



Republic of the Philippines
BATANGAS CITY

Office of the Sangguniang Panlungsod

Tel. No. 723-2175

ORDINANCE NO. 3 S. 2015

AN ORDINANCE RATIFYING THE THREE HUNDRED FIFTY MILLION PESOS (P350,000,000.00) LOAN AGREEMENT BETWEEN THE CITY GOVERNMENT OF BATANGAS AND LAND BANK OF THE PHILIPPINES INCLUDING ALL TERMS AND CONDITIONS PROVIDED THEREIN, SUBJECT TO ALL LAWS AND EXISTING LEGAL RULES AND PROCEDURES

AUTHORED BY : COUN. ALYSSA RENEE C. ATIENZA
SPONSORED BY : COMMITTEE ON LAWS, RULES AND REGULATIONS

WHEREAS, Section 458 (2) iii of Republic Act 7160 otherwise known as the Local Government Code of 1991 provides that the Sangguniang Panlungsod has the power to:

"Subject to the provisions of Book II of this Code and upon the majority vote of all the members of the Sangguniang Panlungsod, authorize the City Mayor to negotiate and contract loans and other forms of indebtedness";

WHEREAS, the Sangguniang Panlungsod of Batangas City issued Resolution No. 339 S. 2014, authorizing the City Mayor Eduardo B. Dimacuha to negotiate for a Loan Agreement with the Land Bank of the Philippines;

WHEREAS, the Land Bank of the Philippines requires, among others, an ordinance expressly ratifying certain provisions of the Loan Agreement entered into by the City Mayor.

NOW THEREFORE, BE IT ENACTED, AS IT IS HEREBY ENACTED, by the Sangguniang Panlungsod, by virtue of the powers vested in it by law, in Session assembled, that:

SECTION 1. The following enactment and documents be ratified in their entirety, including all provisions, terms and conditions stipulated therein, to wit:

- a) **AUTHORITY OF THE CITY MAYOR.** This Ordinance grants authority to the City Mayor to enter into, or otherwise ratifies agreement already entered into by the City Mayor, for obtaining a loan from the Land Bank of the Philippines in the maximum amount allowable within the Local Government Unit's paying capacity.
- b) The Term Loan-1 amounting to THREE HUNDRED FIFTY MILLION PESOS (P 350,000,000.00) approved by the Land Bank of the Philippines on March 03, 2015, is subject to the following terms and conditions:



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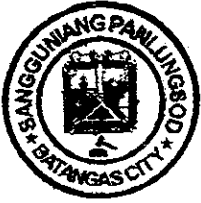
AN ORDINANCE RATIFYING THE THREE HUNDRED FIFTY MILLION PESOS (P350,000,000.00) LOAN AGREEMENT BETWEEN THE CITY GOVERNMENT OF BATANGAS AND LAND BANK OF THE PHILIPPINES INCLUDING ALL TERMS AND CONDITIONS PROVIDED THEREIN, SUBJECT TO ALL LAWS AND EXISTING LEGAL RULES AND PROCEDURES

A. Terms and Conditions:

1. Purpose of the Loan - To finance the Construction of Calumpang River 3rd Bridge.
2. Interest Rate - At Land Bank prevailing rate, subject to quarterly repricing.
3. Availability - Within one (1) year from date of loan signing.
4. Term - Ten (10) years, inclusive of one (1) year grace period on principal payment.
5. Repayment Terms - Principal payable in thirty six (36) equal quarterly payments to start at the end of the 5th quarter from date of initial release.
6. Collateral - Assignment of Internal Revenue Allotment (IRA) and Assignment of deposit with hold-out.

B. Other Terms and Conditions:

1. Fees and Charges - the following fees shall be collected:
 - a. Handling fee - 1.0% based on approved amount
 - b. Commitment fee - $\frac{1}{2}$ of 1.0% of the unavailed portion of the loan
 - c. Penalty - in case of non-payment on due date, a penalty of 24% per annum shall be charged.



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2. APPROVAL. The Sangguniang Panlungsod hereby approves/ratifies the following specific covenants entered into by the City Mayor contained in the Loan Agreement with the Land Bank of the Philippines:

- a. All previous representations, acts, warranties and all the terms and condition of the loan;
- b. The assignment of the Internal Revenue Allotment (IRA) and other income, revenues and collection as collateral/security to the loan obtained hereby declaring them to be available and not restricted by law or obligation;
- c. The direction to the City Treasurer and City Accountant to enter the loan in the appropriate books of account of the Batangas City Government;
- d. The designation of the Land Bank of the Philippines as the official depository bank for IRA and as the major depository bank for the deposits, revenues and collections, which designation shall not be revoked while the loan obligations remain outstanding;
- e. The commitment of the City Government of Batangas the amount for loan repayment in its Annual Budget until the loan, interest, and other charges are fully paid;



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f. The authority to the Land Bank of the Philippines to deduct for set-off and/or deduct amounts from general funds of the Batangas City Government with the Land Bank of the Philippines and to apply the same to the payment of the loan or any portion thereof, or interests and penalties thereon as may be deemed necessary by the Land Bank of the Philippines;

g. The waiver of confidentiality of information on investment/bank deposit.

