	Sanctioned Strength	Working Strength	No. of vacant post
General Section				
1	Manager	1	1	-
2	Accountant	1	1	-
3	Assistant	1	1	-
4	Junior Assistant	5	5	
5	Assistant Programmer	1	1	-
6	Typist	1	1	
7	Record clerk	1	1	
8	Revenue Inspector	1	1	
9	Office Assistant	3	3	-
10	Night watchman	1	1	-
11	Bus Stand Watchman	1	1	-
12	Park Watchman	1	1	-
13	Weekly market Watchman	1	1	-
14	Revenue Assistant	5	5	
	Total	24	24	-
Engineering section				
1	Municipal Engineer	1	1	-
3	Overseer	1	1	-
5	Electrician	2	2	-
6	Mechanic	1	1	-
7	Tank Watchman	5	4	1
8	Wireman	1	1	-
9	Helper	2	2	-
10	Driver	3	3	-
	Total	16	15	1
Public Health section				
1	Sanitary Officer	1	1	-
2	Sanitary Inspector	1	1	-
3	Sanitary Supervisor	4	4	-
5	Driver	2	1	1
8	Cleaner	1	1	-
9	Sanitary Worker	74	65	9
	RCPH			
10	Medical Officer	1	-	1
11	Staff Nurse	3	3	-
12	ANM	1	1	-
13	Computer cum clerk	4	-	4
14	Sanitary Worker	3	3	-
	Total	95	80	15
Town Planning section				
1	Town Planning Inspector	1	1	-
	Total	1	1	-
	Grand Total	136	120	16

Source: Melur Municipality records

4.4 ISSUES IN HUMAN RESOURCES

Out of the sanctioned strength of 136, in all the section of the municipality, 16 posts are vacant at present as shown in Table 4.2 In the Public Health Section, 15 posts out of 16 is vacant. Considering the present quantum of work in the municipality, additional posts of Revenue inspector, Assistant engineer/Junior Engineer, Sanitary inspector, Town Planning officer need to be sanctioned.

In view of appointing project management consultancy for infrastructure projects in the municipality, Privatization of solid waste management maintenance of street light through ESCO/ Private agencies, the vacant section of the municipality need to be strengthen with the following personnel .

Table 4.3 Additional Staff Required

SI No	Name of the Post	Section	No. of personnel Proposed
1	Revenue Inspector	General Section	1
2	Assistants/Engineer/Junior Engineer	Engineer	2
3	Sanitary Inspector	Public health	2
4	Town Planning Officer	Town planning	1
	Total		6

4.5 ORGANIZATION MANAGEMENT

As may be seen from various sections of the report particularly relating to service deliveries, there are gaps of various sizes which result in a shortage in the delivery system. This could be over come by certain specific options:

- In most of the service sections of the Municipality, there are only a few vacancies which could be filled up. A totally satisfactory system delivery of the services would require an efficient personnel management system.
- The organization and delivery mechanism in some of the important personnel intensive service sectors have to be modernized. To mention the important few relate to solid waste management, where large number of workers and staff are involved, could be privatized. Scientific solid waste management need to be assigned to NGOs, voluntary organizations or even the respective resident associations in the various colonies. This is a remunerative venture as is proved in many places. This process not only will significantly reduce the burden of the Municipality in engaging workers and staff but also will improve its resource position. Privatizing the repair and maintenance of water supply, collection of taxes and fees and maintenance of public assets particularly sanitary and public health units is a well known option. This also could be taken up as joint venture between urban local body and private sector.

5

PHYSICAL AND SOCIAL INFRASTRUCTURE

5.1 PHYSICAL INFRASTRUCTURE

5.1.1 WATER SUPPLY

i. Existing Status

The main sources of water supply to Melur Municipality are the bore wells and open wells located within the town. The town has also got protected water supply from Palar River at Kottampatti, 28km away from the town. The water is transmitted through gravity mains. The scheme was implemented during 1972 by the TWAD board. According to the scheme, 8 lakh litres of water is received by the town during season times (6 to 8 months). The supply from this non-perennial Palar River was been stopped due to the non availability of water. Improvement works were also made during 2001-2002 at a cost of Rs. 2.50 crores by the TWAD Board. The total storage capacity of the existing OHTs is 24.00 lakh litres. The details on water supply is as follows

Total population (2007)	- 36785
Quantity of water supplied	- 24 LL
Per capita supply	- 63 lpcd
Number of bore wells with power pumps	- 38
Number of hand pumps	- 224
Number of OHTs	- 20
Total capacity of OHTs	- 24 LL
Length of existing distribution system	- 36.5 km
House service connections	
a. Domestic – 991	
b. Non-domestic - 4	
Number of households covered with public taps	- 202
Number of households covered with hand pumps	- 217
Water supply Vehicle Details:	
1. 600 litres capacity tanker lorry	- 1 number
2. 100 litres capacity power tiller	- 1 number

The table below shows the locations and capacity of existing OHTs in the town

Table 5.1 Details of existing OHTs

S.No	Ward no.	Location	Capacity in lakh litres
1	4	Anna Colony	7.6
2	16	Gandhi Nagar	5
3	8	Gandhi park	3
4	17	Municipal office campus	3
5	13	Ayyapan temple backside	0.8
6	27	Mill gate mulpuram	0.6
7	1	Old Sukkirampatti AD colony	0.3
8	11	Chokkampatti colony	0.3
9	4	Vellanathan patti	0.3
10	2	Burma colony	0.3
11	1	Pallarayanpatti	0.3
12	25	Karuthapuliampatti	0.3
13	24	Therkupatti	0.3
14	5	Sandhaipettai	0.3
15	27	K.K nagar east colony	0.3
16	3	Kambar street	0.3
17	21	Malam patti	0.3
18	26	Satya nagar	0.3
19	2	Nondikovilpatti	0.25
20	24	Salaikaraiyan	0.25
		Total	24.00

Source: Melur Municipal Records

ii. Water Tariff

The monthly water tariff for domestic house service connection is Rs.20.00 per month and for Non-domestic connection the tariff is Rs.40.00 per month. The details of water supply connections and the present and proposed water tariff details in Melur Municipality is given below

Number of House service connections - 995 (45% of total assessments)

Domestic - 991

Non-domestic - 4

Domestic House service connection tariff

Existing tariff – Rs.20 per month

Proposed - Rs.50 per month

Existing deposit – Rs.1000 per year

Proposed - Rs.3000 per year

Non –domestic house service connection

Existing tariff – Rs.40 per month

Proposed - Rs.100 per month

Existing deposit	– Rs.2000 per year
Proposed	- Rs.6000 per year

The proposed increase in tariff and deposit is awaiting gazette notification.

iii. Water Demand:

The present population in the town is 33881 (2001 census). The per capita supply of water in this town is 63 lpcd against the TWAD board norms of 120 lpcd. The additional demand for water supply is met by the local sources available within the town. The intermediate and ultimate demand for the future population for water supply is shown in the table below adopting a pro rate of supply of 120 lpcd.

Table: 5.2. Estimated population and Water Supply Demand-2039

Year	Population	Supply in MLD	Demand in MLD	Deficiency in MLD
2009	39726	2.4	4.77	2.37
2024	47226	2.4	5.66	3.26
2039	54726	2.4	6.56	4.16

Source: Analysis and computation

The present storage capacity is adequate to meet the ultimate demand. However the additional storage requirement will be considered by the TWAD board authorities in the preparation of DPR for CWSS with River Cauvery as source.

iv. Improvement Needs

Proposal by Municipality

A major Combined Water Supply Scheme covering 400 wayside villages is under investigation by the TWAD Board with River Cauvery as the source. Melur town is included in the above CWSS to improve the level of supply to the standard norms. The proportionate cost of CWSS to Melur is **Rs.2600.00 lakhs**. This scheme when implemented will be sufficient to supply for the ultimate population.

5.1.2 SEWERAGE

i. Existing status

There is no Under Ground Drainage system in the town. Disposal of the sewage is normally by way of individual facilities and the sullage is through the open drains. The main mode of individual disposal in the town is through septic tanks, low cost sanitation units and through Community toilets.

ii. Issues

The issues identified are as given below:

- There is no proper disposal of sullage and it accumulates in low lying areas. The accumulated sullage acts as breeding place for mosquitoes and flies, creating health hazards and unhygienic environment.
- Absence of Under Ground Drainage System in the town
- Water stagnation in low lying areas during rainy season
- Lack of proper disposal arrangement and irregular cleaning of drains
- Absence of drains in slum areas
- Mixing of sewage and storm water further aggravated by overflow of sewage during monsoon.

iii. Improvement needs

Proposals by the Municipality

The proposal for Underground Sewerage System (UGSS) for the town has been approved by the TWAD Board. The cost estimated for the proposed UGSS project is **Rs. 2500.00 lakhs**. Towards the total investigation charges of Rs.12.82 lakhs, an amount of Rs.1.00 lakh has been remitted to the TWAD board by the ULB for preparing the DPR. Rest of the amount is proposed to combine with the total proposed cost of the UGSS.

The details of the proposed for UGSS are given below:

Salient details

Area of the Town	: 15.02 sq.km
Total length of streets	: 66.50 Km
Population (2001 census)	: 33881
Contour range	: 139.000 m – 151.000 m
Number of zones	: 2
Collection system	
Zone – I	: 22402 m including 1923 m of Trunk Sewer
Zone – II	: 21707 m including 2731 m of Trunk Sewer
Length of sewers proposed	: 44109 m
Shallow sewers proposed	: 10000 m
Total	: 54109 m

Total No. of Manholes	: 1808 Nos.
Total No. of Houses	: 10,000 Nos.
No. of HSCs proposed	: 8500 Nos.
No. of Pumping Stations	: 2 Nos.

Sewage generation

Intermediate stage (2024)	: 3.949 MLD
Ultimate stage (2039)	: 4.578 MLD

Table 5.3 Population projection for Melur Town

Year	Zone 1	Zone 2	Total
2009	18135	15050	33185
2024	21580	17910	39490
2039	25044	20740	45784

Source: TWAD Board

Table 5.4 Sewage contribution

Year	Zone 1 (in MLD)	Zone 2 (in MLD)	Total (in MLD)
2009	1.813	1.505	3.318
2024	2.158	1.791	3.949
2039	2.504	2.074	4.578

Source: TWAD Board

The components and the estimated cost prepared by the TWAD Board are given in the table below:

Table 5.5 Proposals - UGSS

S.No	Description	Amount in Rs
A	Collection system	14,86,00,000
B	Lift Manholes	19,33,000
C	Pumping station	1,03,00,000
D	Pumping main	64,69,000
E	Pump sets	64,35,000
F	Sewage treatment plant	4,00,00,000
	SUB TOTAL I	21,37,42,000
	Physical Contingency @ 2.5 %	53,43,550

	Price Contingencies @ 2.5 %	53,43,550000
	Sub Total II	22,44,29,100
	Investigation charges @ 1.5 %	33,66,437
	Supervision Charges @ 5 %	1,12,21,455
	TOTAL - X	23,90,16,992
	Miscellaneous	
	Road restoration Charges to Highways Department	50,00,000
	Provision for Railway crossing to Railway Department	10,00,000
	Payment for diversion of under ground lines (WS mains , electricity and telephone cables) etc .,	28,74,267
	Deposits to be paid to TNEB and separate feeder main	20,00,000
	Sub Total	1,08,74,267
	Service Charges for the above @ 1%	1,08,742
	TOTAL -- Y	1,09,83,009
	GRAND TOTAL (X + Y = Z)	25,00,00,000

Source: UGSS to Melur Municipality, TWAD Board

Table 5.6 Abstract Estimates – Annual Maintenance

S.No	Description of work	Amount in Rs
1	Establishment charges	10,08,000
2	Electrical energy for pumping station	7,24,500
3	Annual Maintenance – Sewage Treatment Plant	18,32,000
4	Repairs, renewals and Lubricants & cost of spares	5,35,500
	TOTAL	41,00,000

Source: UGSS to Melur Municipality, TWAD Board

Installation Cost : Rs. 2500.00 lakhs

Investigation charges : Rs.12.82 lakhs

Total : Rs.2553.82 lakhs

Therefore the total cost required for implementing UGD is **Rs.2553.82 lakhs**

Proposals under CCCBP

The municipality needs a modern sullage tanker lorry as the town has more than 5000 septic tanks in its limits. The purchase of sullage tanker lorry will require Rs.20.00 lakhs. The municipality can invite private operators/NGOs in this regard. By collecting certain amount as fees from these operators on property assessment basis will enhance the remuneration for the municipality.

5.1.3 STORM WATER DRAINS

i. Existing Status

The total length of drains in the town is 95.4 km. The existing storm water drains mainly carry the wastewater disposed from households and functioning as waste water drains, which create environmental problems. The details of the storm water drains existing in the town are shown in the table below. The break-up details of existing drains is as follows

Table 5.7 Details of existing drains

	Length in km
Open drains – Pucca	44.90
Open drains – Kutcha	2.80
Closed drains	47.70
Total length of drains	95.4 km

Source: Melur Municipal records

ii. Issues

The main issues persisting in the town with respect to storm water drains are summarized as follows:-

- 1) Open drains creating unhygienic conditions – Open drains running in the town acts as breeding place for mosquitoes which spread contagious diseases in the town.
- 2) Absence of Under Ground Drainage System in the town
- 3) Water stagnation in low lying areas during rainy season
- 4) Damaged drains in some parts of the town area

iii. Improvement needs

Proposals under CCCBP

Taking into account the issues prevalent in the town, the following proposals are made:

Table 5.8 Proposals -Storm water drainage

SI No	Description	Length	Amount (Rs in lakhs)
1	Re- construction of existing pucca drain	15 km (Rs. 8.00 lakhs/kms)	120.00
2	Conversion of Kutcha drain into Pucca drain	2.8 km (at Rs.5.00 lakhs/km)	14.00
3	Construction of New drains	10 km (at Rs. 7.00 lakhs/ kms)	70.00
	Total		Rs.204.00 lakhs
	Annual O&M		Rs.6.12 lakhs

Source: Analysis and discussion with Municipal officials & stakeholders

An amount of **Rs. 204.00 lakhs** is needed for the improvement of the storm water drainage network. Construction of new drains and conversion of existing open drains to closed drains may be taken up in sequence after the proposed UGD work is completed.

5.1.4 STRENGTHENING OF WATER BODIES

i. Existing Status

In and around Melur town, there exist 9 number of Water bodies belonging to State PWD Department. The Melur Municipality owns two ooranies namely Malampatti Teppam and Salakarayan oorani. The Water bodies are well maintained by the Municipality.

ii. Issues

The issues broadly relate to

1. Formation of silt in ooranies
2. Insufficient strength of bunds
3. Inlet and outlets to the ooranies are in damaged condition or encroached upon.

iii. Improvement needs

Proposals under CCCBP

The following are the proposals identified for the improvement of water bodies in the Municipality.

Table 5.9 Proposed improvements in water bodies

SI No	Description	Amount (Rs. In lakhs)
1	Desilting of two Ooranies mentioned above (2 x 2.50 lakhs)	5.00
2	Strengthening of bunds by constructing retaining wall in both the tank (2 x 3.00 lakhs)	6.00
3	Reconstruction of inlets and construction of outlets (2x2.00 lakhs)	4.00
	Total	15.00

Source: Analysis and discussion with municipal officials & stakeholders

Therefore the total amount required for strengthening of water bodies is **Rs.15.00 lakhs**.

5.1.5 SOLID WASTE MANAGEMENT

i. Existing status

The town generates 13 MT of solid waste per day. The per capita contribution of waste to the Municipality is approximately 385 grams. The quantity of waste collected and transported daily by

the Municipality with the available men and machinery is not scientifically handled and accumulation of garbage is seen along the interior roads. At present the solid waste collected is dumped at existing Municipal compost yard of area 3.4 acres located in Pudhuchukkanpatti village panchayat, 3 kms away from the Municipal limit.

A site for the new compost yard is proposed in Karuthapuliyampatti village of extent 3.14 hectares (7.75 acre). The site is situated 5 km away from the central area but lies within the Municipal limit. Poramboke land for compost yard has been alienated by Government for an amount of **Rs. 5.97 lakhs** (grants).

The following are the manpower and vehicles available in the town for solid waste management

Garbage Generated	-	13.00 MT
Workers available	-	67
(i) Pushcart	-	50 nos.
(ii) Tricycles	-	15 nos.
(iii) Tractor with Trailor	-	1 no.
(iv) Mini Lorries	-	2 nos

ii. Primary collection and Secondary Collection

Door to door waste collection is practised in 5 wards out of 27 wards using women SHGs. Segregation of garbage is being done in 13 wards by the residents during the door to door garbage collection by SHGs, using 25 bins and 5 push carts. In rest of wards, garbage is collected by sanitary workers and dumped in the following collection points located at:

1. Channel road
2. Daily market
3. Santhaipeetai.

The collected garbage is transferred from the above 3 collection points to the existing Municipal compost yard situated at Pudusukkampatti by the available 2 mini lorries.

According to norms the total sanitary workers needed for the town is 157. But only 53 workers are available. The salary expenditure for these 157 workers will be Rs.9.00 lakhs per annum. Therefore privatization of solid waste management reduces the annual expenditure to a great extent. Privatisation of 9 wards is under examination of the council. The amount required for privatising 9 wards will be **Rs.1.5 lakhs** per annum and this could be met from Municipal funds.

Disposal of Bio-Medical Waste

There are 21 private hospitals and clinics in the town including the Government Hospital and the Municipal Hospital (RCHP). Strict instructions were issued through Indian Medical Association, Melur to the concerned hospital, that the Hazardous Bio-Medical waste should not be dumped or disposed with the general garbage. The IMA has got their own arrangement for the collection and disposal of medical waste.

iii. Issues

The issues in solid waste management are

- Inadequate Sanitary workers.
- Inadequate vehicles for transportation of waste to the compost yard
- SWM System functions at a low service level. (50% performance efficiency)
- The existing compost yard is not provided with adequate infrastructure facilities such as waste segregation platform, windrows, approach road, water supply arrangements, lighting arrangements etc.

iv. Improvement needs

Alternative for Solid Waste Management

At present, the solid waste generated daily in the town is about 13 MT. In future years assuming the per capita generation of solid waste in the town at 350 gm and 500 gm/day, there will be corresponding addition of 30 to 40%. Solid Waste Management is one of the principal sectors of expenditure in Urban Local Bodies. Hence, there is a need for scientific management of solid waste to cope with future demand.

In places like Namakkal, Pondicherry, certain colonies in Chennai and some zones in other Corporations and towns, the technology of vermin-composting is practiced through NGOs and private bodies. In Bangalore, Residents Associations are managing their solid wastes converting them into manure.

In number of towns in Tamilnadu and also elsewhere, Vermi composting using earth worms in the form of Tiger Worms or imported giant earth worms (of around 1 meter long) is in practice. Also using the cow dung, the garbage is converted into manure. Vermi composting engaging earth worms and worms generated in cow dung take 4 to 6 weeks to convert the garbage into manure.

Of the Municipal waste in Tamil Nadu, minimum 60% of the waste is biodegradable. Of the organic waste, on conversion, nearly 30% by weight forms the manure. Incidentally, the manure generated from Municipal garbage is found to be richer in NPK values compared to the one available in the market. This has resulted in producing better yield of agricultural products both in quantity and quality.

Regional landfill sites

TNUIFSL is in the process of identification of regional land fill sites for Madurai, Coimbatore, Tiruchy and Tirunelveli. For the Madurai region, three potential sites within a radius of 40 km from Madurai has been identified and the village of Kilathari, 30 km from Madurai has been suggested for the proposed land fill site.

Proposals by the Municipality

Inadequate vehicles and sanitary workers for transportation of waste are the issues identified in solid waste management in the town. The Municipality has proposed to purchase dumper placer bins at a cost of **Rs.12.00 lakhs** (ULB investment – Rs.2.20 lakhs) under 12th Finance Commission grant for 2005-06 and 2006-07 and the work is completed. It is proposed to provide infrastructure facilities including construction of windrows platforms etc in the compost yard at a cost of **Rs.39.80 lakhs**. The details of the proposals are given in the table below

Table 5.10 Proposals - Solid Waste management

SI No	Description	Amount (Rs. In lakhs)
1	Construction of approach roads	3.80
2	Construction of fence	2.50
3	Construction of watchman shed and provision of water supply	2.50
4	Construction of windrows	13.00
5	Procurement of Machinerics (Pulvarisor) and front end loader	18.00
	Total	39.80

Source: Analysis and discussion with municipal officials and stakeholders

The Municipality gets solid waste management fund under 12th finance commission, which is sufficient to meet this expenditure.

5.1.6 ROADS

i. Existing status

The total length of the existing roads maintained by the Municipality within the town limit is 38.75 km. Within the town, 13 km of roads are maintained by the State Highways and Rural Works Department. The highway roads are radiating from the town to different destinations namely Sivaganga, Alagarkoil and Poovandhi. The break-up details of the Municipal roads is given below.

Table 5.11 Details of roads

S.No	Existing status	Length in km	In %
1	Cement road	4.28	11.00
2	BT road	30.265	78.00
3	WBM road	2.687	7.00
4	Earthen road	1.52	4.00
	Total	38.75 km	100

Source: Melur Municipal records

The Highways roads belonging to Highways Department within the Municipal limit are as follows

Highways road (NH)	- 5 km
Sivagangai Road (Highways)	- 2 km
Alayari Road	- 3 km
Thiruvanandhapuram Road	- 3 km
Total	- 13 km

ii. Improvement needs

Proposals under CCCBP

The internal roads in the town are in damaged condition. The Municipality has proposed to provide BT surface at Gandhi nagar road and Gomathiyapuram channel road at a cost of Rs.51.75 lakhs under Part II scheme. The proposed work is in progress. Besides this, upgradation of existing earthen and WBM roads to CC and BT roads are proposed as follows

Table 5.12 Proposals – Road works

Description of work	Rs. In lakhs
Conversion of Earthen road to Cement concrete road for a length of 1.52 km	29.00
Conversion of WBM road to BT road for a length of 1 km	11.00
Relaying of BT surface for a length of 31 km (after completion of UGD work)	250.00
Total	Rs.290.00 lakhs
Annual O&M	Rs.8.70 lakhs

Source: Analysis and discussion with Municipal officials and stakeholders

The construction of four lane National Highway is in progress with in the town. The traffic entering the central area would be considerably reduced after completion of the four lane NH.