C. The Term Loan-1 Agreement executed between the City Government of Batangas and the Land Bank of the Philippines dated March 3, 2015, as follows:

LOAN AGREEMENT

This **AGREEMENT**, made and executed on this 3rd day of March, 2015 in the CITY OF BATANGAS, Province of Batangas, Philippines, by and between:

LAND BANK OF THE PHILIPPINES (LBP), a government banking institution duly organized and existing under and by virtue of the provisions of R.A. No. 3844, as amended, with principal office at Land Bank Plaza, 1598 M.H. del Pilar cor. Dr. Quintos Streets, Malate, Manila, Philippines, and with branch/lending office at Laurel National Highway, Brgy. Maraouy, Lipa City, Batangas represented in this Act by its President & CEO, **GILDA E. PICO**, thru its Batangas Lending Center Head, **JOHN AXEL E. MELENDRES**, hereinafter referred to as the "**LENDER/LBP**";

- and -



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City Government of Batangas, a local government unit (LGU) existing within the territory and jurisdiction of the Republic of the Philippines, with principal office at Poblacion, Batangas City, represented herein by its City Mayor, **HON. EDUARDO B. DIMACUHA**, hereinafter referred to as the "BORROWER/LGU";

-WITNESSETH: That-

WHEREAS, the **BORROWER/LGU** has applied with the **LENDER/LBP** for a Term Loan-1 in the total amount of Philippines **PESOS: THREE HUNDRED FIFTY MILLION ONLY (P 350,000,000.00)** to finance the Construction of Calumpang River 3rd Bridge and the **LENDER/LBP** is agreeable to grant the said loan applied for.

NOW THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and stipulations hereinafter mentioned and provided, the parties hereto have agreed, as they hereby agree, to enter into this Loan Agreement (the Agreement), subject to the specific terms and conditions:

SECTION 1. AMOUNT - The **LENDER/LBP** hereby grants, under the terms and conditions set forth in this Agreement and other related documents, contracts, instruments or papers a Term Loan-1 up to the principal sum of **PESOS: THREE HUNDRED FIFTY MILLION ONLY (P 350,000,000.00)**, or validated cost or amount of contract whichever is lowest.

SECTION 2. PURPOSE OF THE LOAN - To finance the Construction of Calumpang River 3rd Bridge.

SECTION 3. TERM - Ten (10) years, inclusive of one (1) year grace period on principal payment.

SECTION 4. AVAILABILITY - Availability period shall be within one (1) year from date of loan signing.



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SECTION 5. INTEREST RATE:

If Secured by Deed of Assignment on Internal Revenue Allotment

If Fixed: At 4.50% per annum fixed for two (2) years, subject to repricing every two (2) years based on LANDBANK prevailing rate.

If Variable: At LANDBANK prevailing rate, subject to quarterly repricing.

The LGU shall have one-time option to change interest pricing from fixed to variable rate or vice versa.

If Secured by Hold-out on Peso Deposit

At 3.75% per annum fixed for one (1) year subject to annual repricing at LANDBANK prevailing rate.

SECTION 6. FEES AND OTHER CHARGES - The following fees shall be collected:

- Handling Fees - 1.0% based on approved amount
- Commitment Fee - $\frac{1}{2}$ of 1.0% of the unavailed portion of the loan

SECTION 7. REPAYMENT - Principal-payable in thirty six (36) equal quarterly payments to start at the end of the 5th quarter from date of initial release.

Interest - Payable quarterly in arrears to start at the end of the first quarter from the date of initial release.



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SECTION 8. MODE OF RELEASE

- First tranche shall be equivalent to 15% of the approved amount or actual contract or validated cost, whichever is lowest, upon compliance of all pre-release requirements.
- Succeeding releases shall be based on percentage of completion of the approved contract duly validated by LANDBANK authorized representative.
- Final release of 10% of the approved amount or actual contract or validated cost, whichever is the lowest, at 100% completion of the total project as validated by LANDBANK PV-CID.

SECTION 9. PENALTY - In case of non-payment on due date, a penalty of 24% per annum shall be charged.

SECTION 10. COLLATERALS - The "LOAN" is secured by any or combination of the following:

- Assignment of Internal Revenue Allotment (IRA)
- Assignment of deposit with hold-out

SECTION 11. PRE-RELEASE REQUIREMENTS - Initial release shall be subject to submission of the following:

- 11.1 Sangguniang Panlungsod Resolution approving the Annual Investment Plan
- 11.2 Monetary Board Opinion on the probable effects of the proposed borrowings on the monetary aggregates, the price level and balance of payments.