Therefore, including the formation of new road, the total cost required for improvement of roads is **Rs.290.00 lakhs** is needed for the. On completion of UGD, these works would be taken up.

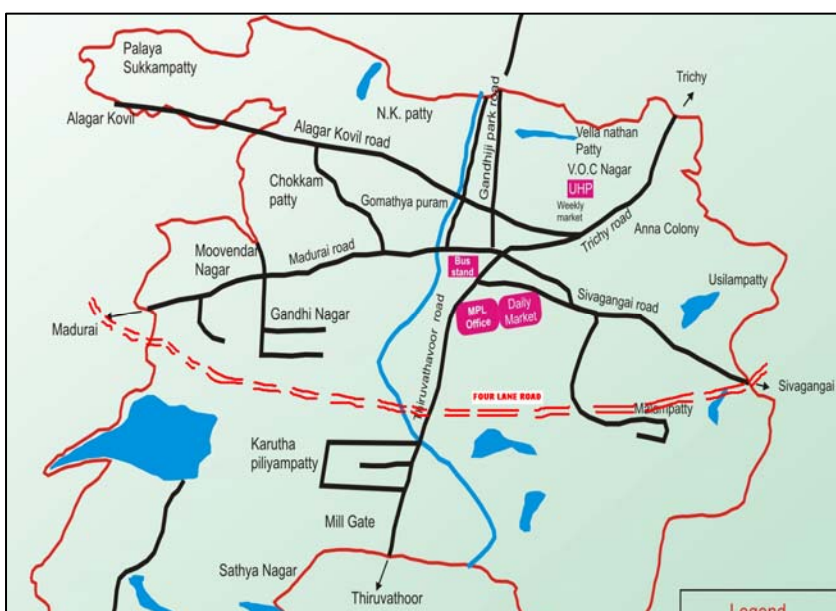
5.1.7 BUS STAND

i. Existing status

The present Bus stand is located on the Madurai – Trichy road in the western part of the town near Taluk office. It is a C class bus stand having 11 bays. The bus stand has facilities like bus shelter, CC pavements, waiting hall, shops, drains, lighting, toilets, drinking water etc. The entrance arch for the bus stand is under construction, which is taken under traffic improvement scheme. There are 12 shops in the bus stand and the total annual revenue receipt from the bus stand is Rs.8.35 lakhs. About 350 buses including city buses passing through the town making a total of 700 trips a day.

ii. Improvement needs

The National Highway that passing through Melur connects this town with major districts such as Sivaganga, Trichy and Dindigul. The construction of four lane National Highway road is in progress within the town. The figure above shows the four lane NH under construction passing through the town. The



existing C class bus stand will be insufficient to handle the future traffic due to lack of space. Considering the growth of the town in future, a new bus stand with modern facilities is required. The new bus stand may be located on Sivagangai road.

5.1.8 BUS SHELTER

There is only one bus shelter existing within the town, located at Santhapettai. The bus route roads within the town are maintained by the Highways Department.

5.1.9 STREET LIGHTS

i. Existing status

In Melur, there are 1309 number of street lights maintained by the Municipality. The total road length of the town including Highways is 51.75 km. The average distance between each street light is 39 m. The details of the street lights are as follows.

Table 5.13 Categories of Street lights

S.No	Description	Total number
1	40 W tube lights	1188
2	250 W Sodium vapour lamp	64
3	250 W Mercury Vapour lamp	54
4	High mast light	3
	Total	1309

Source: Melur Municipal records, 2007

The High mast lights are located in the following places namely

1. Bus stand
2. Near Kakkan Statue
3. Sivan koil street

The ward wise distribution of street lights are given in the table below

Table 5.14 Street lighting – Ward level details

Ward No	Tube	250 watts MVL	125 Watts MVL	150 watts SVL	250 watts SVL	70 watts SVL	160 watts MVL	Total
1	67	3	-	-	-	-	-	70
2	63	3	1	-	-	-	-	67
3	39	5	-	-	-	-	-	44
4	85	6	-	2	-	-	-	93
5	28	1	-	-	1	-	-	30
6	44	3	-	-	4	2	-	53
7	38	-	-	-	-	-	1	39
8	45	-	-	-	2	-	-	47

9	40	3	-	-	-	-	1	44
10	50	1	-	-	-	-	-	51
11	40	1	-	-	4	-	-	45
12	50	1	-	-	1	-	-	52
13	24	2	1	-	-	-	1	28
14	33	-	1	-	-	-	-	34
15	25	2	-	-	-	-	-	27
16	73	2	-	-	20	-	-	95
17	25	-	-	-	9	-	-	34
18	27	-	-	-	9	-	-	36
19	19	-	-	-	6	-	-	25
20	35	-	-	4	-	-	-	39
21	65	4	-	-	-	-	-	69
22	20	1	-	-	-	-	-	21
23	48	4	-	-	-	-	-	52
24	58	3	-	-	-	-	-	61
25	37	2	-	-	-	-	-	39
26	66	-	-	-	-	-	-	66
27	44	1	-	-	-	-	-	45
Total	1188	48	3	6	56	2	2	1306

Source: Melur Municipal records, 2007

ii. Improvements Needs

Energy savings in street lighting could be achieved through following ways, (a) by replacing existing conventional tube lights with energy efficient retrofit tube lights, (b) installing power saver devices and privatizing the operation and maintenance of street lighting. There are 1188 florescent tube light fixtures installed in Melur Municipality. These 40 Watt fluorescent tube lights with ballasts will consume an additional 10-13 watts. To reduce the energy consumption, 28 Watt T-5 retrofit tube lights have to be introduced in the place of existing conventional tube lights. Based on the best practices followed in other parts of the country, retrofit tube lights are proposed in Melur town also. The new tube-lights have a higher luminary rating, longer life span, lower failure rate and perform better under the highly fluctuating voltage that plagues the town's electricity supply. The salient features of retrofit tube lights are presented in the following table.

Table 5.15 Salient features of Retro fit tube lights

Description	Value
Tube type	E+28 W
Power Factor	0.95
Rated life of tube (burning hours)	18,000
Rated life of electronics (burning hours)	50,000
Stroking Voltage	Less than 120 volts

The following table presents the comparison of present conventional florescent tube lights with proposed Retrofit tube lights.

Table 5.16 Comparison of conventional tube lights with retrofit lights

Description	40 Watts Tube Light	Retrofit light
Connecting load* (W)	52.5	30
Light output (Lm)	2450	2900
Annual energy consumption ** (KWH)	211	120
Energy charges @Rs. 3.50/-	738	422
Life of lamp (Hours)	4000	18000

* Including ballast loss of 12.5 W for conventional 40 Watts Tube lights.

** Calculated for 11 hrs daily average burning.

Proposals under CCCBP

The proposals may be considered under the ESCO (Energy Saving Company- private sector) scheme, wherein the operation and maintenance of the street lighting system is privatized. The ESCO operates and maintains the system with energy saving techniques and devices for the stipulated period and shares the profit (upto 20%) with the Municipality.

Melur municipality has planned for the privatization of operation and maintenance of streetlights to improve efficiency in delivery of this service. The manpower needed for privatization is

- (a) Manager – 1,
- (b) Lighting supervisor, up to 2000 lights – 1,
- (c) Wireman – 1 for 600 lights,
- (d) Helper – 1 for 600 lights
- (e) Data entry operator – 1.

As per standards, the town requires 416 new lights. Therefore, the components identified for street lights proposals are as follows:

- Provision of new street lights
- Conversion of existing 40W tube lights to energy saver lamps in phases
- Provision of 118 timer switches
- Conversion of existing bulbs and tube lights in Municipal buildings to energy efficient lamps.

Table 5.17 Proposals- Street lights

Description	Number	Rs. in lakhs
Provision of new street lights with poles (energy saver lamps)	416	22.00
Conversion of 40W tube lights to energy saver lamps in three phases	1188	30.80
Provision of 118 number of timer switches	9	0.90
Provision of CFL lamps in Municipal office, hospital and school buildings	75	0.20
Total	1381	Rs.53.90 lakhs
Annual O&M	-	Rs.1.67 lakhs

Source: Analysis and discussion with Municipal officials and stakeholders

Therefore, the total cost required for the improvement of street lighting is **Rs.53.90 lakhs**.

5.2 SOCIAL INFRASTRUCTURE

5.2.1 SLUMS

i. Existing status

The town has 13 slums with 1620 households. The total population in the 13 slums is 7158 which is about 21% of the total population. The details of the notified slums are given in table 5.18. Most of the houses in the slums are huts and thatched sheds.

Table 5.18 Slum details

Sl.No.	Name of the slum	Population	Households
1	Pallavarayanpatti	800	162
2	Old Sukkampatti	420	105
3	Nondikoilpatti kamar Street	522	125
4	Annacolony	655	120
5	Vellanathanpatti	962	202
6	V.O.C Nagar	800	169
7	Santhaipettai	1005	230
8	Muniandikoilpallam	792	162
9	Thaikkal Street	120	40
10	Chockkampatti AD Colony	435	105
11	Malampatti Barathidhasan Colony	220	70
12	Therkkupatti Nehruji Colony and Karuthapuliampatti	245	80
13	Sathanagar	182	50
	Total	6258	1620

Source: Melur Municipal records

The new Integrated Housing & Slum Development Programme (IHSDP) aims at combining the existing schemes of VAMBAY and NSDP. Under the IHSDP for having an integrated approach in ameliorating the conditions of the urban slum dwellers. The basic objective of the scheme is to strive for holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas.

ii. Improvement needs

Proposals by municipality

The existing drains and roads in most of the slum areas are in damaged condition. The existing public convenience is inadequate to the slum dwellers. Considering the issues, the Municipality has identified projects for improving the conditions of the slums and the total cost of the proposed projects is **Rs. 798.77 lakhs**. The proposals put forward under IHSDP Scheme are listed in the table given below.

Table 5.19 Proposals under IHSDP

S.no	Description of work	Number of works	Amount Rs in lakhs
1	Shelter up gradation and construction of new houses	502	401.60
2	Roads and pavements	21.10 km	195.00
3	Water supply	19	13.00
4	Public toilets	3	9.00
5	Storm Water Drains	19.31 km	150.00
6	Community hall	1	15.00
7	Street lights	148	15.17
	Total		798.77

Source: Melur Municipal records

Proposals under CCCBP

The IHSDP proposal covers 12 out of 13 slums in the town. Therefore the improvement works in the Nondikoilpatti Kambar street slum can be taken as second phase at a cost of **Rs.60.00 lakhs**. The total annual operation and maintenance cost required for the proposed slum improvement is Rs.25.76 lakhs.

5.2.2 MEDICARE

i. Existing status

The only Municipal maintained health facility in the town is the Reproductive and Child Health (RCH) care centre located in Santhapettai in ward no.4. The RCH is a 10 bed capacity center provided with required equipments, serving the local population of the town. Other than this, private hospitals and clinics in the town serve the medical needs of the people.

ii. Improvement needs

Proposals by Municipality

Absence of medical officer/doctors, inadequate staff and modern medical equipment are the issues related to the medicare. The appointment of doctors and other staff is very much needed for the proper function of the health centre. Repairs and maintenance of hospital building and the existing facilities is proposed at an estimated cost of **Rs.2.00 lakhs**.

5.2.3 EDUCATION

i. Existing status

Melur Municipality maintains 1 middle school and 2 elementary schools. The existing school buildings are in damaged condition.

ii. Improvement needs

Proposals under CCCBP

The Municipality has proposed to undertake improvement works in the schools for the year 2007-08 at a cost of Rs.13.05 lakhs. The tender for the work has been finalised. Besides these proposals, maintenance works and purchase of equipments in the Municipal schools is needed. The cost abstract for the proposed works in schools is given in the table below:

Table 5.20 Proposals - Education

S.No	Description	Rs. in lakhs
1	Repair work and providing amenities at Alagarkoil road Municipal Middle School	3.05
2	Construction of New Building at Sivankoil Street Municipal Elementary school	5.00
3	Construction of RCC roofing in the ground floor and first floor at Karuthapuliampatti Elementary School	5.00
4	Maintenance and repair works in all Municipal school buildings	1.00
5	Providing computers to primary schools	1.00
6	Purchase of play materials to the 3 Municipal schools	2.95
	Total	Rs.18.00 lakhs
	Annual O&M	Rs.0.54 lakhs

Source: Analysis and discussion with Municipal officials and stakeholders

The total amount required for the above proposals is **Rs.18.00 lakhs**. The above listed proposals will be met through Municipal Educational Fund during year 3 and 4.

5.2.4 PARKS AND PLAYFIELDS

i. Existing status

The town has one park namely Gandhi Park with an extent of 0.89 acre. At present, this Municipal owned Gandhi Park is not maintained and is in deteriorated condition. Besides this, there are open spaces earmarked in the layouts. The extent of the layout open spaces is given below in table 5.21

Table 5.21 List of open spaces in the town

S.No	Location	Area in sq.ft
1	Malligai nagar	16812
2	Karuthapuliyampatti – Velraj layout	9030
3	Nondikovilpatti – Pandiyan Layout	14309
4	Karuthapuliyampatti – Poonga nagar	10600
5	MAdurai Trichy main road – Balakrishna layout	10600
6	Gandhi nagar – Mookaiyapillai layout	12100
7	Malampatti layout	6300
8	K.K nagar west layout	13200
9	KK nagar spinning mill layout	24000
	Total	116951

Source: Melur Municipal records

ii. Improvement needs

Proposals under CCCBP

Lack of facilities and poor maintenance are the issues identified. Parks are the major contributors to the physical and aesthetic quality of urban neighborhoods. It will also improve the ambient environment quality of the town. Thus, Improvements of the existing non-functioning park needs to be taken up by the Municipality. For the improvement of 10 parks, the amount required is **Rs. 139.00 lakhs**. The details of the proposals are given below. The development will include children's play equipments, pathways, seating arrangement, fencing the compound, water supply arrangements etc.

Table 5.22 Proposals - Parks and Play fields

S.No	Name of the Park / open spaces	Amount required Rs in lakhs
1	Gandhi Park	25.00
2	Malligai Nagar	16.00
3	Karuthapuliyampatti – Velraj layout	9.00
4	Nondikovilpatti – Pandiyan Layout	14.00
5	Karuthapuliyampatti – Poonga nagar	10.00
6	Madurai Trichy main road – Balakrishna layout	10.00
7	Gandhi nagar – Mookaiyapillai layout	12.00
8	Malampatti layout	6.00
9	K.K nagar west layout	13.00
10	KK nagar spinning mill layout	20.00
	Total	Rs.135.00 lakhs
	Annual O&M	Rs.4.17 lakhs

Source: Analysis and discussions with municipal officials and stakeholders

5.2.5 PUBLIC CONVENIENCE

i. Existing status

The town has 5 community toilets, 1 pay and use toilet and 5 VAMBAY toilets at the following places listed below. The VAMBAY toilets are located in the slum areas. The locations of VAMBAY toilets are listed below:

- 1) Kottaikinaru Street
- 2) Sweepers quarters
- 3) Malanpatti
- 4) Chinnarasampatti Mill gate

The locations of the community toilets are as listed below:

1. VOC Nagar
2. Pattakulam
3. RC church road
4. Thiruvathavur road
5. Daily market
6. Bus stand (pay and use)

The Municipality proposed to construct three number of community toilets in slum areas under IHSDP scheme.

5.2.6 BURIAL GROUND

i. Existing Status

There is one Municipal burial ground situated within the town located at Pattakulam. The burial ground is not provided with the required facilities. There are 9 other small community burial grounds located at various locations in the town.

ii. Improvement needs

Proposals by Municipality

The issue identified is the absence of basic facilities and damaged fencing in the Municipal burial ground. The list of works given in table below is proposed to be taken up under SFC grants and Part II scheme (2007-08).

Table 5.23 Proposed burial ground improvement projects

S.no	Name of the work	Scheme	Rs.in lakhs
1	Providing Burning shed at Pattakulam Burial Ground	Part II scheme	1.50
2	C.C Pavement at Pattakulam Burial ground		3.60
3	Repair work of waiting shed roof at Pattakulam Burial ground		2.00
4	Providing deep borewell and water supply facility		1.00
5	Provision of gasifier plant at Pattakulam burial ground		31.80
	Total		39.90
	Annual O&M		0.79

Source: Melur Municipal data

5.2.7 MARKET

i. Existing status

The Municipality owns one daily market and one weekly market. The daily market is located on east of Poovandhi road with 34 shops and 108 stalls. The weekly market has 22 shops is used as cattle market and is located on the Melur-Trichy road opposite to the Veterinary hospital. The annual revenue received from the daily market is Rs.22.65 lakhs and weekly market is Rs.8.00 lakhs.

ii. Issues

Daily market

- The walkways are covered with thatched roof. The existing mud flooring becomes squalid during rainy seasons. The market building is in dilapidated condition.

Weekly market

- The compound wall in the weekly market is in damaged condition.
- Absence of public convenience

iii. Improvement needs

Proposals under CCCBP

In order to improve the daily market and weekly market, the following improvements are suggested. The proposed improvement works in daily market and weekly market is detailed out in the table below

Table 5.24 Proposal - Daily market

No	Description	Rs. in lakhs
1	Renovation of existing 108 stalls and existing infrastructure facilities in the daily market	8.00
2	Laying of cement pavement in daily market	18.00
3	Reconstruction of RCC roofs in 34 shops – daily market	20.00
4	Provision of AC sheet covering over circulation pathways	2.00
5	Renovation of existing toilet	2.00
	Total	Rs.50.00

Source: Analysis and discussion with municipal officials and stakeholders

Table 5.25 Proposal - Weekly market

No	Description	Rs. in lakhs
1	Construction of new cattle shed with AC roof	3.00
2	Construction of new toilet block	5.00
3	Construction of CC pavement on main central access pathway	20.00
4	Construction of ramp for loading and unloading cattle from lorries	2.00
5	Construction of Compound wall with gate and provision of lights and water supply to the weekly market	8.00
	Total	Rs.38.00

Source: Analysis and discussion with municipal officials and stakeholders

Therefore the total amount required for the improvement works in daily market and weekly market is **Rs.88.00 lakhs** and the annual operation and maintenance cost is Rs.1.32 lakhs.

5.2.8 SLAUGHTER HOUSE

i. Existing status

The existing slaughter house, which is in dilapidated condition, is located inside the weekly market. Construction of new slaughter house is proposed by the Municipality under part II scheme at a cost

of **Rs.20.00 lakhs** and the work is in progress. The annual Operation and maintenance cost is Rs.0.40 lakhs.

5.2.9 URBAN GREENERY

i. Existing status

The road margins, urban open spaces, residential areas and park areas are not provided with adequate greenery. Trees saplings are to be planted along Thiruvathavur road (3 km) and Sivagangai road (1 km) and in the open spaces and park areas. Therefore, Planting of 500 tree saplings with guards is proposed at a cost of **Rs.1.25 lakhs** (at Rs.250/- each). The annual operation and maintenance cost is Rs.1125.00.

5.3 OTHER PROJECTS

5.3.1 E-GOVERNANCE

i. Existing Status

E-governance at Melur Municipality is aimed to provide on-line citizen services, information to all hierarchies and monitor the performances. It is in practice that citizens are approaching the respective urban local bodies to pay their revenues, get certificates, approvals for construction of Building etc. By adopting E-governance, the above activities are simplified and made possible at their Information and Facilitation counter in the Municipality. By E-governance, the services of Melur Municipality have been made easy, transparent, accountable and quick. The citizens may be informed about their dues and thus the revenue generation will be faster and easier.

Citizen Services offered by the Municipality includes the following items:

Birth, Death, Property Tax, Water charges, Non-Tax (Lease Items), Profession Tax, Assets - Movable Property, Assets - Immovable Property, D&O and PFA (Trade licenses), Building Plan Approvals, Application /File Tracking, Over All DCB, Collection Details, On-Line Application of New Service Connection.

There are 7 computers with one server maintained by the Municipality. They are maintained in air conditioned room. The modules in online are given below

1. Property tax collection
2. Water Charges collection
3. Non tax – collection
4. Professional tax collection

5. Birth and Death certificate issue
6. Financial and Accounting system
7. Pay Role
8. Grievances
9. Building Plan approval – Issue of Licence and Planning permit
10. Stocks and inventory stock and issues
11. Vehicles maintenance
12. Solid Waste Management

There is a proposal to procure a printer and replace batteries for U.P.S. The total estimated cost for the proposed project is **Rs. 1.00 lakh** at an annual operation and maintenance cost of Rs.1000.00. The fund for the proposed project will be met under 12th finance commission grant.

5.3.2 UPDATION OF DATABASE ON GIS PLATFORM

To date there is no entirely dependable and realistic database for the town, in the form of topography, updated base map, assessment of properties in their location, size, use and intensity, assets -lands and structures in their location, status, extent, and quality; topography, land parcels by town survey, numbers and sub divisions and so on. All these can be updated with cent percent precision using high resolution satellite imageries supplemented by cent percent primary survey or aerial photographs. All these with spatial and non-spatial data can be had on a GIS format which, on a click at any feature or site on the town map will provide the entire details including the description of the feature / address of the owner including tax paid etc. This is a one time comprehensive exercise to include the updated town map with town survey, land parcels, structures, service network, assets with the relevant details and description on a GIS format.

In this ultra modern age, with high-tech interventions, this is considered a must for easy, efficient and flawless governance, administration and functional operation from local body level to the government level.

This project may cost about **Rs. 45.00 lakhs** including the cost of high resolution satellite imageries. The annual operation and maintenance cost of the proposed project is Rs.0.45 lakhs. This entire amount of the proposed project may be obtained as grants from the government and it will take maximum one year for completion.

6.1 INTRODUCTION

Melur Municipality maintains a municipal fund for managing the finances of the Municipality. The accounts of the municipal fund were maintained on cash based single entry system till the year 1999-2000. From 1.4.2000 onwards, accrual based double entry book keeping system was implemented. The Municipality maintains accounts separately for General Fund, Water Supply and Sewerage Fund and Education Fund.

This Section contains a description of the municipal finances, the sources and uses of funds, and an assessment of municipal finances based on important financial indicators.

6.2 RECEIPTS

Receipts under the Revenue Account include taxes and fees, grants, water & sewerage charges, income from properties, service charges charges & fees and other income.

6.2.1 Property Tax

Property Tax is the single largest tax revenue source and accounts for around 20% of the total revenue. This tax is levied on residential, commercial, industrial and vacant lands. The property tax is levied on the basis of Annual Rental Value of the property. The property tax is levied on the annual value of the property, which is determined on the basis of gross rent at which the property can be reasonably expected to be let out.

The Municipality currently charges property tax @ 12.05% per annum on the basis of Annual Rental Value. The components of property tax are as below:

Table 6.1 Property Tax Components

Particulars	% (Per Annum)
General	3.00%
Scavenging	1.50%
Lighting	2.50%
Water Tax	2.00%
Sewerage Tax	1.00%
Education	2.05%
Total	12.05%

The total number of property tax assessments is 9398 Nos. the breakup of which is as below :

Table 6.2 Property Tax Assessments

Particulars	Nos.
Domestic	7893
Commercial	1329
Industrial	40
State Government Properties	123
Public Sector Undertakings	13
Total	9398

The total number of unapproved layouts in the Municipality is 5 Nos. and there are no un-approved layouts for which property tax assessment is carried out. The last revision of Property Tax was carried out on 01.10.1998.

The total property tax collections during the last 5 years ended 2005-06 is as below :

Table 6.3 Property Tax – Growth during last 6 years

Year	Rs. in lakhs	% Growth Rate
2001-02	42.78	-
2002-03	43.51	1.71%
2003-04	44.96	3.23%
2004-05	46.15	2.65%
2005-06	48.41	4.90%

It may be observed from the above that the average property tax collection is around Rs. 45 lakhs per annum and average growth over the years is around 3%.

The demand and collection of property tax over the last 5 years is as below :

Table 6.4 Property Tax – Demand Collection % (Rs. in lakhs)

Property Tax	2001-02	2002-03	2003-04	2004-05	2005-06
Demand					
- Current	46.06	46.97	48.91	49.84	52.21
- Arrears	70.96	74.81	84.29	84.73	72.42
Total	117.02	121.78	133.20	134.57	124.63
Collection					
- Current	31.57	32.64	36.18	37.46	42.02
- Arrears	10.65	6.15	17.00	24.69	29.85
Total	42.22	38.79	53.18	62.15	71.87
Collection %					
- Current	69%	69%	74%	75%	80%
- Arrears	15%	8%	20%	29%	41%
Total	36%	32%	40%	46%	58%

On the average, the total current collection performance of property tax is 75% and the arrears collection performance is around 30%.

6.2.2 Profession Tax

Profession Tax is another source of revenue to ULB. Profession tax is a tax deducted from the salaries of the employees falling within the Municipality and is collected from all registered organizations, companies or firms, public or private, individuals and State & Central Government Departments. Currently profession tax is deducted on a slab basis.

The total number of profession tax assessments is 1364 Nos., out of which state / central / quasi Govt. employees comprise 1200 Nos., and traders / self employed professionals 164 Nos.

During the last 5 years, it has increased from Rs. 6.54 lakhs to Rs. 12.11 lakhs. It accounts for around 4-5% of the total revenue. The profession tax for the last 5 years is as below:

Table 6.5 Profession Tax – Growth during last 5 years

Year	Rs. in lakhs	% Growth
2001-02	6.54	-
2002-03	5.51	(15.75%)
2003-04	6.08	10.34%
2004-05	7.46	22.70%
2005-06	12.11	62.30%

The demand and collection of profession tax over the last 5 years is as below :

Table 6.6 Profession Tax – Demand Collection % (Rs. in lakhs)

Profession Tax	2001-02	2002-03	2003-04	2004-05	2005-06
Demand					
- Current	6.54	5.51	6.08	7.46	12.11
- Arrears	9.71	8.64	8.68	7.83	5.85
Total	16.25	14.15	14.76	15.29	17.96
Collection					
- Current	5.47	4.30	6.08	7.46	12.11
- Arrears	2.14	1.18	2.64	1.98	2.37
Total	7.61	5.48	8.72	9.44	14.48
Collection %					
- Current	84%	78%	100%	100%	100%
- Arrears	22%	14%	30%	25%	41%
Total	47%	39%	59%	62%	81%

The Municipality has been collecting 100% of the profession tax demand and there are very nominal arrears.

6.2.3 Assigned Revenues

This item head comprises of income from Government of Tamil Nadu (GoTN) / State transfers of municipal income collected by the state line department. Transfers are in the form of municipality's share of taxes levied and collected by GoTN from establishments / operations within municipal limits.

Surcharge on transfer of immovable properties and entertainment tax are the major items on which these revenues are realized by municipality.

This income varies from year to year. The items under this category accounted for nearly 10-15% of the total municipal revenue. The assigned revenue for the last 5 years is as below:

Table 6.7 Assigned Revenue – Growth & % of Total Income (Rs. in lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06
Assigned Revenue					
Duty on transfer of property	11.64	36.48	40.19	12.72	35.19
Entertainment Tax	5.88	8.00	20.65	3.57	3.73
Total	17.52	44.48	60.84	16.29	38.92
% of Total Income	10%	25%	26%	9%	16%
% Growth	-	154%	36.78%	(73.22%)	139%

It may be observed that Assigned Revenue has been varying over the years. In case of entertainment tax, the Commercial Department collects entertainment tax from cinema halls functioning within municipal limit. The CT Department transfers 90% of total tax collection to municipality and retains 10% towards management charges. In case of Melur Municipality there are 4 theatres, but income from entertainment tax has reduced over the years.

6.2.4 Revenue Devolution Funds in aid of revenue expenditure

Grants in aid of revenue expenditure got boosted up following the 74th CAA and the same is reflected in the Municipality Revenue. The item mainly comprises revenue grants and compensations from State Government under various heads. The regular grants include the SFC grants and others include aid grants, grants for services like roads, buildings, maternity and child welfare, public health, contributions for elementary and secondary schools and etc. Grants which are for specific purposes are adhoc in nature.

This income varies from year to year. The items under this category accounted for nearly 35% of the total municipal revenue. The assigned revenue for the last 5 years is as below:

Table 6.8 Devolution Fund – Growth & % of Total Income (Rs. in lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06
Devolution Fund	64.78	35.92	89.50	45.92	90.62
Total	64.78	35.92	89.50	45.92	90.62
% of Total Income	37%	20%	38%	24%	37%
% Growth	-	(45%)	149%	(49%)	97%

As per SFC recommendation, 12% of state revenue under Pool B is transferred to each local body based on formula recommended by SFC. The fluctuation in SFC grant is due to delay and deduction at source.

6.2.5 Water Charges

The water charges and deposits collected by the Municipality are as below :

Table 6.9 Water Tariff & Deposit

Category	Tariff	Deposits
Domestic	Rs. 22/- per month	-
Commercial	Rs. 62/- per month	-
Industrial	Rs. 62/- per month	-

The total number of house service connections (HSC) is 1000 Nos., the breakup of which is as below:

Table 6.10 No. of House Service Connections

Particulars	Nos.
Domestic	996
Commercial	4
Industrial	-
Total	1000

The percentage of water supply connections to property tax assessments is only around 10.65%. The Municipality should take steps to increase it to at least 70-75% to augment its resources.

The water charges for the past 5 years is as below:

Table 6.11 Water Charges – Growth & % of Total Income (Rs. in lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06
Water Charges	2.79	2.49	2.49	2.49	-
Total	2.79	2.49	2.49	2.49	-
% of Total Income	1.6%	1.42%	1.05%	1.32%	-
% Growth	-	0.96%	35%	(20.5%)	29.44%

It may be observed that water charges account for only around 2.5% of total income. There has been no growth over the years. The water charges collected is very nominal in relation to the expenses incurred towards water supply.

The water connection charges for the past 5 years is as below :

Table 6.12 Water Connection Charges – Growth & % of Total Income (Rs. in lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06
Water Connection Charges	0.03	0.01	-	-	-
Total	0.03	0.01	-	-	-
% of Total Income	-	-	-	-	-
% Growth	-	-	-	-	-

It may be observed from the above that the Municipality at present does not collect any water connection charges.

The demand collection balance statement of water charges for the last 5 years is as below:

Table 6.13 Water Charges – Demand Collection % (Rs. in lakhs)

Water Charges	2001-02	2002-03	2003-04	2004-05	2005-06
Demand					
- Current	2.79	2.49	2.49	2.49	2.51
- Arrears	2.58	2.84	4.10	6.19	3.57
Total	5.37	5.33	6.59	8.68	6.08
Collection					
- Current	1.38	0.82	0.15	1.67	1.69
- Arrears	1.14	0.41	0.26	3.45	0.89
Total	2.52	1.23	0.41	5.12	2.58
Collection %					
- Current	49%	33%	6%	67%	67%
- Arrears	44%	14%	6%	56%	25%
Total	47%	23%	6%	59%	42%

The collection performance of the municipality with respect to water charges is also not good. The present current collection performance is around 60% and the arrears collection performance is around 30%.

6.2.6 Drainage Charges

The Municipality does not have Underground Drainage System and the households mainly have septic tank facility.

6.2.7 Service Charges & Fees

The Municipality receives service charges and fees in the form of trade licence fees, building licence fees, fees for bays in bus etc. The income in the form of service charges and fees received during the last 5 years is as below :

Table 6.14 Service Charges & Fees – Growth & % of Total Income (Rs. in lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06
Service Charges & Fees	3.64	7.21	8.46	8.82	9.30
Total	3.64	7.21	8.46	8.82	9.30
% of Total Income	2.09%	4.10%	3.56%	4.67%	3.81%
% Growth	-	98%	17.3%	4.25%	5.44%

It may be observed that service charges & fees accounts for around 4% of the total income. The same has grown by around 3 times over the last 5 years.

6.2.8 Income from Properties & Other Income

The Municipality receives income by way of market fees – daily market, lease of land, rent on shopping complex & buildings, rent on bunk stalls, fees on pay & use toilets etc.

Other income comprises interest from bank & investments, deposits lapsed, income from cable TV operations, project overhead expenses and interest apportioned misc. recoveries and other income.

The income from properties and other income received during the last 5 years is as below :

Table 6.15 Income from Properties & Other Income–Growth & % of total Income (Rs. in lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06
Income from Properties and other income	36.07	36.53	25.08	61.61	44.95
Total	36.07	36.53	25.08	61.61	44.95
% of Total Income	21%	21%	11%	33%	18%
% Growth	-	1.28%	(31.34%)	145.62%	(27.04%)

It may be observed that income from properties and other income together accounts for around 20% of total income and the same on an average accounts for Rs. 45-50 lakhs per annum.

The demand collection balance statement of income from properties and other income for the last 5 years is as below :

Table 6.16 Non Tax Income – Demand Collection % (Rs. in lakhs)

Other Income	2001-02	2002-03	2003-04	2004-05	2005-06
Demand					
- Current	28.15	26.99	16.89	46.38	84.85
- Arrears	20.37	22.12	22.66	23.05	25.39
Total	48.52	49.11	39.55	69.43	110.24
Collection					
- Current	26.25	24.08	14.98	42.32	82.33
- Arrears	1.31	1.36	1.52	1.71	2.71
Total	27.56	25.44	16.50	44.03	85.04
Collection %					
- Current	93%	89%	89%	91%	97%
- Arrears	6%	6%	7%	7%	11%
Total	57%	52%	42%	63%	77%

On the average, the total current collection performance of other income is 92% and the arrears collection performance is around 7%. But the amount of arrears is nominal.

6.3 EXPENDITURE

The revenue expenses mainly comprises of establishment charges, power charges for street lighting, water supply, repairs & maintenance and other revenue expenses on account of maintenance of roads, public health etc.

6.3.1 Establishment Expenses

The major revenue expenditure incurred by the Municipality is establishment expenses comprising personnel cost and terminal benefits. The details of establishment expenses for the last 5 years is as below :

Table 6.17 Establishment Expenses – Growth & % of Total Expenditure (Rs. in lakhs)

Estb Expenses	2001-02	2002-03	2003-04	2004-05	2005-06
Personnel – Salaries	63.62	77.82	79.46	85.03	90.60
Personnel - Others	0.56	0.71	0.44	1.47	0.15
Terminal & Retirement Benefits	14.23	19.11	11.34	7.87	16.50
Total	78.41	97.64	91.24	94.37	107.25
% of Total Expt	46%	53%	49%	43%	41%
% Growth	-	25%	(6.56%)	3.43%	13.65%

The establishment expenses constitute around 42% of the total expenditure. The establishment expenditure, which had marginally come down has started rising again during the last 2 years.

6.3.2 O&M Expenses – Water Supply

The next major share of expenditure goes for water supply and drainage works. The same accounts for around 8% of the total expenditure.

O&M expenses on account of water supply comprises power charges of head works, pumping stations and booster stations, maintenance expenses for water supply works, vehicle maintenance etc.. The O&M expenses on account of water supply for the last 5 years is as below :

Table 6.18 O&M Expenses (Water Supply)–Growth & % of total Expenditure (Rs. in lakhs)

O&M - Water Supply	2001-02	2002-03	2003-04	2004-05	2005-06
Power Charges	2.84	6.55	9.72	11.63	16.15
Maintenance Exps	-	1.99	1.45	3.84	1.57
Others	1.33	3.35	1.86	9.71	1.39
Total	4.17	11.89	13.03	25.18	19.11
% of Total Expt	2.44%	6.41%	6.98%	11.35%	7.29%
% Growth	-	185%	9.6%	93%	(24%)

The O&M Expenses – water supply constitute around 8% of the total expenditure and the same is on increasing trend over the years.

6.3.3 O&M Expenses – Street Lights & Others

The O&M expenses on account of street lights and others comprises power & maintenance charges on street lights & buildings, sanitary & conservancy expenses, vehicle maintenance, repairs & maintenance – buildings, roads and others. The expenses on account of street lights & others for the last 5 years is as below :

Table 6.19 O&M Expenses (Street lights & others)–Growth & % of total Expt (Rs. in lakhs)

O&M – Street Lights & Others	2001-02	2002-03	2003-04	2004-05	2005-06
Operative Expenses	8.32	12.69	14.29	12.47	15.50
Repairs & Maintenance	5.21	4.14	7.14	8.76	7.80
Total	13.53	16.83	21.43	21.23	23.30
% of Total Expt	7.9%	9%	11.47%	9.57%	8.89%
% Growth	-	24%	27%	(0.93%)	9.75%

The O&M expenses – street lights and others constitute around 10% of the total expenditure and the same accounts for around Rs. 20-22 lakhs per annum.

6.3.4 Administration & Other Expenses

Besides establishment and O&M expenses, administration expenses form the major part of revenue expenditure. The summary of administration expenditure over the last 5 years is given below :

Table 6.20 Administration Expenses – Growth & % of Total Expenditure (Rs. in lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06
Administration Expenses	5.96	13.66	14.07	32.55	10.59
Total	5.96	13.66	14.07	32.55	10.59
% of Total Expt	3.5%	7.36%	7.53%	14.67%	4.04%
% Growth	-	129%	3%	131%	(67%)

The administration expenses comprise around 8% of the total expenditure. The administration expenses for the year 2004-05 is very high and has again reduced in 2005-06.

6.4 SUMMARY OF FINANCES

We summarise below the finances of Melur Municipality for the last 5 years :

Table 6.21 Summary of Finances for last 5 years (Rs. in lakhs)

Particulars	Audited				
	2001-02	2002-03	2003-04	2004-05	2005-06
Income	174.16	175.83	237.49	188.74	244.31
Expenditure	104.10	140.13	139.76	175.82	163.03
Surplus before Int & Depreciation	70.06	35.70	97.73	12.92	81.28
Finance Charges	19.91	3.84	0.32	9.01	4.23
Surplus / (Deficit) before Depreciation	50.15	31.86	97.41	3.91	77.05
Depreciation	46.85	41.66	46.72	38.29	94.80
Net Surplus / (Deficit)	3.30	(9.80)	50.69	(34.38)	(17.75)

Note :

The real autonomy of any organisation depends on its financial autonomy. Weak tax base, inadequate tariff level and poor collection performance have continued to be the salient features of local bodies in India.

- In the case of Melur Municipality, it is observed that the Municipality has incurred deficit in three out of the last 5 years. This suggests that the Municipality need to undertake lot of fiscal reforms and full leverage of its assets over the next few years to improve its financial strength.
- Prior to depreciation, the Municipality has incurred surplus and the surplus is on the increasing trend over the years, which is a good sign of recovery.
- The summary of finances of the Municipality under the broad heads of income and expenditure for the last 5 years is as below :

Table 6.22 Head-wise Income & Expenditure for last 5 years (Rs. in lakhs)

Particulars	Audited				
	2001-02	2002-03	2003-04	2004-05	2005-06
Income					
Property Tax	42.78	43.51	44.96	46.15	48.41
Profession Tax	6.54	5.51	6.08	7.46	12.11
Water & Drainage	2.83	2.54	2.57	2.49	-
Assigned Revenue	17.52	44.48	60.84	16.29	38.92
Devolution Fund	64.78	35.92	89.50	45.92	90.62
Serv. Chgs & Fees	3.64	7.21	8.46	8.82	9.30
Grants & Cont.	0.00	0.05	0.00	0.00	0.00
Sale & Hire Chgs	0.00	0.08	0.00	0.00	0.00
Other Income	36.07	36.53	25.08	61.61	44.95
Total Income	174.16	175.83	237.49	188.74	244.31
Expenditure					
Personnel Cost	64.18	78.53	79.99	86.50	90.75
Terminal Benefits	14.23	19.11	11.34	7.87	16.50
O&M–Street Lights	13.53	16.83	21.43	21.23	23.30
O&M – Water	4.17	11.89	13.03	25.18	19.11
Repairs & Maint.	6.44	7.48	10.45	16.01	12.14
Programme Exps	2.03	0.06	0.00	0.36	1.40
Administrative Exp	5.96	13.66	14.07	32.55	10.59
Finance Expenses	19.91	3.84	0.32	9.01	4.23
Depreciation	46.85	41.66	46.72	38.29	94.80
Total Expenditure	170.86	185.63	186.81	223.12	262.06
Surplus / (Deficit)	3.30	(9.80)	50.69	(34.38)	(17.75)

- It may be observed that the deficit is more on account of increasing depreciation (non cash expense) over the years. Thus the surplus prior to depreciation is on the increasing trend, which is a positive sign.

- But the surplus prior to depreciation is also partly on account of increasing contribution from Devolution Fund. The municipality's own resources has only shown nominal increase over the years. The municipality's own revenue from property tax and water charges have stagnated over the years. But profession tax and income from properties have been increasing over the years.
- The present water charges of the Municipality does not even recover the operation and maintenance charges towards water charges as given below :

Table 6.23 Water charges (Rs. in lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06
Income					
Water & Drainage	2.83	2.54	2.57	2.49	-
Total Income	2.83	2.54	2.57	2.49	-
Expenditure					
O&M – Water	4.17	11.89	13.03	25.18	19.11
Total Expenditure	4.17	11.89	13.03	25.18	19.11
Surplus / (Deficit)	(1.34)	(9.35)	(10.46)	(22.69)	(19.11)

- The total accumulated surplus of the Municipality as on 31st March 2006 stands at Rs. 2001.02 lakhs. As against the same, the total fixed assets comprising land, buildings, plant & machinery, vehicles etc. stands at Rs. 2471.64 lakhs. Out of the total fixed assets, the value of land is only Rs. 1804.31 lakhs.
- The total loans of the Municipality as on 31st March 2006 stands as below :

Table 6.24 Borrowings of the Municipality (Rs. in lakhs)

Loan from	Purpose	Rate of Interest	O/s as on 31.3.06
TNUDF Loan	-	9.5%	39.05
Total			39.05

- As against the same, the contribution by Municipality, contribution by Government and Grants from Government as on 31st March 2006 stands as below :

Table 6.25 Status of Contributions & Grants

Particulars	Rs. in lakhs
Contribution by Municipality	177.28
Contribution by Government	171.03
Grants from Government	246.39
Total	594.70

-
- It is observed from the above that more than 80% of the fixed assets excluding Land have been funded by means of Contribution and Grants from Government over the years and the balance from Loans.
 - The average current collection efficiency of the municipality needs to be improved especially with respect to property tax.
 - The broad financial analysis of the Melur Municipality finances reveal that the Municipality has further scope for increasing its own sources of income for servicing the additional borrowings in the future.
 - To summarise, the overall income pattern of the Melur Municipality indicates more of negative trends than positive trends. The positive trends are on the income side, where the Municipality has shown surplus prior to depreciation. On the negative side, the municipality's house service connections form only 10% of property tax assessments.
 - It shows that there is vast scope for increasing the water connections. The present water charges are enough to recover only around 25% of the operation & maintenance – water supply. Besides the collection efficiency with respect property tax and water charges is low and has to be improved. Thus the municipality has to look at various mechanisms to improve its scope of own income to service the additional borrowings in the coming years.
 - With more effective management of resources, there is scope for further enhancing credit worthiness and revenues of the Municipality.

6.5 KEY FINANCIAL INDICATORS

A set of key financial indicators has been derived using the financial data procured from the Municipality for the assessment period. These indicators are used to assess the municipal performance with regards to resource mobilization, fund utilization, financial performance and collection efficiencies.

6.5.1 Resource Mobilisation Indicators

These indicators summarise the performance of the Municipality with regards sources of funds. Melur Municipality derives only around 47 percent of its revenue income from own sources, while grants account for just about 37 percent of the revenue income.

Table 6.26 Resource Mobilisation Indicators

Indicators	Value
Per Capital Income	Rs. 308/- p.a.
Share of Own Sources in Total Revenue Income	46.98%
Share of Property Tax in Total Revenue Income	19.81%
Share of Revenue Grants & Subsidies in Total Revenue Income	37.09%
Growth in Revenue Income	10.07% p.a.
Growth of Own Sources of Revenue Income	6.24% p.a.
Per Capital Own Income	Rs. 656/- p.a.

6.5.2 Fund Application Indicators

These indicators are a measure to ascertain the utilization from the municipal fund. Around 41% of the revenue expenditure is spent on establishment heads and around 17% for municipal assets and services, leaving around 43% utilized for debt servicing. Establishment expenditure accounts for about 44% of the total revenue generated by the municipality.

Table 6.27 Fund Application Indicators

Indicators	Value
Per Capita Expenditure	Rs. 703/- p.a.
Share of Establishment Expenses in Total Revenue Expenditure	40.92%
Share of O&M Expenditure in Total Revenue Expenditure	16.71%
Share of Establishment Expenditure to Total Revenue Income	43.90%
Growth in Establishment Expenditure	9.20% p.a.
Growth in O&M Expenditure	36.85% p.a.
Growth in Total Revenue Expenditure	13.34% p.a.

6.5.3 Liability Management Indicators

These indicators are a measure to ascertain the utilization from the municipal fund regarding debt servicing. The ratio of debt servicing to revenue income is 14.89% during the assessment period. The per capita average debt outstanding works out to Rs. 593/- and the per capita outstanding debt to property tax demand is around 583% of the property tax demand for the current year.

Table 6.28 Liability Management Indicators

Indicators	Value
Per Capita Liability	
- Outstanding Debt per Capita	Rs. 105/-
- Outstanding Non Debt Liability per Capita	-
- Total Outstanding Liability per Capita	Rs. 105/-
As a proportion of Property Tax Current Demand	
- Outstanding Debt as % of Property Tax Demand	80.66%
- Outstanding Non Debt Liability as % of Property Tax Demand	-
- Total Outstanding Liability as % of Property Tax Demand	80.66%
As a proportion of Property Tax Own Revenue Income	
- Outstanding Debt as % of Own Revenue Sources	34.02%
- Outstanding Non Debt Liability as % of Own Revenue Sources	-
- Total Outstanding Liability as % of Own Revenue Sources	34.02%
Non Debt Liability as % of Total Liability	-
Debt Servicing Ratio	12.28%

6.5.4 Overall Financial Performance Indicators

These indicators are a measure to assess the overall financial performance of the Municipality with regards operational performance and effective growth in revenue income and expenditure. The average operating ratio during the assessment period was healthy at 68.46%. The indicators of growth in per capita income and expenditure item heads indicate the effective growth, giving a performance measure relative to the growing population. Melur Municipality has demonstrated only 6.88% annual growth in per capita revenue income during the assessment period, while the per capita revenue expenditure has grown at a CAGR of 9.86% during the corresponding period, which indicates that expenses are growing at a higher rate than income.

Table 6.29 Financial Performance Indicators

Indicators	Value
Operating Ratio	68.46%
Growth in Per Capita Own Revenue	3.40%
Growth in Per Capita Grant	6.79%
Growth in Per Capita Total Revenue Income	6.88%
Growth in Per Capital Establishment Expenditure	6.09%
Growth in Per Capita O&M Expenditure	31.23%
Growth in Per Capita Revenue Expenditure	9.86%

6.5.5 Efficiency Indicators

These indicators are essentially a measure to assess municipal efficiency with regards revenue base coverage and utilization. Melur Municipality has average collection performance both with regards property tax and water charges (75% and 60% respectively). The average population per residential assessment at 4.29 persons indicates that the property tax base has a better coverage.

Table 6.30 Efficiency Indicators

Indicators	Value
Tax Collection Performance (Current)	
- Property Tax	75%
- Profession Tax	100%
- Water Charges	60%
- Non Tax Income	92%
No. of Property Tax Assessments per Tax Collection Staff	1343 Nos.
Property Tax Demand per Assessment	Rs. 545/- p.a.
No. of Municipal Staff per 1000 Population	4.19 Nos.
Annual Revenue (Own Source) per Municipal Staff	Rs. 0.81 Lakh p.a.
Population per Residential Property Tax Assessment	4.29 persons

Note :

The detailed financials of Melur Municipality comprising Income & Expenditure Statement, Balance Sheet, Demand Collection Balance Statement, Growth in Income and Key Indicators for the last 5 years are given as Annexure – 3.

7.1 ACTION PLAN

A City Corporate cum Business Plan (CCCBP) is essentially a road map to achieve a set of development objectives within a specific period. This CCCBP has identified and articulated the needs and aspirations of the citizens of concerned ULBs through a comprehensive consultative process involving a wide-ranging stakeholder representations from Government, parastatal, NGOs, citizen forums, institutions, commerce and related entities.

The responsibility now rests with **Melur Municipality** is to take the task forward and commence a development process to achieve a healthy and safe habitat. The following section presents an Action Plan and Implementation strategy for key infrastructural projects and reforms to be followed.

The Action Plan for Water Supply, UGSS, Solid Waste Management, Roads, Major projects identified under Public Private Partnership with implementing agency, year of Implementation, current stage, proposed financing mix, O&M Plan and the expected outcome are detailed out in the Action Plan. Probable risks and mitigate measures for each major project in discussion with the key stakeholders of each Municipality has also been furnished.

The time line and implementation strategy for each of these projects with the various activities gives the project schedule and various steps involved. The risks and mitigate measures for all projects in general is given in Annexure – 5.

7.1.1 Water Supply

Table 7.1 Action plan for the proposed Water supply improvement scheme			
Proposals : Cauvery Combined Water Supply Scheme			
Current Status : Preparation of DPR under Progress			
Year of Implementation	Implementing agency	Investment & Financing mix [Loan: Grants: ULB Contribution]	Outcomes
2010-12	TWAD	Rs.2600.00 lakhs & 00:90:10	Improved supply and connections.
Operation & Maintenance Plan			
<ol style="list-style-type: none"> 1. Revenue enhancement through collection drives, metering, tariff rationalization and apportionment of property tax collected towards water supply fund to raise annual collection. 2. Creation of public awareness on water conservation and rain water harvesting practices through IEC activities. 3. Preparation of Status report on capital works under taken on a quarterly basis 4. Performance monitoring of water supply and distribution system .Initiation of energy audit, leak detection, Non-Revenue water, water quality, etc. if necessary. 5. Establishment of GIS inventory mapping and Management Information System. 6. Ensure preventive and break down maintenance of the proposed system. 7. Registration of break downs, complaints received and Action Taken Reports. 8. Effective tariff collection measures through spot billing. 9. Privatization of O&M of Water supply, treatment, distribution systems 			
	Project risks		Mitigation measures
1	Inadequate staff for O&M of WS system		Privatisation of O&M of water supply and distribution
2	Non - availability of suitable contractor due to the simultaneous execution of similar project in many ULBs nearby.		Consolidating contract packages and calling tender at state level or National level. Short listing of potential contractors at regional level and Tendering the contract in a planned manner.
3	Lack of Public awareness and cooperation		IEC activities through voluntary organisations, CBOs, Resident welfare organizations
4	Delays in approval causing delays in project execution		Fast track evaluation and approval system, E-tendering systems

Source: Analysis and research

Table 7.2 Time line and Implementation strategy for Water supply Project

Sl.no	Melur - Water supply-Cauvery CWSS	2008-09	2009-10				2010-11				2011-12				2012-13				2013-14							
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
	Activities																									
1	Approval of the council for the project proposal	Completed																								
2	Appointment of consultant for preparation of DPR	TWAD																								
3	Appointment of consultant for Project Management	TWAD																								
4	IEC activities & stakeholder consultation workshops																									
5	Preparation of DPR	Under Progress																								
6	Approval/ Sanction of DPR (AS & TS)																									
7	Arrangement of loans and Grants																									
8	Preparation of Tender Documents																									
9	Short listing potential contractors & calling for Tender																									
10	Pre-bid Meeting																									
11	Tender Evaluation																									
12	Award of work																									
13	Collection of Deposits																									
14	Project Implementation																									
15	Fixing meters for all HSCs																									
16	Preparation of final inspection reports																									
17	Preparation of statement of completion																									
18	Preparation of as built drawings																									
19	Training to ULB staff in O&M of the system																									
20	Appointment of private contractor for O&M																									
Legend																										
		Continuous activity																								
		Start to finish of activity																								

Source: Analysis and research

7.1.2 UGSS

Table 7.3 Action plan for the proposed UGSS

Proposals : Under Ground Sewage System			
Current Status : Identification of land for STPs is in progress			
Year of Implementation	Implementing agency	Investment & Financing mix [Loan: Grants: ULB Contribution]	Outcomes
2012-2014 UGSS	Project Management Consultants/TWAD	Rs.2553.83 lakhs & 00:90:10	Improved health conditions and Environment quality
Operation & Maintenance Plan.			
<ol style="list-style-type: none"> 1. Creation of public awareness on the necessity of UGSS as a healthier option through IEC activities. 2. Apportionment of property tax collected towards Drainage fund, awareness creation on the need for tariffs and connection deposits for revenue mobilisation. 3. Exploring options for privatization, DBOT, DBOOT schemes for sewage treatment plants. 4. For good maintenance, preparing up to date plans for sewer systems showing the location of manholes and appurtenances, direction of flow, house service connections, grades of sewers etc are necessary. 5. Regular preventive and break down maintenance of the proposed system. 6. Create database on sanitation assets and ensure adequate upkeep of sanitation assets through encouraging community level participation and consumer forums. 7. Establishment of GIS inventory mapping and Management Information System 8. Registration of break downs, complaints received and actions taken. 			
	Project risks	Mitigation measures	
1	Inadequate capacity of Municipality to handle the project	Appointing Project Management Consultancy for implementation.	
2	Inadequate staff for O&M of sewer network	Privatisation of O&M for sewer system	
3	Non - availability of suitable contractor due to the simultaneous execution of similar project in many ULBs nearby.	Consolidating contract packages and calling tender at state level or National level.	
		Short listing of potential contractors at regional level and Tendering the contract in a planned manner.	

Source: Analysis and research

Table 7.4 Time line and Implementation strategy for Under Ground Sewerage Project

Sl.no	Melur - UGSS	2008-09	2009-10				2010-11				2011-12				2012-13				2013-14			
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
	Activites																					
1	Approval of the council for the project proposal	Completed																				
2	Appointment of consultant for preparation of DPR	TWAD																				
3	Appointment of consultant for Project Management	TWAD																				
4	IEC activities & stakeholder consultaton workshops																					
5	Preparation of DPR	Completed																				
6	Approval/ Sanction of DPR (AS & TS)	Under progress																				
7	Arrangement of loans and Grants																					
8	Preparation of Tender Documents																					
9	Short listing potential contractors & calling for Tender																					
10	Pre-bid Meeting																					
11	Tender Evaluation																					
12	Award of work																					
13	Collection of Deposits																					
14	Project Implementation																					
16	Preparation of final inspection reports																					
17	Preparation of statement of completion																					
18	Preparation of as built drawings																					
19	Implementing graded tariff structure																					
20	Training to ULB staff in O&M of the system																					
21	Appointment of private contractor for O&M																					
Legend																						
		Continuous activity																				
		Start to finish of activity																				

Source: Analysis and research

7.1.3 Solid Waste Management

7.5 Action Plan for Solid Waste management			
Proposals : Improvement in Solid waste Management			
Current Status : Concept stage (improvements) Integrated Solid Waste Management Plan under preparation			
Year of Implementation	Implementing agency	Investment & Financing mix [Loan: Grants: ULB Contribution]	Outcomes
2009-11	Municipality	Rs. 39.80 lakhs & 00:70:30	Improved Environment, income to the ULB
Operation & Maintenance Plan.			
An integrated solid waste management plan for the town involving the following process is needed:			
<ol style="list-style-type: none"> 1. The municipality must focus on revenue enhancement by privatizing of waste management of the following components: <ol style="list-style-type: none"> a. Primary collection b. Transfer to collection points c. Transfer to compost yard d. Segregation of waste and option of <ol style="list-style-type: none"> i. Selling scraps/recyclable waste. ii. Treatment of biodegradable waste iii. Transfer to identified regional land fill sites e. Compost yard management 2. The management of biodegradable waste as a revenue generating activity may involve, <ol style="list-style-type: none"> f. Vermi-composting g. Installation of bio-gas plant 3. Conducting IEC campaigns to facilitate effective waste segregation at source and proper disposal. 4. Implementing collection of conservancy fee for primary collection of waste and levy on residential, commercial and industrial establishments. 5. Involvement of voluntary agencies, SHGs in the various components of solid waste management on BOT, BOOT basis. 			
	Project risks	Mitigation measures	
1	Non-willingness to pay conservancy fees	IEC activities through voluntary organisations, CBOs, Resident welfare organizations	
2	Lack of public awareness and cooperation		
3	Lack of bidders for the project	Consolidating contract packages and calling tender at state level or National level.	
		Short listing of potential contractors at regional level and Tendering the contract in a planned manner.	
4	Opposition from existing sanitary staff	Retaining the identified zones or reallocate existing sanitary staff for other municipal functions	
5	Inadequate Service deliveries and project execution in Poor quality	Ensure proper monitoring and supervision during project Implementation	

Source: Analysis and research

7.1.4 Roads

Table 7.7 Action plan for Roads

Proposals : Improvement of Roads				
Current Status : Concept stage				
Year of Implementation	Implementing agency	Investment & Financing mix [Loan: Grants: ULB Contribution]	Next step	Outcomes
2009-14	Municipality or Project Management consultants.	Rs.290.00 lakhs & 00:90:10	DPR to be prepared	Improvements in internal circulation, safe pedestrian movements,
Operation & Maintenance Plan.				
<ol style="list-style-type: none"> 1. The maintenance of the existing network of municipal roads involves: <ol style="list-style-type: none"> a. Routine maintenance – Filling of pot holes, repairing of cracks, maintenance of shoulders, upkeep of drains. b. Periodic maintenance – Renewal of wearing coat and preventive maintenance. c. Rehabilitation, strengthening and special repair – Overlay construction, reconstruction of pavement, widening of roads, repairs of damages caused by floods . 2. Traffic Operation and Management study involving widening and strengthening of road structure, removal of encroachments, construction of underpass / over bridges at crossings, study of city wide parking requirements, development of parking infrastructure, segregation of slow and fast moving vehicular traffic, proper realignment of road furniture and utilities, traffic signals with timers, critical junction improvements, establishment of regional linkages considering the future growth potential. 3. Provide duct for cables and other utilities along major roads to minimize digging. 4. Options for revenue generation involve track rent from cable, telecom, TNEB, lease from avenue trees etc. 5. Establishment of GIS inventory mapping and Management Information System. 				
	Project risks		Mitigation measures	
1	Damages due to the implementation of water supply and UGSS project		Speedy expedition of water supply and UGSS and relaying roads	
2	Relocation of utilities such as water supply lines, electrical installations, telephone lines etc		To reduce inconvenience to the public, the utilities to be relocated in shortest possible time after prior approval from agencies	
5	project executions / deliveries in Poor quality		Ensure proper monitoring and supervision during project Implementation	

Source: Analysis and research

*Note: The relaying of roads will be taken up after the completion of Under Ground Sewerage Scheme & Storm water drains.

7.1.5 PPP project – Bus stand

Table 7.8 Action plan for Construction of Bus Terminus under PPP model

Proposals : Construction of modern bus terminus – B – class			
Current Status : Concept stage			
Year of Implementation	Implementing agency	Investment & Financing mix	Outcomes
2010-11	Private contractor under PPP model	Rs.200.00 lakhs Build, Finance, Operate and Transfer mode	Reduction in capital investment, O&M. Speedy expedition of the project.
<p>Technical assistance:</p> <ol style="list-style-type: none"> 1. Orientation sessions for Municipal authorities and elected representatives on PPP modalities & options. 2. Public consultation/stakeholder meeting for the proposed project. 3. Technical assistance needed from PPP consultants. 4. Legal and technical support for drafting, formulating and reviewing tender documents. 			
	Project risks	Mitigation measures	
1	Lack of bidders for the project	Consolidating contract packages and calling tender at state level or National level. Short listing of potential contractors at regional level and Tendering the contract in a planned manner.	
2	Lack of awareness and public co-operation for the proposed project	Public consultation meetings to gain trust of stake holders	
3	Delays in Land Acquisition	Community consultations to ensure least resistance from local population Ensuring Approval of the Council and local Public representative.	

Source: Analysis and research

Table 7.9 Time line and Implementation strategy for Bus stand

Sl.no	Melur -PPP- Bus stand Activities	2008-09	2009-10				2010-11				2011-12				2012-13				2013-14			
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1	Negotiations & Acquisition of site for the proposed bus terminus																					
2	Approval of the Council for the Proposals of PPP Project and for preparation of DPR																					
3	Appointment of PPP Consultant																					
4	Preparation of DPR clearly defining the roles and responsibilities of the ULB and the private operator																					
5	Approval/Sanction of DPR																					
6	Shortlisting potential private operators																					
7	Preparation of Tender document																					
8	Calling for Tender																					
9	Prebid Meeting																					
10	Tender Evaluation																					
11	Appointing to Private operator and award of contract																					
12	Project Implementation																					
13	O& M of the bus terminus																					
Legend																						
																		Continuous activity				
																		Start to finish of activity				

Source: Analysis and research

7.1.6 Implementation Strategy- Urban Governance

The study recommends to the Govt. of Tamil Nadu that a **Regional Technical Cell** be established at the seven regions of the state with the following team of specialists

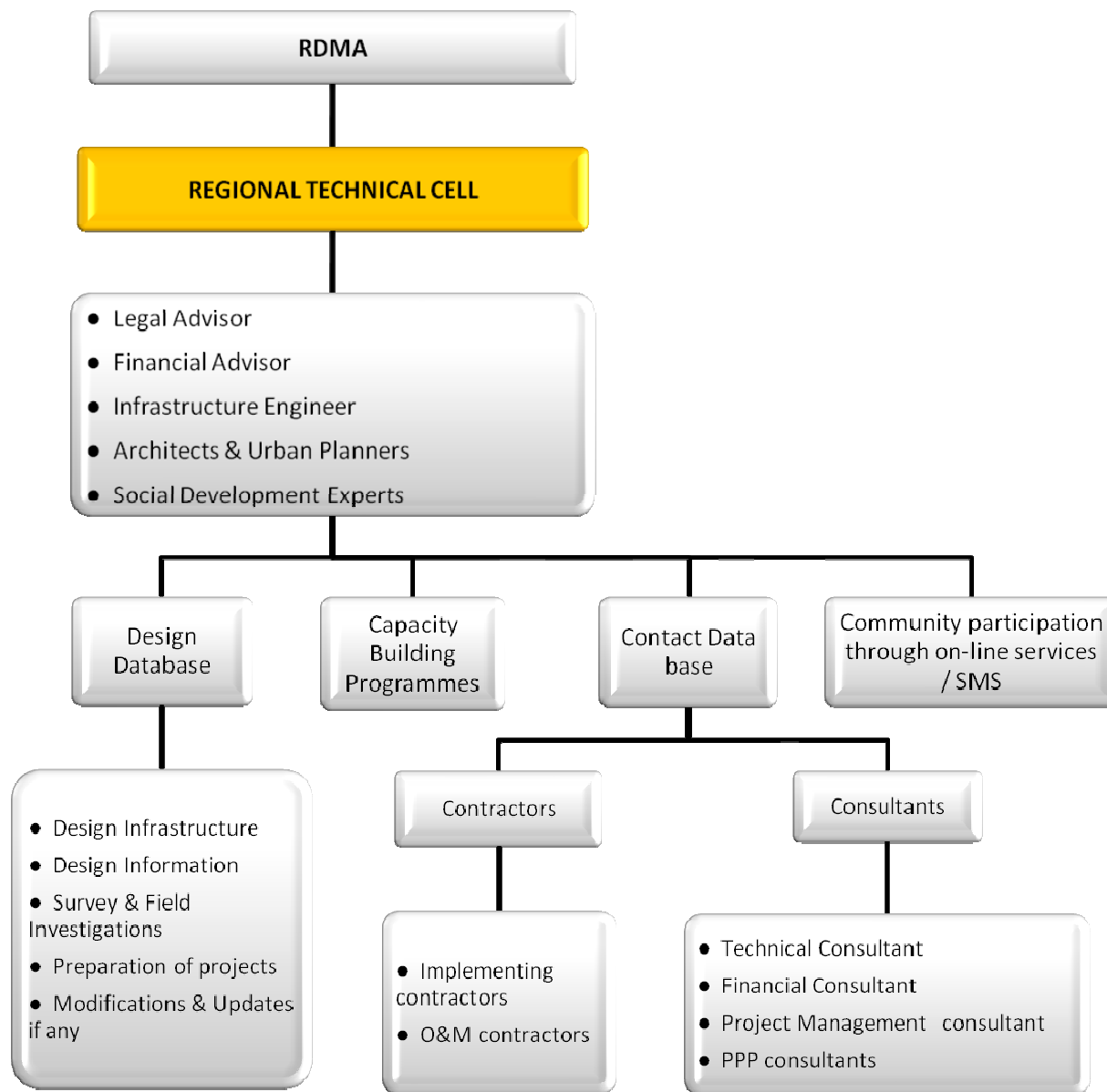
Table 7.10 Regional Technical Cell – Team of Specialists

S.No	Specialists	Functions
1	Legal Advisor / Contract Specialist	<ul style="list-style-type: none"> • legal matters related to projects, • finalization of all contractual documents, • Arbitrations • Land acquisitions
2	Financial Advisor	<ul style="list-style-type: none"> • Financial analysis • Risk Management analysis • Financial modeling of projects • Updating the financial projections
3	Infrastructure Engineers	<ul style="list-style-type: none"> • Project planning and formulation • Preparation of DPR • Monitoring and management of projects
4	Architects and Urban planner	<ul style="list-style-type: none"> • Assessing the growth direction • Regional linkages and its impacts • Feasibility and Design of projects
5	Social Development Expert	<ul style="list-style-type: none"> • Sensitization of Women and youth SHGs • Training to ULB personnel, elected representatives and SHGs. • Formulating and implementing IEC activities for various developmental projects

Source: Analysis and research

The **Regional Technical Cell** would also co-ordinate with the various parastatal and development authorities such as TWAD, TNEB, TNHB, H & RD, PWD and Town and Country Planning Authorities.

The components and functionalities of the Regional Technical Cell in represented in the Figure Below:



Source: Analysis and research

Fig: 7.1 Regional Technical Cell

7.2 CAPACITY BUILDING PROGRAMMES:

Capacity Building and Training of Political and Administrative wings of ULBs are an important component in ULB administration. Training of public representatives and officers and staff of ULBs will not only improve their skills but also exposes modern/scientific technological advancement in engineering, management and inter personal communication.

The ULBs in the State by and large have following departments/sections with specified functions;

Table 7.11 Municipality - Departments and functions

S.No	Section	Function
1	Engineering	Water supply
		Drainage
		Roads & Bridges/Culverts
		Buildings (& Crematoriums) , Television Rooms , etc
		Street lights
		Parks& Play grounds
2	Town Planning	Approval of land sub-division /Layouts
		Issue of Building Permit & Licences
		Identification & Process of UAC& Deviated Construction
		Eviction of Encroachments
		Poverty Alleviation Programmes
		Approval of Installtion & Issue of Licences
3	Revenue	Town survey
		Assessment of Vacant Land Tax & Property Tax
		Name transfer of titles
		Lease & rent of markets, stalls & Bunks
		Revenue collection
4	Public Health	Recoveries of loan
		Birth & Death Registration & issue of certificates
		Prevention of epidemic diseases
		Clearing of drainage
		Street sweeping
		Solid waste Management
		Maternity & Child Health
		Family welfare , Family Planning & Medical Aids
5	General	Administration & Accounts
		Computerization & E-governance
		Budgeting,
		Council Meeting , Public grievance, Citizen Charter
		Right to Information Act

Source: Web site of CMA

Training need to be imparted to political wing as well as to the officers & staff working in various sections of the ULBs. Training programmes need to be evolved depending upon whether they are Elected Representatives (Mayors/Chair person, Deputy Mayor/ Vice chairman, councilors) or Senior level officers , Middle level officers and staff in various sections of the ULBs.

7.2.1 Training to elected representatives

- Urban Governance, Management and Planning
- Environment management
- JNNURM, UIDDSMT, IHSDP, IHSDP & Basic Services for Urban Poor.
- Budget preparation

- Visioning, goal setting, Planning
- City Corporate Plan
- Urban Development plans (Master plans, Detailed Development Plans)
- Redresal of public grievances
- Tender procedure
- Tamil Nadu District Municipalities Act, Public Health Act, Town and Country planning Act.
- Crisis management and Stress management
- E – Governance
- Personality development
- Motivation skill
- Public - Legal Aspects
- Written and Oral Communication skill

7.2.2 Training to ULB Staff

Topics to be covered for training for various departments / sections of the ULBs

Table 7.12 Training for ULB staff

S.No	Topics to be covered	Areas of training
Engineering		
	Water Supply	Water Supply System Maintenance and Management
		Application of modern technology and development in water treatment process
		Preventive maintenance and leak detection in water distribution system and energy saving techniques
		Computer application in Water Treatment Plants
		Computer application for Water Distribution Management
		Maintenance of electrical and mechanical equipments
		Filter Operation
		Latest techniques in pumping and distribution system
		Yield test for water sources
		Operation & Maintenance of chlorinator (care and use of chlorinator)
		Rain Water Harvesting
		Water and waste water analysis
		Spot billing and collection mechanism
	Sewerage	Maintenance of UGD
		Safety precautions in cleaning drains for blockage and repairs
		Computer Aided Design for sewer network
		Modern practices in waste water management
		Mechanised Sewer maintenance and cleaning
		Preventive maintenance of sewage system
		Maintenance of electrical and mechanical equipments
		Spot billing and collection mechanism
	Storm water Drains	Design applications in storm water drains
		Maintenance of Storm water drains
		Repairs of storm water drains
	Street Light	Energy Saving Techniques
		Application of solar panel bulbs and appliances

		Maintenance of Street Lighting
	General	Urban Environment Management
		Structural designs, hydraulic designs and AutoCAD applications
		Project Preparation, Project Appraisal
		Natural Disaster Management
		Recording of M books
		Project preparation and Estimate preparation
		Software application for Data Processing and estimation
		World bank tender procedure and Guidelines for engineering works
		PERT and CPM techniques
		Project planning, Scheduling and monitoring
		Soil testing
		Bid management and Contract Management
		Evaluation of technical and financial proposals submitted by consultants and contractors
		E-tendering
		Project Cost Center, Cost Benefit Analysis
		Basic Services to Urban Poor
		Levy of user charges
		Basic legal aspects
		Modalities in Privatisation for O&M and project proposals
		Right to Information Act
Town Planning		
		AutoCAD Application
		GIS and Remote Sensing
		Latest survey techniques for Application of GIS
		Application of GPS
		Survey, Land Measurement and Equipment Training
		Land acquisition procedure
		Methods for BPL survey
		Schemes – JNNURM, UIDSSMT, IHSDP
		Preparation of Master plans, Detailed Development Plans and Regional Plans
		Traffic Operation and Management Plan
		Modern techniques of Urban Management
		Layout Approval and building plan approval
		Public legal aspects
		Identification and process on unauthorized / unapproved/deviated constructions
		Eviction of encroachments
		E-approval for building plans and Installation plans
		Right to Information Act
Public Health		
		Preventive methods for epidemics and endemics
		Low cost sanitation
		Organizing and sustenance of SHG and community development schemes
		Training of Animal birth control
		Destruction of stray dogs and pigs
	Solid waste management	Segregation techniques, Transfer from station, transport of waste to compost yard
		Land fill and vermin composting
		Street sweeping, clearing of drainage
		Birth and Death registration and issue of certificates
	Medical	Maternity and Child health
		Operation of maternity centers

		Family welfare activities, medical aids and family planning
		Medical Audit
Revenue, Accounts and Administration		
		Financial management and reforms for good Urban Governance
		Good urban governance for funding of infrastructure
		Management of Urban Finance
		Property tax evaluation
		Property tax administration and procedure
		Budgeting outcome budget, Estimation of funds
		Tax assessment methods, Tax revision of assessments , preparation of Income statement,
		Resource Mobilization, implementation and evaluation
		Tally
		Collection of Vacant land tax, Property tax
		Name transfer of titles, lease and rent for markets, stalls and bunks
		Recovery of loans
		Accrual Based Accounting System
		Methods of revenue improvement
		Assessment of tax under fair rent formula
		Reform of Property tax through GIS application
		Tariff fixation, Taxation
		E-Governance including e-tendering
		D&O trade licensing
		Right to Information Act
	E-Governance	Oracle 9i – switching to windows 2007
		Hardware systems Maintenance Networking, Server maintenance,
		HTML and Web Design and Software
		VB, Dot net network security, Backup/recovery
General		
		Tamil Nadu District Municipalities Act, Town and Country Planning Act, Public Health Act, Tender transparency Act, Government orders on schemes
		Training on Urban Environmental and Social Management
		Capacity Building for Community Development Society (CDS)
		Training on Entrepreneurship program
		Training on participatory planning
		Citizen charter
		Reform Agenda
		Obtaining accreditation such as ISO 9001/ISO 14000 for ULBs
		Right to Information Act

7.3 POLICY INTERVENTIONS

CURRENT SCENARIO IN TAMIL NADU

Subsequent to the 74th CAA in 1992, a series of steps to improve the financial status and thereby the performance levels of the Urban local bodies were initiated in the various states of India, including Tamil Nadu. The Government of Tamil Nadu, as a forerunner, has been initiating and implementing various Municipal reforms.

The following are the key reforms implemented by the GoTN:

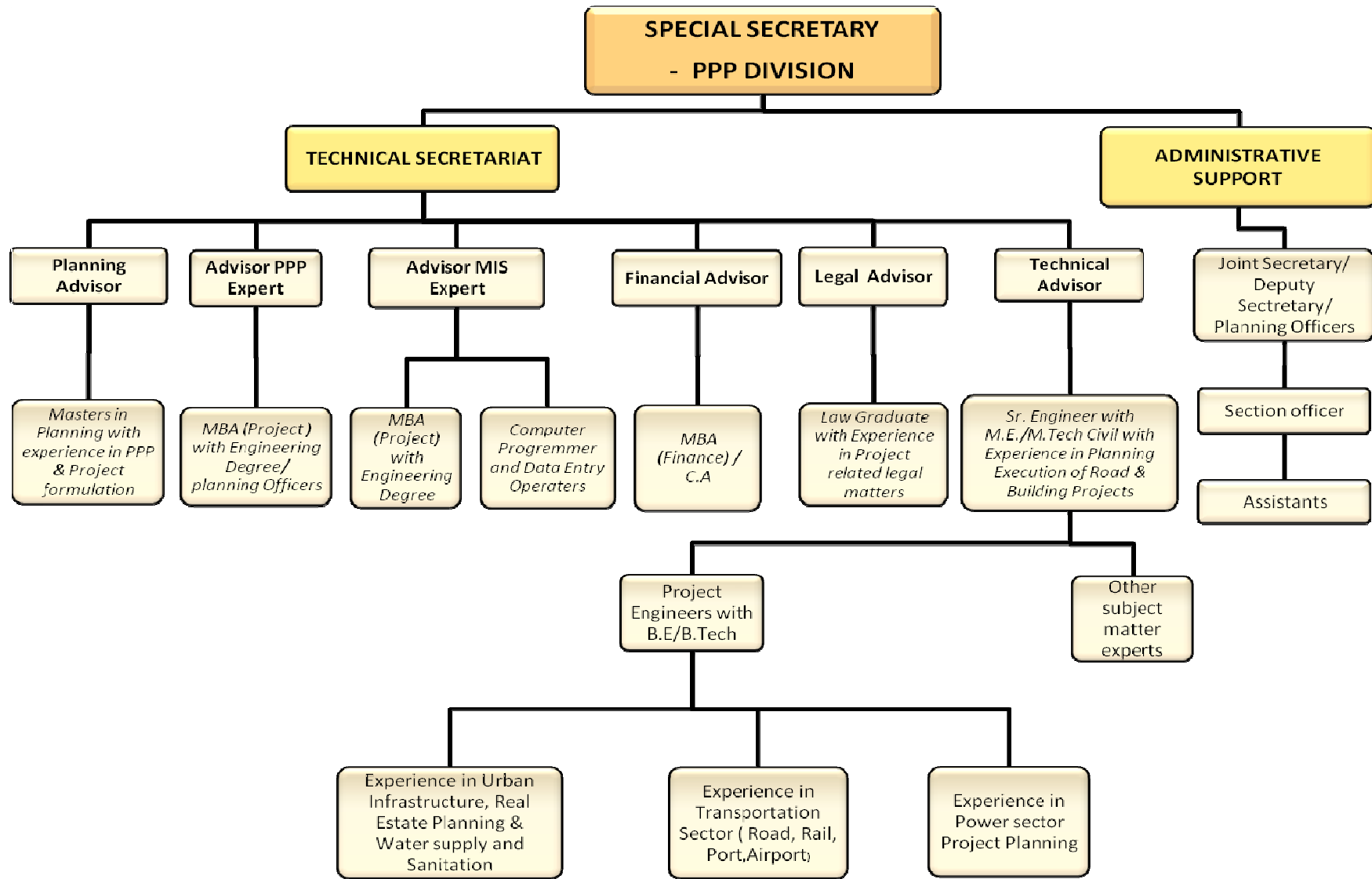
1. **Devolution of funds:** 3.5% of State's total tax revenue passed on to urban local bodies.
2. **State Finance Commissions:** Three consecutive state finance commissions were setup for recommendations to Government.
3. **Setting up of TNUDF:** A successful private-public partnership initiative to tap the capital market.
4. **Accrual Based Accounting System:** The new accounting system has been implemented in all the urban local bodies.
5. **Computerization and E-governance** of select Municipal functions have been successfully implemented in all urban local bodies.
6. **Urban indicators:** Performance assessment of ULBs initiated by CMA
7. **Revision of Property tax** – With effect from April 1.2008, subject to a maximum of 1.25 times the existing tax structure.
8. **Debt monitoring cell:** It has been established with office of CMA with the objective of collecting financial information on individual ULBs, assisting them in making realistic financial projections and facilitating the Urban Local Bodies to access the Capital Markets by information dissemination from CMA office.
9. **GIS for 5 urban local bodies:** Consultancy for Preparation of Property mapping and Utility Mapping for Madurai, Coimbatore and Tiruchirappalli Corporations and Rajapalayam & Gobichettipalayam Municipalities has been initiated as a pilot project by the office of CMA.
10. **ESCO Studies:** TNUIFSL initiative for the Implementation of energy efficiency in Water pumping and Street lighting systems under performance contract.
11. **Right to Information Act, Gol :** An Act to provide for setting out the practical regime of right to information for citizens to secure access to information under the control of public authorities, in order to promote transparency and accountability in the working of every public authority.

7.3.1 Policy interventions at State level

- Establishment of **Tax Mapping** using GIS to assess un-assessed and under-assessed properties in all ULBs.
- **Community participation law**- enacting the “community participation law” that will make it mandatory for the government and its agencies to get the view of citizens, mainly residents’ welfare associations and other citizens’ groups, before starting any project.
- Setting up a **Regional Technical cell** attached to the respective RDMA’s office to assist the ULBs in Techno-legal issues like short listing potential contractors, consultants, project formulation , contract management, tender process, capacity building etc.
- Zone wise review and upgrade **Property guideline values** in line with market prices.
- **Rationalization of stamp** duty to below 5% as per JNNURM guidelines.

Policy intervention for PPP ventures:

1. **Frame work law for PPP** as in Gujarat, Punjab and Andhra Pradesh – Enabling and regulatory framework .Capacity building in public institutions and private sectors for handling PPP projects. Identification of bankable infrastructure projects.
2. Setting up a **PPP cell** at the State level and Creating database at the State level listing projects in various sectors of developmental activities for PPP participation



Base Source : www.pppinindia.com

Fig: 7.2 Organogram of PPP Cell

7.3.2 Proposed reforms at Municipal level

The proposed Municipal reforms are broadly categorized under the heads of:

1. Reforms in Resource Mobilisation
2. Reforms in privatisation initiatives
3. Reforms in Audit and Accounting
4. Reforms in Municipal service delivery

a. Reforms in Resource Mobilisation

i. Property tax reforms

- Empowering municipalities to collect double the property tax from commercial, office and fee collecting educational establishments.
- Interfacing with the TNEB on the details of category and number of new service connections provided.(domestic or non-domestic)
- Levying Vacant Land Tax as per the recommendations of Third State Finance Commission. Empowering the municipality to convert non-claimed lands to socially benefiting uses.

ii. Profession Tax Reform

- Revising the profession tax based on the Central Finance Commission recommendations. Refer Annexure-8.

iii. Water supply and sewerage charges

- Approval of the Municipal council for the proposed tariff and deposit structure to enhance the public contribution and meet the entire O&M cost.
- Implementation of the proposed metering of water supply connections
- Implementation of graded tariff structure (UGSS) for domestic and non-domestic connections.
- Privatisation of Operation and Maintenance of the entire Water Supply and Distribution System.
- Privatisation of operation and maintenance of the UGSS.

iv. Solid Waste management

1. Implementing collection of conservancy fee for primary collection of waste and levy on commercial and industrial establishments.

-
2. Involvement of voluntary agencies, SHGs and private operators such as CES Onyx, Neel Metal Fanalca in the various components of Solid Waste Management on BOT, BOOT basis.

vi. Parking management Plan

Inventory for all roadside parking areas. Initiating time based *pay and park* facilities for vehicles. The proposed parking fee structure is

- ◇ Bicycles - no tax
- ◇ Two wheelers - Rs.2.00
- ◇ Light Vehicles - Rs.5.00
- ◇ Heavy Vehicles - Rs.10.00

Vii Advertisement Management Plan

- Identifying strategic locations such as bus shelters, road medians, for hoardings and poster places in Municipal area and levying advertisement tax at the rate of Rs.25 per sq.ft per annum.
- To prepare an inventory of advertisement spaces within their limits with size and type.
- Auctioning the entire rights to a single bidder on annual basis, who in turn can collect revenue from individual advertisers.

Viii Regularization of unapproved construction

- Regularization fees for unapproved constructions at the rate of 5 times the existing building license fee.

xi. Collection of Tract rent

- From cable T.V operators - (Rs.3.00 per running metre)
- From Telecommunication service providers - (Rs.5.00 per running metre)

The urban local body may be empowered to collect the security deposits at Rs.10, 000 per operator and revise the tract rent every three years. The collection of tract rent and deposits can be handed over to Youth SHGs.

x. Capacity assessment and capacity building

- Mandatory capacity building and orientation sessions for Municipal Authorities and elected representatives, for which suitable training programs, training manuals and networking with other stakeholders has been initiated by the CMA.

b. Reforms in privatization initiatives

i. Privatisation of Collection mechanism

- Providing a computer fitted mobile van with online access to municipal database for spot billing and collection of all taxes.
- Performance based incentives can be given to the private operators at the rate of 5% of total collection .The support of the Youth SHGs or Fan clubs can be sought for the purpose of collection with adequate sensitization programmes.

Privatisation of Collection of

1. Property tax
 2. Profession tax
 3. Water - Deposits and tariff
 4. UGSS- Deposits and tariff
 5. Advertisement spaces/rights as a single contract
 6. Parking areas
 7. Solid waste conservancy fees(Domestic and non-domestic)
- Creating database of all assessments , households and category of assessments:
 - ◇ Interfacing with cable operators to arrive at the number of households at ward/zone level.
 - ◇ Interfacing with the sub registrars and creating the database of available vacant lands within the ULB.

c. Reforms in Audit and Accounting

- Timely Auditing should be performed with the use of private Chartered Accountants for routine audit and local audit to carry out proprietary audit.
- Closing all Auditing before September 30 of the next financial year and publishing the audited statement on the website.
- GoTN and CMA may focus to give technical assistance and training to ULBs for improving the accounting systems and practices.

d. Reforms in Municipal service delivery

- Privatizing the maintenance of Water Supply System including the distribution system
- All Head works and OHTs may be fitted with water meter to assess the loss due to non revenue water and unaccounted water.
- Fixing flow control valves for all water service connections.
- Conducting energy audits for water pumping machinery and street lights .
- Conducting leak detection studies, if transmission losses are more than 15%.
- The options for using available local sources (surface water) in lieu of capital intensive projects should be initiated.
- Ensuring 100% coverage of the water distribution network to the existing roads in the town.
- Ensuring 100% coverage of the UGD network to the existing roads in the town.
- Privatizing the operation and maintenance of STP
- Privatization of Solid waste Management ensuring 100% collection efficiency.
- Initiating IEC activities
- Provision of energy saving lights, and equipments like dimmer and timer switches to reduce energy consumption.
- Privatizing the maintenance of street lights.

Table 7.14 Reform agenda – Municipal Service Delivery

Sl. No	Particulars	Unit	Benchmark considered	Existing	Target					
					Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
	INFRASTRUCTURE SERVICES									
a	Water Supply									
	Net Supply per capita	LPCD	120	63	Project implementation		120	→		
	HSCs - % of assessed properties	%	85%	10	25	60	80	→		
	Frequency of Supply - Hours per day	Hours	24x7	Daily Supply	Project implementation		→ 24 x 7			
b	Sewerage and Sanitation									
	HSC coverage	Yes/No		Not available	→			Yes		
	Coverage of UGD network - % of road length	%	100%	Not available	Period of implementation →			100%		
c	Solid Waste Management									
	Availability of Composting facility	Yes/No		Not available	yes	→				
	Collection efficiency (% collected)	%	100	50	90	100	→			
d	Roads, Storm Water Drains, Street Lights									
	BT Roads /concrete roads- % of total road length	%	100%	89	→					100
	Pucca closed storm water drains - % of total road length	%	130%	123 (50% - closed drains)	→					130
	Average spacing between Street lights	metres	30	39	30	→				

Source: Analysis and research

8

CAPITAL INVESTMENT PLAN AND FINANCIAL SUSTAINABILITY

8.1 CAPITAL INVESTMENT PLAN

The proposed projects for Melur Municipality taking in to account its resources and the existing shortfall in services are given below. The projects have been phased out taking in to account the time-span required for implementation of the project and the availability of the funds (loans, grants and municipality's own resources) for the same.

Table 8.1 Projects to be executed by Municipality

S.N	Particulars	Funding pattern	2009-10	2010-11	2011-12	2012-13	2013-14	Total
A	Physical Infrastructure Facilities	L:G:M						
I	Water Supply							
a)	New CWSS	0:90:10	1560.00	1040.00	-	-	-	2600.00
II	Sewerage							
a)	New Underground Sewerage Scheme	0:90:10	766.15	1021.53	766.15	-	-	2553.83
III	Strom Water Drains							
a)	Construction, reconstruction and upgradation of Strom Water Drains	0:90:10	-	-	60.00	70.00	74.00	204.00
IV	Water Bodies							
a)	Strengthening of Water Bodies	Grants	-	-	7.50	7.50	-	15.00
V	Solid Waste Management							
a)	Improvements to compost yard, approach road and procurement of machineries	Grants	20.00	19.80	-	-	-	39.80
VI	Roads							
a)	Improvements to Roads - CC Roads, relaying of roads, upgradation of roads	0:90:10	11.00	29.00	80.00	90.00	80.00	290.00
VII	Bus Stand							
a)	Proposed modern bus terminus - B Class	BOOT	-	200.00	-	-	-	200.00
VIII	Street Lights							
a)	Installation of energy saver lights, sodium lights, high mass lights and retrofitting of existing tube lights	Private	53.90	-	-	-	-	53.90
B	Social Infrastructure Facilities							
I	Slum Improvement							
a)	Improvements to Slums	0:90:10	-	300.00	300.00	258.77	-	858.77
II	Medicare							
a)	Repairs & Maintenance	0:50:50	2.00	-	-	-	-	2.00
III	Education							

S.N	Particulars	Funding pattern	2009-10	2010-11	2011-12	2012-13	2013-14	Total
a)	Construction of new buildings, maintenance, play materials and basic amenities	Grants	18.00	-	-	-	-	18.00
IV	Parks & Playgrounds							
a)	Improvement of parks and open spaces	Grants	-	-	43.00	46.00	46.00	135.00
V	Burial Ground / Crematorium							
a)	Provision of basic amenities	0:50:50	-	8.10	31.80	-	-	39.90
VI	Market							
a)	Reconstruction of Daily market	70:0:30	-	38.00	-	-	-	38.00
b)	Reconstruction of Weekly market	70:0:30	50.00	-	-	-	-	50.00
VII	Urban Greenary							
a)	Plantation of 1000 Nos. new saplings	Grants	-	-	-	-	1.25	1.25
C	Other Projects							
I	E-Governance							
a)	Purchase of Hardwares	Grants	1.00	-	-	-	-	1.00
II	Other Projects							
a)	Sullage Tanker Lorry	Municipality	20.00	-	-	-	-	20.00
III	Updation of Database							
a)	Updation of Database on GIS platform	Grants	-	-	-	-	45.00	45.00
	Total		2502.05	2656.43	1288.45	472.27	246.25	7165.45

The initial building blocks of the Corporate Plan are the 'elements' required to sustain the town's growth; public utility, urban environment, economic and social development, land use and transportation, municipal resources, urban governance and capital facilities. The projects in the plan were developed through a consultative process carried out between the Local Body Officials, Council Staff and Elected Officials, Public Interest Groups, Project Stakeholders and the local citizens.

The projects have been prioritized in the following order :

- a) Water Supply
- b) Sewerage and Sanitation
- c) Solid Waste Management
- d) Storm Water Drains
- e) Urban Service for Poor (Slum Upgradation)
- f) Roads, traffic and transportation
- g) Street Lighting

8.2 OTHER PROJECTS AND ON GOING PROJECTS

The details of ongoing projects that are being executed by the Municipality are given below :

Table 8.2 : Details of Ongoing Projects (Rs.in lakhs)

S.No	Particulars	Total Cost	Grant	Mun Cont.	Funding By
a)	Slaughter House	20.00	10.00	10.00	0:50:50
b)	Roads	14.00	14.00	-	Grant
c)	Education	5.00	5.00	-	Grant
d)	Slum Improvement	100.00	90.00	10.00	0:90:10
	Total	139.00	119.00	20.00	

8.3 MEANS OF FINANCE

The means of finance for each individual project identified taking in to account whether the same is remunerative or non-remunerative and the availability of Grants from various sources is given below:

Table 8.3: Multi Year Investment Plan and Means of Finance

S.No	Particulars	Multi Year Investment Plan Rs.in lakhs					Total
		2009-10	2010-11	2011-12	2012-13	2013-14	
A	Physical Infrastructure Facilities						
1	Water Supply						
	Total Project Cost	1560.00	1040.00	-	-	-	2600.00
	Add : Price Inflation @ 7%	109.20	150.70	0.00	0.00	0.00	259.90
	Total	1669.20	1190.70	0.00	0.00	0.00	2859.90
	Means of Finance						
	Grant	1502.28	1071.63	0.00	0.00	0.00	2573.91
	Municipality Own Funds	166.92	119.07	0.00	0.00	0.00	285.99
	Total	1669.20	1190.70	0.00	0.00	0.00	2859.90
2a	Sewerage						
	Total Project Cost	766.15	1021.53	766.15	-	-	2553.83
	Add : Price Inflation @ 7%	53.63	148.02	172.42	0.00	0.00	374.07
	Total	819.78	1169.55	938.57	0.00	0.00	2927.90
	Means of Finance						
	Grant	737.80	1052.59	844.71	0.00	0.00	2635.11
	Municipality Own Funds	81.98	116.95	93.86	0.00	0.00	292.79
	Total	819.78	1169.55	938.57	0.00	0.00	2927.90
3	Storm Water Drains						
	Total Project Cost	-	-	60.00	70.00	74.00	204.00
	Add : Price Inflation @ 7%	0.00	0.00	13.50	21.76	29.79	65.05
	Total	0.00	0.00	73.50	91.76	103.79	269.05
	Means of Finance						

S.No	Particulars	Multi Year Investment Plan Rs.in lakhs					Total
		2009-10	2010-11	2011-12	2012-13	2013-14	
	Grant	0.00	0.00	66.15	82.58	93.41	242.14
	Municipality Own Funds	0.00	0.00	7.35	9.18	10.38	26.90
	Total	0.00	0.00	73.50	91.76	103.79	269.05
4	Water Bodies						
	Total Project Cost	-	-	7.50	7.50	-	15.00
	Add : Price Inflation @ 7%	0.00	0.00	1.69	2.33	0.00	4.02
	Total	0.00	0.00	9.19	9.83	0.00	19.02
	Means of Finance						
	Grant	0.00	0.00	9.19	9.83	0.00	19.02
	Total	0.00	0.00	9.19	9.83	0.00	19.02
5	Solid Waste Management						
	Total Project Cost	20.00	19.80	-	-	-	39.80
	Add : Price Inflation @ 7%	1.40	2.87	0.00	0.00	0.00	4.27
	Total	21.40	22.67	0.00	0.00	0.00	44.07
	Means of Finance						
	Grant	14.98	15.87	0.00	0.00	0.00	30.85
	Municipality Own Funds	6.42	6.80	0.00	0.00	0.00	13.22
	Total	21.40	22.67	0.00	0.00	0.00	44.07
6	Roads						
	Total Project Cost	11.00	29.00	80.00	90.00	80.00	290.00
	Add : Price Inflation @ 7%	0.77	4.20	18.00	27.97	32.20	83.15
	Total	11.77	33.20	98.00	117.97	112.20	373.15
	Means of Finance						
	Grant	10.59	29.88	88.20	106.17	100.98	335.84
	Municipality Own Funds	1.18	3.32	9.80	11.80	11.22	37.32
	Total	11.77	33.20	98.00	117.97	112.20	373.15
7	Bus Stand						
	Total Project Cost	-	200.00	-	-	-	200.00
	Add : Price Inflation @ 7%	0.00	28.98	0.00	0.00	0.00	28.98
	Total	0.00	228.98	0.00	0.00	0.00	228.98
	Means of Finance						
	BOOT	0.00	228.98	0.00	0.00	0.00	228.98
	Total	0.00	228.98	0.00	0.00	0.00	228.98
8	Street Lights						
	Total Project Cost	53.90	-	-	-	-	53.90
	Add : Price Inflation @ 7%	3.77	0.00	0.00	0.00	0.00	3.77
	Total	57.67	0.00	0.00	0.00	0.00	57.67
	Means of Finance						
	Private Sector	57.67	0.00	0.00	0.00	0.00	57.67
	Total	57.67	0.00	0.00	0.00	0.00	57.67
B	Social Infrastructure Facilities						
1	Slum Improvement						
	Total Project Cost	-	300.00	300.00	258.77	-	858.77

S.No	Particulars	Multi Year Investment Plan Rs.in lakhs					Total
		2009-10	2010-11	2011-12	2012-13	2013-14	
	Add : Price Inflation @ 7%	0.00	43.47	67.51	80.42	0.00	191.41
	Total	0.00	343.47	367.51	339.19	0.00	1050.18
	Means of Finance						
	Grant	0.00	309.12	330.76	305.28	0.00	945.16
	Municipality Own Funds	0.00	34.35	36.75	33.92	0.00	105.02
	Total	0.00	343.47	367.51	339.19	0.00	1050.18
2	Medicare						
	Total Project Cost	2.00	0.00	0.00	0.00	0.00	2.00
	Add : Price Inflation @ 7%	0.14	0.00	0.00	0.00	0.00	0.14
	Total	2.14	0.00	0.00	0.00	0.00	2.14
	Means of Finance						
	Grant	1.07	0.00	0.00	0.00	0.00	1.07
	Municipality Own Funds	1.07	0.00	0.00	0.00	0.00	1.07
	Total	2.14	0.00	0.00	0.00	0.00	2.14
3	Education						
	Total Project Cost	18.00	-	-	-	-	18.00
	Add : Price Inflation @ 7%	1.26	0.00	0.00	0.00	0.00	1.26
	Total	19.26	0.00	0.00	0.00	0.00	19.26
	Means of Finance						
	Grant	19.26	0.00	0.00	0.00	0.00	19.26
	Total	19.26	0.00	0.00	0.00	0.00	19.26
4	Parks & Playgrounds						
	Total Project Cost	-	-	43.00	46.00	46.00	135.00
	Add : Price Inflation @ 7%	0.00	0.00	9.68	14.30	18.52	42.49
	Total	0.00	0.00	52.68	60.30	64.52	177.49
	Means of Finance						
	Grant	0.00	0.00	52.68	60.30	64.52	177.49
	Total	0.00	0.00	52.68	60.30	64.52	177.49
5	Burial Ground / Crematorium						
	Total Project Cost	-	8.10	31.80	-	-	39.90
	Add : Price Inflation @ 7%	0.00	1.17	7.16	0.00	0.00	8.33
	Total	0.00	9.27	38.96	0.00	0.00	48.23
	Means of Finance						
	Grant	0.00	4.64	19.48	0.00	0.00	24.12
	Municipality Own Funds	0.00	4.64	19.48	0.00	0.00	24.12
	Total	0.00	9.27	38.96	0.00	0.00	48.23
6a	Daily Market						
	Total Project Cost	-	38.00	-	-	-	38.00
	Add : Price Inflation @ 7%	0.00	5.51	0.00	0.00	0.00	5.51
	Total	0.00	43.51	0.00	0.00	0.00	43.51
	Means of Finance						
	TNUIFSL Loan	0.00	30.45	0.00	0.00	0.00	30.45
	Municipality	0.00	13.05	0.00	0.00	0.00	13.05

S.No	Particulars	Multi Year Investment Plan Rs.in lakhs					Total
		2009-10	2010-11	2011-12	2012-13	2013-14	
	Total	0.00	43.51	0.00	0.00	0.00	43.51
6b	Weekly Market						
	Total Project Cost	50.00	-	-	-	-	50.00
	Add : Price Inflation @ 7%	3.50	0.00	0.00	0.00	0.00	3.50
	Total	53.50	0.00	0.00	0.00	0.00	53.50
	Means of Finance						
	TNUIFSL Loan	37.45	0.00	0.00	0.00	0.00	37.45
	Municipality	16.05	0.00	0.00	0.00	0.00	16.05
	Total	53.50	0.00	0.00	0.00	0.00	53.50
7	Urban Greenary						
	Total Project Cost	-	-	-	-	1.25	1.25
	Add : Price Inflation @ 7%	0.00	0.00	0.00	0.00	0.50	0.50
	Total	0.00	0.00	0.00	0.00	1.75	1.75
	Means of Finance						
	Grant	0.00	0.00	0.00	0.00	1.75	1.75
	Total	0.00	0.00	0.00	0.00	1.75	1.75
C	Other Projects						
1	E Governance						
	Total Project Cost	1.00	-	-	-	-	1.00
	Add : Price Inflation @ 7%	0.07	0.00	0.00	0.00	0.00	0.07
	Total	1.07	0.00	0.00	0.00	0.00	1.07
	Means of Finance						
	Grant	1.07	0.00	0.00	0.00	0.00	1.07
	Total	1.07	0.00	0.00	0.00	0.00	1.07
2	Other Projects						
	Total Project Cost	20.00	-	-	-	-	20.00
	Add : Price Inflation @ 7%	1.40	0.00	0.00	0.00	0.00	1.40
	Total	21.40	0.00	0.00	0.00	0.00	21.40
	Means of Finance						
	Municipality	21.40	0.00	0.00	0.00	0.00	21.40
	Total	21.40	0.00	0.00	0.00	0.00	21.40
3	Updation of Database						
	Total Project Cost	-	-	-	-	45.00	45.00
	Add : Price Inflation @ 7%	0.00	0.00	0.00	0.00	18.11	18.11
	Total	0.00	0.00	0.00	0.00	63.11	63.11
	Means of Finance						
	Grant	0.00	0.00	0.00	0.00	63.11	63.11
	Total	0.00	0.00	0.00	0.00	63.11	63.11

The consolidated 'Means of Finance' for all the projects put-together is summarized below :

Table 8.4 : Consolidated Means of Finance

S.No.	Particulars	Multi Year Investment Plan Rs.in lakhs					Total
		2009-10	2010-11	2011-12	2012-13	2013-14	
I	Project Cost						
	Total Project Cost	2502.05	2656.43	1288.45	472.27	246.25	7165.45
	Add : Price Inflation @ 7%	175.14	384.92	289.96	146.78	99.13	1095.92
	Total	2677.19	3041.35	1578.41	619.05	345.38	8261.37
II	Means of Finance						
1	Municipality Own Funds (including Deposits from Public)	295.02	298.18	167.24	54.89	21.60	836.92
2	Grant	2287.06	2483.73	1411.17	564.16	323.78	7069.89
3	TNUIFSL Loan	37.45	30.45	0.00	0.00	0.00	67.90
4	BOOT	57.67	228.98	0.00	0.00	0.00	286.65
	Total	2677.19	3041.35	1578.41	619.05	345.38	8261.37

8.4 FINANCIAL SUSTAINABILITY

The sustainability analysis assumes that the Municipality will carry out reforms indicated as assumptions for financial projections. A Financial and Operating Plan (FOP) prepared which evaluates the Municipality Fund status for the Full Project scenario.

The FOP is a cash flow stream of the ULB based on the regular Municipality revenues, expenditures and applicability of surplus funds to support project sustainability. The FOP horizon is determined to assess the impact of full debt servicing liability resulting from the borrowings to meet the identified interventions. The proposed capital investments are phased over 5 years investment from FY 2009-10 to FY 2013-14.

The full project investment scenario is based on all the proposed investments identified for Melur Municipality and the requirement for upgrading the town's infrastructure is estimated and phased based on the construction activity. Implications of this investment in terms of external borrowings required, resultant debt service commitment and additional operation and maintenance expenditure are worked out to ascertain sub-project cash flows. Revenue surpluses of the existing operations are applied to the sub-project cash flows emerging from full project investments – the Municipality fund net surpluses indicates the ULB's ability to sustain full investments.

FY 2009-10 is taken as the base year and FY 2028-29 is assumed as the reference year (20 years) to determine the net surpluses and whether the Municipality maintains a debt / revenue surplus ratio as an indication of the ULB's ability to sustain investments.

8.5 BASIC ASSUMPTIONS FOR PROJECTIONS

The FOP is based on a whole range of assumptions related to income and expenditure. These are critical to ascertain the investment sustenance and would also provide a tool to test certain specific policy decisions regarding revenue and expenditure drivers on the overall Municipality fiscal situation. This section elucidated the key assumptions adopted for the FOP scenario.

The growth rates for the various heads of income and expenditure have been arrived based on the past growth rates and the future estimated population growth. Improvements to the existing current and arrears collection percentages have been assumed for the various revenues directly collected by the Municipality, which implies that the Municipality would have to improve its collection mechanism to sustain full investments.

Given below are the various assumptions forming part of the FOP workings:

Table 8.5 : Assumptions underlying Financial Projections

	Per Annum	
General	3.000%)
Scavanging	1.500%)
Lighting	2.500%)
Water Tax	2.000%	}
Drainage	1.000%	}
Education	2.050%]
Total	12.050%	

8.5.1 Income

a) Property Tax

The population of Melur Municipality is estimated to grow at around 1.7% p.a. Based on the same Property Tax Revenue are assumed to increase @ 2% per annum. The last revision of Property Tax was carried out on 1-10-98 and it is assumed that the next revision will be carried out in the current year. It is assumed that there will be an increase of 25% due to revision in 2008-09 & that revision would be done @ 15% every 5 years.

It has also been established as per the Survey in 2002 that around 27% of the properties are unassessed and further 20-25% of the properties are unassessed. Besides in Melur Municipality, the property tax per assessment is less. Taking in to consideration the above factors, it is assumed that the same shall be set right and together these shall contribute to increase in property tax revenue by 15% from next year viz. 2009-10.

The Property Tax income is divided between Revenue, Water Supply and Education Fund in the following ratio:

b) Profession tax

Income from Profession Tax is assumed to increase @ 3% per annum. The Profession Tax was last revised on 1.10.2003 and the next revision is due in 2008-09. It is assumed that every revision would contribute to 15% increase

c) Assigned revenue

Assigned Revenue comprises Entertainment Tax and Surcharge on Stamp Duty. It is assumed the same shall increase as under :

Duty on Transfer of Property : 7.5%
Entertainment Tax : 2%

d) Devolution Fund

Devolution Fund is also assumed to increase by 10% per annum

e) Service charges and fees

Service Charges and Fees are assumed to increase @ 5% per annum

f) Grant and Contribution

No Grant has been assumed in the financial projections.

g) Sales and Hire charges

Nil income assumed from Sales & Hire Charges.

h) Other Income

Other Income comprising basically fees and other rental income are assumed to increase @ 5% per annum.

i) Water Supply Charges

The present connection charges/deposit and tariff for water are as below :

Table 8.6: Water supply Charges - Existing

Type of service connections	Deposit	Tariff (p.m)
Residential	Rs. 1000	Rs.20.00
Commercial	Rs. 2000	Rs.40.00
Industrial	Rs. 2000	Rs.40.00

It is assumed that after completion of water supply improvements work, the house service connections will be equal to 80% of property tax assessments.

The water charges shall be revised as below :

Residential - Rs.50.00 p.m

Commercial & industrial – Rs.100.00 p.m

It is also assumed that the water connection charges shall be revised as under :

Residential - Rs.3000

Commercial - Rs.6000

Industrial - Rs.6000

It is assumed that water charges shall be increased as below every 5 years :

Residential - Rs.15.00 p.m

Commercial & industrial – Rs.25.00 p.m

It is assumed that water connection charges shall increase every 5 years as below :

Residential - Rs.1000

Commercial & industrial – Rs.2000

The house service connection as % of property tax assessments is as below:

Table 8.7: House Service Connections - Percentage

Year 2004-05	Property tax assessments	House service connections	%
Residential	7893	991	13%
Commercial	1329	4	0%
Industrial & Govt.	166	0	0%

The improvements in water supply shall result in increase in operation & maintenance by Rs. 78.00 lakhs per annum and the same shall increase @ 5% per annum

j) Drainage Charges

The Municipality does not have Under Ground Sewerage System. A new underground sewerage system is proposed to be built at a cost of Rs. 2554 lakhs. The implementation period is 4 years starting from 2009-10 to 2011-12. On completion of the scheme, it is assumed that around 70% of the property tax assessments would have sewerage connection. It is assumed that the scheme shall be completed 40% in 2009-10, 30% in 2010-11 and 30% in 2011-12.

Deposits shall be collected as given above. The scheme will be partially operational from 2011-12 as given below and sewerage charges shall be collected from 2011-12:

Table 8.8 Sewerage Deposit collection - Assumption

Year	property tax assessment
2011-12	30%
2012-13	50%
2013-14 onwards	70%

It is assumed that the sewerage charges will be collected as below :

Table 8.9 Sewerage – Deposits and Tariff

Assessments	Deposits (in Rs)	Tariff (in Rs)
Residential	3000	50
Commercial	6000	100
Industrial	7500	150

The new connection charges and tariff have been taken on average basis. It is assumed that the drainage charges shall be increased every 5 years as below :

Residential - Rs.15/-

Commercial & industrial – Rs.25/-

It is assumed that the connection charges shall be increased every 5 years as below :

Residential - Rs.1000/-

Commercial – Rs.2000/-

Industrial - Rs.3000/-

The O&M charges shall be Rs.41.00 lakhs per annum and the same shall increase @ 5% per annum.

k) Solid waste Management

It has been estimated that solid waste generation per day shall be around 13 MTs. 50% out of the same shall comprise Bio-degradable waste and the manure generation would be 1/3rd of the same. Thus the estimated saleable manure generation per day would be 2.15 MTs. The same shall increase @ 5% per annum.

The revenue from solid waste disposal shall be Rs.300.00 per MT. The same shall increase by Rs.50.00 every 5 years. The number of assets covered by solid waste management scheme shall be equal to 70% of property tax assessments. The conservancy fees collected after 10 years shall be as below:

Domestic	- Rs.10.00 per month
Commercial	- Rs.20.00 per month
Industrial/Government	- Rs.30.00 per month

The same shall increase as below every 5 years ;

Domestic	- Rs.5.00/-
Commercial/ Industrial/Government	- Rs.10.00/-

The cost of the scheme is Rs.39.80 lakhs and the O&M cost shall be equal to Rs. 2 lacs per annum. The same shall increase @ 5% per annum.

l) Bus Stand

A new modern bus stand of B class status shall be constructed at Melur Town at a total cost of Rs. 200 lacs on BOOT basis. The number of buses using the Bus Stand shall be 350 Nos. per day and the charges per day per bus shall be Rs. 12/-. The same shall increase @ 3% per annum.

Besides the bus stand shall comprise the following :

Table 8.10 Bus stand - Assumptions

Description	Nos.	Rent (in Rs)
Shops	30	2000
Canteen	3	10000

The O&M charges of the Bus Stand shall be 25% of the revenue earned. The same shall increase @ 5% p.a.

The rent shall increase @ 25% for every 5 years.

The new bus stand shall be executed on BOOT basis and based on the revenue projections the income generated shall accrue to BOOT Operator for the first 15 years. Later on, the income shall accrue to the Municipality.

m) Markets

Improvements to Daily market and Weekly market shall be carried out at a cost of Rs. 38 lacs and Rs. 50 lacs respectively.

The same shall result in increase of existing income as given below :

Daily Market by 40%

Weekly Market by 40%

The rent thereafter shall increase @ 10% every 3 years.

The Municipal contribution shall be collected by way of Deposits from shop owners and the same shall form 30% of project cost. The balance 70% shall be by way of loans.

Besides the market will comprise pay and use toilets, parking area and loading / unloading area and the same shall fetch revenue of Rs. 1 lac per annum. This income shall increase @ 10% every 3 years.

The O&M charges on market shall be equal to Rs. 1.50 lacs per annum. The same shall increase @ 5% per annum.

n) Advertisements

Bill Boards would be put at 20 places through out the Municipality. Rent shall be earned @ Rs.600.00 per Bill Board per month. The rent shall increase by Rs. 150/- every 3 years.

o) Parking Fees

Parking Lots would be developed and income from parking is estimated at Rs.5.00 lakhs per annum. The same would increase @ 5% per annum.

8.5.2 Expenditure

a) Increase in Expenditure

The expenses are assumed to increase as under :

Table 8.11 Increase in Expenditure - Assumptions

Account Heads	% Assumed
Personnel Cost - Salaries & Others	5.00%
Terminal & Retirement Benefits	7.50%
Operative Expenses	10.00%
Repairs & Maintenance	7.50%
Program Expenses	2.50%
Administrative Expenses	10.00%

b) Operation and Maintenance

The additional operation & maintenance expenses to be incurred are as below:

Table 8.12 Additional Operation and Maintenance charges

Ongoing Projects	Rs. in lakhs
Slaughter House	2.00
Gasifier Crematorium	0.70
New Projects (other than Sewerage & Water supply)	Rs. in lakhs
Strom Water Drains	6.50
Water Bodies	0.75
Solid Waste Management	2.00
Roads	9.00
Slum Improvement	26.00
Medicare	0.25
Education	1.00
Parks	5.00
Burial Ground / Crematorium	1.00
Markets	1.50
Urban Greenery	0.05
Miscellaneous Projects	1.00
Others	1.00
Total	57.75

c) Power charges

There will be a savings of around 40% in power charges due to installation of energy saving lights. As the same will be installed by private players, the savings in power charges have not been factored in the financial projections. It is assumed that the savings in power charges would be utilised towards returns of the private player towards capital cost and interest.

d) Interest

Interest on loan have been provided based on the sanction rate for each loan. Repayment of loans are based on the repayment schedule of each loan.

Sewerage & Water Supply Loan

It is assumed that all new loan shall carry interest rate of 9.5% per annum.

The loan from TNUIFSL shall be repaid over a period of 20 years with 5 years moratorium.

Other Projects Loan

It is assumed that all new loan shall carry interest rate of 9.5% per annum.

The loan from TNUIFSL shall be repaid over a period of 10 years with 2 years moratorium.

e) Depreciation

Depreciation is provided based on the rates adopted by the Municipality for previous years.

f) Provision of doubtful debts

Doubtful debts have been provided as under :

Table 8.13 Provision of doubtful debts

Description	% Assumed
Revenue Fund	1%
Water Fund	1%
Education Fund	0%

8.5.3 Collections

a) Income from tax

The target assumed for the current and arrear collection of property tax, profession tax, rental/lease charges, water charges and drainage charges over next 5 years are given in the table below.

Table 8.14 Target assumed for tax collection

S.No	Description	Present Status	Target over next 5 years
1	Current Property Tax collection	67%	90%
	Arrear Property tax collection	28%	60%
2	Current profession tax collection	87%	95%
	Arrear profession tax collection	24%	60%
3	Current rental / lease collection	92%	95%
	Arrear rental / lease collection	7%	40%
4	Current water charges collection	59%	80%
	Arrear water charges collection	37%	60%
5	Current drainage charges collection	Nil	80%
	Arrear drainage charges collection	Nil	60%

b) Other income

The collection % of all other income is taken at 100%

c) Others

The collection % of all other items of income is taken at 100%

8.5.4 Annuity Factor

The Annuity Factor for the new loans works out as under :

Table 8.15: Annuity factor for new loans

Tenure	20 years	10 years
Interest Rate	9.50%	9.50%
Repayment Period	15 years	8 years
Moratorium	5 years	2 years
Repayment Factor	0.13	0.18
Conversion Factor Calculation		
a. Rate of Interest	9.5%	9.5%
b. Repayment Period	15	8
c. Loan Amount	42.00	4.00
Conversion Factor	5.37	0.74
Total Conversion Factor	6.10	

Note : Sewerage Loan works out to 42% of total project cost identified. Other Loans works out to 4% of total project cost identified.

8.6 PROJECT CASH FLOWS AND FOP RESULTS

Detailed cash flows are worked out for each of the sub projects based on the assumptions with regards investment phasing, financing pattern, additional operation and maintenance expenditure and additional income out to proposed capital investments for the full project scenario. The net project cash flows are then loaded on the existing revenues to test their impact on the overall Municipality fiscal situation.

a) Income and Expenditure projections

Table captures the Income and Expenditure projections for the next 20 years with potential improvements and borrowings :

Table 8.16 : Consolidated Income & Expenditure for next 20 years (up to FY 2028-29) (Rs.in lakhs)

S.No	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
I	Income											
a)	Property Tax	49.78	62.22	71.55	72.98	74.44	75.93	87.32	89.07	90.85	92.67	94.52
b)	Other Taxes	12.36	14.21	14.64	15.08	15.53	16.00	18.40	18.95	19.52	20.10	20.71
c)	Assigned Revenue	41.63	44.55	47.67	51.03	54.64	58.51	62.67	67.13	71.93	77.07	82.61
d)	Devolution Fund	99.68	109.65	120.62	132.68	145.94	160.54	176.59	194.25	213.68	235.04	258.55
e)	Service Charges & Fees	12.47	13.03	13.35	13.95	100.98	152.30	155.54	158.86	162.24	211.31	215.77
f)	Grants & Contribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Sale & Hire Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h)	Other Income	45.10	47.35	50.60	50.34	63.31	61.50	63.36	70.44	72.77	75.39	83.18
	Total Income	261.02	291.01	318.43	336.07	454.85	524.78	563.88	598.70	630.99	711.58	755.33
II	Expenditure											
a)	Personnel Salaries Cost	95.13	99.89	104.88	110.12	115.63	121.41	127.48	133.86	140.55	147.58	154.96
b)	Personnel Cost - Others	0.16	0.17	0.17	0.18	0.19	0.20	0.21	0.22	0.23	0.24	0.26
c)	Terminal & Ret Benefits	17.90	19.24	20.68	22.24	23.90	25.70	27.62	29.69	31.92	34.32	36.89
d)	Operating Expenses	33.25	39.28	63.34	90.46	204.94	237.09	251.62	267.15	283.75	301.50	320.50
e)	Repairs & Maintenance	13.62	14.68	15.83	17.06	18.39	19.82	21.37	23.04	24.84	26.79	28.89
f)	Program Expenses	1.44	1.47	1.51	1.55	1.58	1.62	1.66	1.71	1.75	1.79	1.84
g)	Administration Expenses	12.75	14.02	15.43	16.97	18.67	20.53	22.59	24.84	27.33	30.06	33.07
h)	Finance Expenses	6.44	6.42	9.94	12.73	12.49	11.78	11.01	10.25	9.46	8.69	8.00
l)	Depreciation	94.11	70.57	108.38	198.21	283.04	340.94	377.23	367.03	321.72	287.72	261.46
	Total Expenditure	274.80	265.74	340.15	469.52	678.83	779.10	840.80	857.79	841.55	838.69	845.86
	Surplus / (Deficit)	(13.78)	25.27	(21.72)	(133.45)	(223.98)	(254.32)	(276.92)	(259.09)	(210.56)	(127.11)	(90.53)
	Profit before Depreciation	80.33	95.84	86.66	64.76	59.06	86.62	100.31	107.93	111.16	160.62	170.94

S.No	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
I	Income											
a)	Property Tax	108.70	110.87	113.09	115.35	117.66	135.31	138.01	140.77	143.59	146.46	168.43
b)	Other Taxes	23.81	24.53	25.26	26.02	26.80	30.82	31.75	32.70	33.68	34.69	39.89
c)	Assigned Revenue	88.55	94.93	101.78	109.14	117.05	125.55	134.68	144.49	155.02	166.35	178.51
d)	Devolution Fund	284.40	312.84	344.13	378.54	416.40	458.04	503.84	554.22	609.65	670.61	737.67
e)	Service Charges & Fees	220.33	224.99	229.76	299.93	306.22	312.66	319.24	325.97	429.56	438.39	447.41
f)	Grants & Contribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Sale & Hire Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h)	Other Income	85.72	92.44	104.19	106.86	108.57	117.23	119.47	121.44	131.97	134.54	136.87
	Total Income	811.51	860.60	918.21	1035.85	1092.70	1179.60	1246.99	1319.60	1503.47	1591.04	1708.79
II	Expenditure											
a)	Personnel Salaries Cost	162.70	170.84	179.38	188.35	197.77	207.66	218.04	228.94	240.39	252.41	265.03
b)	Personnel Cost - Others	0.27	0.28	0.30	0.31	0.33	0.34	0.36	0.38	0.40	0.42	0.44
c)	Terminal & Ret Benefits	39.66	42.63	45.83	49.27	52.96	56.93	61.20	65.79	70.73	76.03	81.73
d)	Operating Expenses	340.83	362.62	385.97	411.01	437.87	466.71	497.68	530.97	566.76	605.27	646.72
e)	Repairs & Maintenance	31.15	33.59	36.23	39.08	42.16	45.48	49.06	52.93	57.11	61.63	66.51
f)	Program Expenses	1.88	1.93	1.98	2.03	2.08	2.13	2.18	2.24	2.29	2.35	2.41
g)	Administration Expenses	36.37	40.01	44.01	48.41	53.26	58.58	64.44	70.88	77.97	85.77	94.35
h)	Finance Expenses	7.39	6.97	7.19	7.83	8.35	9.10	9.73	10.40	11.63	12.44	13.47
l)	Depreciation	240.61	223.60	209.40	197.28	186.74	177.42	169.07	161.50	154.56	148.15	142.19
	Total Expenditure	860.87	882.48	910.29	943.56	981.50	1024.36	1071.77	1124.04	1181.85	1244.47	1312.85
	Surplus / (Deficit)	(49.35)	(21.89)	7.92	92.29	111.20	155.25	175.22	195.56	321.62	346.56	395.94
	Profit before Depreciation	191.26	201.72	217.32	289.57	297.94	332.67	344.29	357.06	476.18	494.72	538.13

It may be observed from the above table that the Municipality has surplus before depreciation in all the next 20 years. Besides the cumulative cash flows are also negative for most of the years.

b) Balance Sheet

Table captures the Balance Sheet projections for the next 20 years with potential improvements and borrowings :

Table 8.17: Consolidated Balance Sheet for next 20 years (up to FY 2028 – 29) (Rs.in lakhs)

S.No	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
I	Liabilities											
a)	Liabilities											
	Loans	36.05	33.04	67.49	94.94	87.25	75.76	64.27	52.78	41.29	29.79	18.30
	Contn from Municipal Fund	177.28	197.28	492.30	790.48	957.71	1012.61	1034.20	1034.20	1034.20	1034.20	1034.20
	Contn from Government	171.03	171.03	171.03	171.03	171.03	171.03	171.03	171.03	171.03	171.03	171.03
	Grant	246.39	365.39	2652.45	5136.18	6547.35	7111.50	7435.28	7435.28	7435.28	7435.28	7435.28
	Accumulated Depreciation	327.46	398.03	506.41	704.62	987.66	1328.60	1705.83	2072.86	2394.58	2682.30	2943.76
b)	Current Liabilities											
	Res for doubtful items	2.37	4.98	7.83	10.84	14.12	17.57	21.34	25.42	29.78	34.46	39.52
	Tender & Other Deposits	66.50	66.50	66.50	66.50	66.50	66.50	66.50	66.50	66.50	66.50	66.50
	Security Deposits	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
	Deposits Others	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	Library Cess payable	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
	Audit fees payable	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35
	IT & ST Dedn - Contractors	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Interest Payable Account	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21
	GIS Mgmt Contn payable	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71
	Other Recoveries / Pay	4.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00	13.00	14.00
	Staff Recoveries	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
	Inter Fund Transfer	164.71	164.71	164.71	164.71	164.71	164.71	164.71	164.71	164.71	164.71	164.71
	Other schemes	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26
c)	Accumulated Surplus	1970.26	1995.54	1973.82	1840.36	1656.97	1402.65	1125.73	866.64	656.08	528.97	438.45
	Total	3227.18	3462.63	6169.65	9047.79	10722.44	11421.07	11860.03	11961.55	12066.58	12221.38	12386.89

(Rs.in lakhs)

S.No	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
I	Liabilities											
a)	Liabilities											
	Loans	6.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Contn from Municipal Fund	1034.20	1034.20	1034.20	1034.20	1034.20	1034.20	1034.20	1034.20	1034.20	1034.20	1034.20
	Contn from Government	171.03	171.03	171.03	171.03	171.03	171.03	171.03	171.03	171.03	171.03	171.03
	Grant	7435.28	7435.28	7435.28	7435.28	7435.28	7435.28	7435.28	7435.28	7435.28	7435.28	7435.28
	Accumulated Depreciation	3184.37	3407.97	3617.37	3814.65	4001.39	4178.82	4347.89	4509.39	4663.96	4812.11	4954.30
b)	Current Liabilities											
	Reserve for doubtful items	45.04	51.00	57.49	64.59	72.19	80.53	89.48	99.08	109.89	121.49	134.11
	Tender & Other Deposits	66.50	66.50	66.50	66.50	66.50	66.50	66.50	66.50	66.50	66.50	66.50
	Security Deposits	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
	Deposits Others	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	Library Cess payable	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
	Audit fees payable	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35
	IT & ST Deduction - Conts	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Interest Payable Account	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21
	GIS Mgmt Contn payable	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71	6.71
	Other Recoveries / Pay	15.00	16.00	17.00	18.00	19.00	20.00	21.00	22.00	23.00	24.00	25.00
	Staff Recoveries	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
	Inter Fund Transfer	164.71	164.71	164.71	164.71	164.71	164.71	164.71	164.71	164.71	164.71	164.71
	Other schemes	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26
c)	Accumulated Surplus	389.10	367.21	375.13	467.42	578.62	733.86	909.08	1104.63	1426.25	1772.81	2168.76
	Total	12573.18	12775.04	12999.85	13297.52	13604.06	13946.07	14300.31	14667.96	15155.95	15663.27	16215.02

(Rs.in lakhs)

S.No	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
II	Assets											
a)	Fixed Assets	2488.08	2627.08	5303.20	8344.55	9922.96	10542.01	10885.63	10885.63	10885.63	10885.63	10885.63
b)	Current Assets											
	Stock	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
	Property Tax Rec - Current	14.93	15.56	14.31	10.95	7.44	7.59	8.73	8.91	9.09	9.27	9.45
	Property Tax Rec - Arrears	67.61	55.50	43.31	31.63	23.60	16.88	14.35	14.47	14.70	14.96	15.25
	Profession Tax - Current	1.24	0.71	0.73	0.75	0.78	0.80	0.92	0.95	0.98	1.01	1.04
	Profession Tax - Arrears	4.24	4.20	3.23	2.35	1.69	1.45	1.38	1.47	1.54	1.59	1.64
	Lease Amt Rec - Current	2.91	1.91	1.83	1.79	2.29	2.14	2.19	2.50	2.55	2.61	2.95
	Lease Amt Rec - Arrears	27.89	25.10	23.00	18.01	12.64	9.37	7.91	6.89	6.32	6.29	6.33
	Water Chgs Rec - Current	0.98	0.76	0.52	0.53	13.80	14.08	14.36	14.65	14.94	19.60	19.99
	Water Chgs Rec - Arrears	11.57	9.08	6.20	3.62	1.98	14.59	19.91	22.32	23.58	24.37	29.35
	Drainage Charges - Current	0.00	0.00	0.00	0.00	5.18	12.51	12.76	13.01	13.27	17.35	17.70
	Drainage Charges - Arrears	0.00	0.00	0.00	0.00	0.00	5.18	14.58	18.59	20.45	21.45	25.93
	Deposits Recoverable	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Staff Advance Recoverable	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
	Other Advances – Rec	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00
	Advances	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Funds Transfer	203.69	203.69	203.69	203.69	203.69	203.69	203.69	203.69	203.69	203.69	203.69
	Other Schemes	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53
c)	Cash & Bank Balances	315.01	430.01	480.60	340.89	437.37	501.75	584.59	679.45	780.83	924.53	1078.91
	Total	3227.18	3462.63	6169.65	9047.79	10722.44	11421.07	11860.03	11961.55	12066.58	12221.38	12386.89

(Rs.in lakhs)

S.No	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
II	Assets											
a)	Fixed Assets	10885.63	10885.63	10885.63	10885.63	10885.63	10885.63	10885.63	10885.63	10885.63	10885.63	10885.63
b)	Current Assets											
	Stock	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
	Property Tax Rec – Current	10.87	11.09	11.31	11.54	11.77	13.53	13.80	14.08	14.36	14.65	16.84
	Property Tax Rec - Arrears	15.55	17.09	17.92	18.48	18.93	19.34	21.27	22.31	23.00	23.56	24.07
	Profession Tax - Current	1.19	1.23	1.26	1.30	1.34	1.54	1.59	1.63	1.68	1.73	1.99
	Profession Tax - Arrears	1.69	1.87	1.97	2.05	2.12	2.19	2.42	2.55	2.66	2.75	2.83
	Lease Amt Rec - Current	3.00	3.28	3.81	3.83	3.84	4.20	4.22	4.24	4.65	4.67	4.69
	Lease Amt Rec - Arrears	6.41	6.79	7.08	7.53	8.32	8.82	9.14	9.69	10.04	10.26	10.80
	Water Chgs Rec - Current	20.39	20.80	21.22	26.46	26.98	27.52	28.07	28.64	34.53	35.22	35.92
	Water Chgs Rec - Arrears	31.73	33.08	34.03	34.83	40.39	43.14	44.78	45.99	47.03	53.34	56.55
	Drainage Charges - Current	18.05	18.42	18.78	23.37	23.84	24.32	24.80	25.30	30.46	31.07	31.69
	Drainage Charges - Arrears	28.07	29.28	30.13	30.84	35.71	38.12	39.57	40.63	41.55	47.08	49.90
	Deposits Recoverable	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Staff Advance Recoverable	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
	Other Advances – Rec	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00
	Advances	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Funds Transfer	203.69	203.69	203.69	203.69	203.69	203.69	203.69	203.69	203.69	203.69	203.69
	Other Schemes	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53
c)	Cash & Bank Balances	1257.86	1453.77	1673.99	1958.95	2252.47	2584.99	2932.30	3294.56	3767.65	4260.60	4801.37
	Total	12573.18	12775.04	12999.85	13297.52	13604.06	13946.07	14300.31	14667.96	15155.95	15663.27	16215.02

The full projects investment scenario indicates that Melur Municipality would end up with a nominal cash balance of Rs. 4801 lacs by the end of 2028-29 (after 20 years)

8.7 IMPACT OF POTENTIAL IMPROVEMENTS

This Chapter provides a snapshot of the areas and order of improvement in revenue that Melur Municipality could potentially achieve.

Specific interventions with respect to revenue realization and cost management are detailed in Section 8.5 of the report. On 'Full Project Investment Scenario' basis, Melur's own revenues (comprising taxes, user charges and other income) could grow from Rs. 120 lacs in FY 2006-07 to Rs. 1178 lacs by FY 2028-29, implying an absolute growth of 44%. Melur has limited potential for increasing its own sources of revenue due to small resource base and focused intervention are required in the following areas :

- Property Tax – through an enhanced revision in ARV, widening assessee base and closer scrutiny. Besides periodic increase (every 5 years) in property tax rates.
- Professional Tax – sustaining a higher assessment growth.
- User Charges – periodic increases in user charges for water connections and sewerage connections. The Municipality could generate additional Rs. 800 lacs of income per annum by FY 2028-29 by providing water connections to 80% of property tax assessments and sewerage connections to 70% of property tax assessments.

Melur needs to explore scope for private sector participation for development of remunerative projects and heritage preservation / city beautification projects that have been identified by Melur. It also needs to explore land development as a revenue enhancement mechanism and should focus on attracting private sector participation through appropriate BOT / SPV structures.

While there is potential for expenditure control in certain areas (as in the case of energy costs and leakage in water supply), the focus of cost management should be to shift expenditure from administration to better asset management and service levels. We have not factored in any cost reduction in the FOP and have assumed that any savings generated from cost reduction would go into augmenting service levels and better asset management.

A comprehensive energy audit is required, given that 65-70% of its operations and maintenance expenditure is spent on electricity charges. Plugging leakage in the water supply network and installation of timers and energy savers on the street light network are important interventions needed in the context of Melur's high power costs.

8.8 ESTIMATION OF BORROWING AND INVESTMENT CAPACITY

We have arrived at the borrowing capacity based on the income and expenditure projections including debt servicing of existing loans as of FY ending 2007. We have arrived at the borrowing capacity of Melur Municipality as the minimum of :

- 30% of revenue projections
- Primary Operating Surplus (Surplus before Interest and Depreciation)

The overall financing mix has been arrived to include 4% Loans, 86% Grants and 10% own funds. The repayment period of loans has been taken at 5+15 years for Sewerage Loan and 2+8 years for other project loans. The above factors have been taken in to account for arriving at the Annuity Factor, which has been applied on the lowest of the above to arrive at the overall borrowing capacity and investment capacity.

Table 8.18: Summary of Borrowing and Investment Capacity	
Borrowing Capacity	Rs. 282.19 lacs
Investment Capacity (BC/0.04)	Rs. 7054.81 lacs
Investment Requirement	Rs. 7165.45 lacs
Sustainable Investment Capacity % - IC / IR	98%

At an aggregate level, assuming loans to be equivalent to 4% of investment, the sustainable investment capacity works out to Rs. 7054.81 lacs, which is about 98% of the total investment requirement.

Thus the priority projects that can be taken up by the municipality are given in the table below

Table 8.19 Priority projects

S.No	Projects	Priority	Amount in Lakhs	%
1	Water Supply, UGSS, Solid Waste Management, Bus Stands, Street Lights, Slum, Medicare, Burial Ground, Market, E-Governance, Other Projects	A	6457.20	90.11
2	Storm Water Drains, Roads	B	494.00	6.89
3	Improvement of Water Bodies, Urban Greenery, Education, Park and Play fields, Updation of Database	C	214.25	2.99
	Total		7165.45	100

Thus while loans and own funds should be used to finance remunerative projects like water supply, sewerage and markets, Melur should leverage and utilize Grants from schemes like UIDSSMT and IHSDP to undertake non-remunerative projects relating to roads, storm water drains, slum development, canal desilting etc. Further, Melur should also consider involvement of private sector in implementing remunerative projects. Besides the loan portion on remunerative projects should also be based on returns expected and fixed accordingly.

8.9 KEY INDICATORS

The key Indictors of the Municipality based on the financial projections works out as below :

Table 8.20 Key indicators based on financial projections

Description	Minimum	Maximum	Average
Existing (2001-02 to 2006-07)			
Operating Ratio	0.59	0.98	0.75
Debt Service Ratio	0%	10%	4%
Category			1
Short Term (2009-10 to 2013-14)			
Operating Ratio	0.73	0.87	0.81
Debt Service Ratio	2%	4%	3%
Category			1
Long Term (2009-10 to 2028-29)			
Operating Ratio	0.68	0.87	0.76
Debt Service Ratio	0%	4%	1%
Category			1

Note : 1 – Financially Sound; 2 – Financially Fragile; 3 – Financially Insolvent

It may be observed that the Municipality is financially fragile in the short term and financially sound in the long term with increased revenues flowing.

8.10 INVESTMENT CAPACITY WITHOUT FINANCIAL REFORMS

We also carried out the exercise of arriving at the Investment and Borrowing Capacity in the scenario where the following financial reforms are not being undertaken by the Municipality :

- No increase in property tax rates every 5 years.
- No exercise is being carried out by the Municipality for bringing the un-assessed and under assessed properties in to property tax net.

- No increase in profession tax rates every 5 years.
- No increase in Water and Drainage chares every 5 years.
- No increase in prices of manure sold from solid waste management.
- Conservancy fee on solid waste management is not collected after 5 years.
- No additional income from parking fees and advertisement.
- Increase in collection efficiency is not considered and the present collection rates continue.

In such a scenario, the Investment and Borrowing Capacity works out as below :

Table 8.21: Summary of Borrowing and Investment Capacity	
Borrowing Capacity	Rs. 68.89 lacs
Investment Capacity (BC/0.04)	Rs. 1722.36 lacs
Investment Requirement	Rs. 7165.45 lacs
Sustainable Investment Capacity % - IC / IR	24%

Thus both the investment and borrowing capacity falls down if no reforms are undertaken. The sustainable investment capacity falls down to 24% of investment requirement in case no reforms are carried out. It can thus be concluded that the Municipality cannot consider taking up the projects identified in the City Corporate Plan incase the financial reforms for augmenting its own sources of revenue are not carried out by the Municipality.

9

ASSET MANAGEMENT PLAN

Management of municipal assets is an essential part of urban management activity. This asset management has the objective of defining and describing the key elements, and principles of a Municipal Infrastructure Asset Management (MIAM) System. This chapter will deal with the elements that are essential in an asset management program for movable and immovable infrastructure, more specifically road networks, water supply networks, pumping, storage, treatment facilities and storm water drains.

Immovable assets are of great importance as the indicators for the Municipality's financial worth which would help in its borrowing capacity and credit worthiness. Melur Municipality owns the following movable and immovable assets:

9.1 LAND AND BUILDING ASSETS

There are remunerative and non-remunerative assets of the municipality on which the municipality incur considerable expenditure for operation and maintenance. The commercial complexes in the town, Shops in the bus stand, Markets, Slaughterhouse, Pay and Use toilets, etc are all remunerative. Non-remunerative assets of the municipality are the burial ground, public toilets, compost yard, parks and playfields etc, which are listed below.

Table 9.1 Assets in Melur Municipality

Asset	No.	Area	Location
Compost yard	2	3.4 acres 7.75 acres	Pudhuchukkanpatti Karuthapuliyampatti
Bus Stand	1		Madurai – Trichy Road
Parks & Play Fields	1	0.89 acre	Gandhi park
Layout open spaces	9	116951 sq.ft	Malligai nagar Karuthapuliyampatti – Velraj layout Nondikovilpatti – Pandiyan Layout Karuthapuliyampatti – Poonga nagar

			MAdurai Trichy main road – Balakrishna layout Gandhi nagar – Mookaiyapillai layout Malampatti layout K.K nagar west layout KK nagar spinning mill layout
Burial Ground	1		Pattakulam
Pay and use toilets	1	-	Bus stand
Community toilets	5		1. VOC Nagar 2. Pattakulam 3. RC church road 4. Thiruvathavur road 5. Daily market
VAMBAY Toilets	5		Kottaikinaru Street Sweepers quarters Malanpatti Chinnarasampatti Mill gate
Municipal owned school s	3	-	-
Medicare (RCH)	1		Sandhapettai
Slaughter House	1		In weekly market
Daily Market	1		Poovandhi road
Weekly Market	1		Melur -Trichy road

Source: Melur Municipal Records

9.2 INFRASTRUCTURE ASSETS

Infrastructure Assets will include all movable and immovable equipments and properties including water supply, drainage, sewerage, solid waste management, roads, street lighting etc. Unlike other assets of the municipality, these assets undergo constant use, wear and tear, addition, repair etc. This correspondingly changes their values and hence a constant value updating is necessary.

9.2.1 Water Supply

The water supply assets basically comprise of all the assets from the headwork's, treatment plant, sump, transmission mains, pumping mains, feeder mains, distribution mains and sub mains, including all valves, connections, meters and all related facilities for the efficient delivery service of water.

Table 9.2 Water supply asset details

S.No	Asset	Units
2	Distribution Main	36.5 km
3	OHTs	20 nos
4	bore wells with power pumps	38 nos
5	Public taps	169 nos
6	Hand Pumps	224 nos

Source: Melur municipal records

9.2.2 Other Assets

Other assets of the municipality include drains, solid waste management facilities and street light arrangements.

Table 9.3 Other assets

S.No	Asset type	Units
	STORM WATER DRAINS	95.4 km
1	open pucca drains	44.90 km
2	Open Kutcha drains	2.80 km
3	Closed drains	47.70
	SOLID WASTE MANAGEMENT	
4	Tricycle	15
5	Push carts	50
6	Tractor with trailer	1
7	Mini lorry	2
	STREET LIGHTS	1309 nos
8	Tube Lights	1188 nos.
9	Sodium Vapour Lamps	64 nos.
10	Mercury vapour lamp	54 nos
11	High mast light	3 nos

Source: Melur municipal records

The proposals for efficient utilization of land assets is given in the table below:

Table 9.4 Proposed Use – Land Asset

Location of Land Asset	Area	Present Use	Proposed Use
Karuthapuliampatti village	7.75 acres	Not used Efficiently	Parks
Gandhi Park	16812 sq.ft		
Malligai Nagar	9030 sq.ft		
Karuthapuliyampatti – Velraj layout	14309 sq.ft		
Nondikovilpatti – Pandiyan Layout	10600 sq.ft		
Karuthapuliyampatti – Poonga nagar	10600 sq.ft		
Madurai Trichy main road – Balakrishna layout	12100 sq.ft		
Gandhi nagar – Mookaiyapillai layout	6300 sq.ft		
Malampatti layout	13200 sq.ft		
K.K nagar west layout	24000 sq.ft		
KK nagar spinning mill layout	116951 sq.ft		
Poovandhi Road		Daily Market (damaged)	Market Complex
Melur Trichy Road		Weekly market (damaged)	Market Complex
Inside Weekly market		Slaughter House (dilapidated)	Slaughter House

9.3 ASSETS MANAGEMENT IN THE LOCAL BODY – LAND ASSETS

The management of assets in the municipality is at the initial stage where, only the assets are listed and status is described. Invariably, the management component is missing as to the techniques and methods of managing the assets either in improving their state and value or in sustaining them with a growth motive. There is no enough attention by the municipality to make use of sustaining their immovable assets for raising loans or improving its borrowing capacity. It requires an overall approach outlining the alternative options of maintaining and managing the assets in a worthwhile mode.

The value of the land varies from location to location and time to time on various factors. It is invariably found that, the value of the municipal land depends upon the value and use of the adjacent land and market force. These differences need a practical moderation to estimate the true credit worthiness of the local body.

Melur Municipality has furnished a statement on land assets and their values for March 2006-07 are given in Annexure 6. The rate of increase of the Municipal land in its value, vis-à-vis that of the adjacent private land at the various locations will be useful in drawing up a reasonable assets management technique.

9.4 MANAGEMENT OPTIONS

The foregoing account of the movable and immovable assets of the Municipality includes basically lands part of which are occupied by construction of structures for various uses. The structural elements in the form of buildings including OHTs, flow elements relating to essential services such as water supply, drainage, UGD, street lights and the like are designed with a design life time. The lands however as a base have no such limiting factor in terms of time. Thus the super structures and the constructed elements below the ground are depreciating in their values as they age. But the lands both constructed and un-constructed keep appreciating in the standard and market values. In fact, the rate of appreciation of the lands is of great significance from the point of worthiness of the concerned local body and, it is invariably much faster in its appreciating value compared to the rate of depreciation of structures imposed on them. Also, the rate of depreciation standardized for various items of the structures is much more than the actual while taking into consideration the life time of such structures till the point of their condemnation. Refer Annexure 6.

The assets particularly the lands owned by the local body could be used for borrowing loans showing them as the properties of the local body and / or leasing where possible. Certain land parcels may be leased / rented for private uses for a specific period of time. Moreover, the rate of depreciation may have to be considered from the actual life time of such structural elements instead of taking their design life time for valuation. Rationalizing both the aspects as mentioned may give the real value and worthiness of the assets of the local body. This may require a comprehensive re-look item-wise, pertinent to the locality and for valuating in terms of both appreciation and depreciation.

Generally, the assets of the local body, particularly the lands are rarely maintained and their values in the management of the resources of the local body are little considered. There must be a scientific approach town wise to evolve a dynamic model of the changing values of the assets both in terms of appreciation and depreciation from time to time, particularly when sizable developments take place. It is important to keep in view that as per the objectives of the devolution of functions and powers to the urban local bodies under the 74th Constitutional Amendment Act, the value of the lands and properties are necessarily to be assessed depending on their location, land use and intensity of development over a time scale. In order to systemize the highly dynamic factor of values of the properties under local body, it is essential for an efficient management of the total assets owned by local body.

The suggestions for the improvement of land asset management are listed below:

1. Create up to date land asset register with details on location, extent, value etc.
2. Establishment of GIS inventory mapping and database management system for Municipality owned lands.
3. Use of land assets for borrowing loans from capital market.
4. Identifying the most remunerative activity by public-private participation, BOT, BOOT initiatives.
5. Lease or rent out of land parcels for a period of time.
6. Removal of encroachments or levy of rent on Municipal land parcels.
7. Explore possibilities of acquiring additional land parcels for Municipality

9.5 PROPOSED NEW ASSETS

Since every year there is an addition to such assets, an indication of the values is a must in calculating the present values and also projecting to the future. In the absence of any trend, the values of the structural assets have become difficult to be computed. However, the values of the proposed projects in the form of assets both for structural elements and certain movable items are indicated in the statement.

The assets creation by way of the projects proposed under CCCBP for implementation in the years to come are indicated with the capital investment values as in table below

Table 9.5 New Assets for the year - 2009-10 to 2013-2014

S.no	Projects	Amount Rs. in lakhs
1	Water Supply	2600.00
2	UGSS	2553.83
3	Storm Water Drains	204.00
4	Water bodies	15.00
5	Solid Waste Management	39.80
6	Roads	290.00
	Bus Stand	400.00
7	Street Lights	53.90
8	Slum improvement	858.77
9	Medicare	2.00
10	Education	18.00
11	Parks and Playfields	135.00
12	Burial Ground	39.90
13	Market	88.00
14	Urban Greenery	1.25
15	E-Governance	1.00
16	Other Projects	20.00
17	Updation of Database - GIS	45.00
	TOTAL	7165.45

Source: Analysis and calculation

All these assets are elements that drive the business plan and ensure the timely availability of resources to sustain the assets in an acceptable condition for better service delivery. In addition to increasing the revenue potential, it is equally important to manage the assets in terms of their maintenance and rehabilitation. This would ensure reducing costs, improving reliability, and ensuring sustainability. Hence it is imperative for the municipality to have a highly simplified approach with a long-term schedule of delivery of actions and a set of short-term measures.

10

PUBLIC CONSULTATION MEETING

The City Corporate Plan is a tool which adapts a corporate approach to plan and implement projects in a participatory mechanism involving users, elected councilors, line agencies, private organizations, NGOs and CBOs. In this process, residents of various sections of the communities in the town were enquired into at random during reconnaissance survey and visits to all the sites of the projects identified by the Municipality and also otherwise suggested by the elders. The broad purpose of stakeholders participation is to involve the stakeholders in the development plan for the city.

As an initial stage, the Councillors, the Chairman and the Municipal Officials were individually discussed with and the ward and town level requirements relating to, especially the Municipal services and other promotive projects have been gathered.

The next stage of this exercise in preparing the CCCBP for the town, as an underlining essential principle of consultation with the beneficiaries of the plan, a stake holder consultative meeting at the town level was initiated under the guidance of the RDMA, Madurai at the meeting held at RDMA office at Madurai with the participation of the commissioners of all concerned Municipalities.

The stakeholder Consultation meeting for Melur was set for 7.2.08 and was successfully completed, with the participation of the stake holders. The stake holders includes

1. Councillors of the town Council including the Chairman
2. Municipal officials including the Commissioner



3. NGOs, CBOs, Clubs, Associations,
4. Representatives from educational institutions
5. Representatives from the health sector
6. Government offices located in the town,
7. Town elders, ladies' forums, SHGs

The context, concept and contents of the CCCBP was explained to them by the FICHTNER project team leaders.

The stakeholders have been invariably very co-operative and practical about the needs of the town at ward and town levels. During the meeting, participants were asked to describe the vision for a desired future of their town. The participants were given a chance to comment on the strategic options put forth in broad terms and on the local strength and weaknesses affecting city's future development. These comments were considered while developing strategic options for the plan.



Following the presentation on the information about the CCPBP, each participant were given an opportunity to express his views and was asked to give his suggestions in the given questionnaire format. The outcome of the consultative process in the form of their requirements, comments, suggestions and opinions for the future, the orientation of the plan structure has been treated. Thus, the outcome of this exercise in the form of Corporate Plan is conscious consent and with the approval of the town Council and other stakeholders of the town.



This plan focuses largely on the totally implementable urban infrastructure and other projects to adequately meet the present and future demands of the growing town. The attendant results and concomitant effects in terms of town's economic development, societies' standard of living, improvement in the living environment, equality in the access to the necessary services, facilities

and amenities for all the sections of people largely sub-serving alleviation of the urban poverty element, on the completion of the project proposals.

After the workshop, consulting team organized the discussion points and the written portion based on which the vision for the town was arrived. The suggestions of the stakeholders are listed and a sample copy of the questionnaire is annexed for reference. (Annexure - 9).

Table 10.1 Issues Highlighted in the Stakeholders Meeting

SI No	Major Issues raised	Solution initiatives
1	Daily market shops which are in dilapidated condition should be reconstructed.	Proposal for reconstruction is included
2	New sources should be found out for augmentation of additional water to the town.	The town is included in Cauvery CWSS
3	Gandhi Park should be redeveloped with all necessary infrastructural facilities.	Proposal for improvements is included
4	Ooranies should be strengthened and desilted to increase storage ground water level.	Proposal for strengthening of water bodies is included
5	All slum areas should be provided with basic amenities.	Proposal for slum improvement is included
6	Infrastructure facilities in burial grounds should be provided and maintained	Proposal for improvements in the burial grounds is included
	Parking areas should identified along main roads.	Preparation of Parking Management Plan is proposed
	A new bus stand should be created or existing bus stand should be expanded	Proposal for a new B class bus stand is included
	A railway station should be provided within this town.	Representation to the railway authorities should be done.

Suggestions of stakeholders in the consultative process meeting held at Melur on 07.02.2008

1. Mr. Sevuga Murthy, ward No. 4

1. Parking area should be identified wherever necessary
2. Underground drainage system should be implemented in the town.
3. An industry suitable for the town should be developed for better employment opportunities.

2. Ms. G. Manimala, Ward No 9

1. Sources for the additional water required for the town should be found out and distribution of water supply should be extended to newly developed areas and existing uncovered areas.
2. Replacement of fused bulbs in the street lights is not done in many areas. This may be done using private organization.
3. Desilting of storm water drains should be done periodically.
4. Removal of encroachments along main roads is essential. This may solve traffic problems to the maximum extent.
5. A women arts college may be opened in the town.
6. Basis facilities to the municipal schools must be extended using the Educational fund of the municipality.

3. Mr. S.P Manavalan, Ward No 18

1. Daily market buildings are in dilapidated condition. This should be reconstructed.
2. All road – side vendors should be accommodated in the daily market itself
3. Gandhi Park should be maintained well with all infrastructural facilities including fencing and children play equipments.
4. Chicken stalls should be shifted to Uzhavar Sandhai campus.
5. Bus stand site should be extended to meet the future requirements.
6. Solid waste management should be effectively done.

4. Ms. S. Mehraj Beevi, Ward. No 5

1. All main roads should be widened.
2. Underground Drainage system and storm water drainage should be effectively maintained.
3. Additional street lights and posts should be installed to meet the need.
4. SHGs should be encouraged by giving necessary employments in different fields.
5. Medical facilities should be provided and extended to all parts of municipality.
6. Protected water should be extended further to all uncovered areas and water supply to these areas should be ensured without interruption

5. Mr. K.V Needhipathi, Ward No 10

1. A ladies college and an engineering college should be created in the town.
2. An integrated bus stand should be developed.

3. Water supply system, underground drainage system and storm water drainage should be effectively upgraded/ implemented effectively.
4. Environment should be kept clean and protected.

6. Mr. S.P.C Murugan, Ward No 21

1. A railway station is needed for this town
2. Number of street lights should be enhanced to meet the norms.
3. A ladies college should be created
4. The bus stand area should be extended to meet the future requirement.
5. Local administration should be strengthened

7. Mr. Singuraj, Ward No 16

1. All tanks (Ooranies) should be strengthened and desilted to improve water storage
2. All slum areas should be provided with basic amenities.
3. Rain water harvesting measures should be implemented in all houses.
4. Local administration should be strengthened
5. All roads and especially approach roads to burial grounds should be maintained properly.

8. S. K Sathik Batcha, Ward No 14

1. Health centers should be created in the town.
2. Street lights should be maintained well providing additional lights to meet the norms
3. An Engineering college should be created.

9. E. Mathivanan, Ward. No 12

1. A granite factory should be created.
2. Street lights and roads should be maintained well
3. A ladies arts college should be created
4. Encroachment along the main roads should be removed.
5. Parks should be developed with basic amenities fountains etc.
6. This town should be developed as an industrial town.
7. Water supply scheme should be strengthened to supply adequate water without interruption

10. Ms. Parvathi, ward No 8

1. While going in for development of the town, water supply and storm water drainage schemes should be given top priority.
2. Tanks should be desilted and bunds to be strengthened to meet the water demand.
3. All Parks should be developed with recreational facilities

4. Health centers should be developed for the Urban Poor.

11. Ms. Sariba, Ward No 7

1. Underground drainage scheme should be implemented as early as possible.
2. Resurfacing roads and streets is essential to this town.
3. Street lighting should be maintained well.

12. Ms. Thamilarasi. Thanga Jayabalan ward No 15

1. Water supply, Roads, Underground drainage, Solid Waste disposal and rain water drainage should be given priority in execution.
2. A railway station should be created in the town
3. For future water supply, Cauvery river may be used as source.
4. Public toilets may be modernized for the use of public.

13. Ms. Irulayi Nallapandi, ward No 25

1. Approach roads to adi-dravidar burial ground, Ambalankulam Karai burial ground and burning ghats near spinning mill and basic facilities to Karuppattian Karai burial ground, Chokkar Oorani burning ghats, Malkosikarai burning ghats should be constructed.
2. A subway across (newly formed) NH45B should be constructed.
3. Green trees should be planned along main streets

14. Mr. M.R Balakrishnan, Ward. No 26

1. Spinning mill which is closed now should be reopened early.
2. The poultry farm near mill gate which is closed should be re-opened early.
3. Drain water is disposed off in to Periyar irrigation channel now. This causes environmental hazard. This should be stopped.
4. A ladies college of arts should be created in the town
5. A new bus stand near National Highway should be created