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- 11.3 Contractor's All Risks Insurance duly endorsed in favor of LAND BANK
- 11.4 Duly approved and awarded contracts for the proposed project
- 11.5 Bill of Materials, Specifications and Program of Works duly approved by the LGU
- 11.6 Environmental Clearance Certificate (ECC), if applicable
- 11.7 Submission of Sangguniang Panlungsod Ordinance expressly:
 - a. Approving all previous representations, acts, warranties and all the terms and condition of the loan;
 - b. Authorizing the assignment of the Internal Revenue Allotment (IRA) and other income, revenues and collection as collateral/security to the loan obtained and declaring them to be available and not restricted by law or its obligations;
 - c. Directing the LGU Treasurer and accountant to enter the loan in the appropriate books of the LGU;
 - d. Designating the LBP as the LGU's official depository bank for IRA and major depository bank for its other deposits, revenue and collections, which designation shall not be revoked while the loan obligations remain outstanding and directing the LGU Secretary to provide a copy of this Resolution to DBM or other IRA-administering office;
 - e. Appropriating the amount for loan repayment in the LGU's annual budget until the loan, interest and other charges are fully paid;



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- f. Authorizing the LBP to deduct for set-off and/or deduct amounts from general funds of the LGU with LBP and apply the same to the payment of the loan or any portion thereof, or interests and penalties thereon as may be deemed necessary by the LBP; and
- g. Waiving the confidentiality of information on investment/bank deposit.

11.8 Provincial validation of the City ordinance;

11.9 Sanggunian Resolution approving contract prior to issuance of notice to proceed;

11.10 Certification by the Budget Officer, Accountant and Treasurer noted by the LC that:

- a. The amounts for equity, repairs and maintenance of the project and equipment, insurance premium and the repayment on principal, interest and other charges on the loan have been fully appropriated and that the full provisions have been made;
- b. The sources of repayment are available and not restricted by law or other obligations;
- c. The contractual obligations shall be or has been entered into the appropriate books of accounts of the LGU;
- d. The loan shall be used exclusively to finance the construction of Calumpang River 3rd Bridge;
- e. The City Government of Batangas shall annually submit to Landbank a certification on the said appropriation;



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- 11.11 Joint Certification from the Bids and Awards Committee (BAC) and by the City Mayor that the LGU has complied with RA 9184 or Harmonized Procurement Procedure as well as COA rules and regulations.
- 11.12 Submission of the LGU the certification executed by the SP Secretary the posting of the Ordinance in compliance with LGU Code or effectivity of Ordinance.
- 11.13 Insurable object of financing shall be insured and endorsed in favor of LANDBANK.

SECTION 12. POST RELEASE REQUIREMENTS:

The **BORROWER/LGU** shall annually appropriate in their respective budgets such amount sufficient to pay the loan and other indebtedness or contractual obligation. For this purpose, the **BORROWER/LGU** shall annually submit to **LENDER/LBP** a certification on the appropriation that:

12.1. The proposed sources of repayment are available and not restricted by law or its obligations.

12.2 The contractual obligation/loan shall be entered in the **BORROWER/LGU** Books of Accounts.

SECTION 13. OTHER TERMS AND CONDITIONS:

13.1 The LGU shall not sell, convey, dispose or mortgage the object of financing for as long as the loan is outstanding.

13.2 Cost overrun shall be shouldered by the LGU.

13.3 The 2% prepayment fee based on the prepaid amount shall be waived, except in case of loan take-out.



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13.4 The bank reserves the right to withhold loan releases should there be:

13.4.1. A case filed against the LGU or its officials involving the project to be financed;

13.4.2. An adverse finding on the project or object of financing; or

13.4.3. Withdrawal of the Sangguniang Panlungsod the authority given to the Local Chief Executive to contract loan.

13.5 BIR, SSS, Philhealth and other government remittances shall be coursed thru LBP, if applicable.

13.6 LBP shall be authorized to debit from the LGU's deposit account with the bank the amount of amortization due, insurance premium and other loan charges.

13.7 The LGU shall give its consent to LANDBANK to disclose credit information about the LGU to other banks, financial institutions, the Banker's Association of the Philippines - Credit Bureau (BAP-CB) and other bureaus and institutions.

13.8 The BORROWER/LGU shall direct the Treasurer and the Accountant to enter the loan in the appropriate books of the BORROWER/LGU.

13.9 Insurable object of financing shall be insured and endorsed in favor of LANDBANK.

SECTION 14. DELAYED PAYMENT PENALTY - In case the principal, interest and other charges on the loan or any amortization is not paid on their due dates (including those that may be due by acceleration), the **BORROWER/LGU** shall be charged a **penalty of twenty four percent (24%) per annum** to accrue immediately on the day following the due date of the loan amortization up to the date of



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actual settlement. The basis for the computation of the penalty charge shall be the overdue principal portion of the loan, interest and other amounts due under this agreement.

SECTION 15. PLACE OF PAYMENT - All payments to be made by the BORROWER/LGU under this Agreement or any promissory note/s or any other evidence of indebtedness in connection herewith shall be made to the LENDER/LBP at its **BATANGAS Branch, Batangas City** or at any other office which the LENDER/LBP may designate in writing to the BORROWER/LGU from time to time.

SECTION 16. VENUE IN CASE OF LITIGATION - The venue of any action that may arise hereunder or in connection with this Agreement, the Promissory Note and related documents shall be exclusively in the jurisdiction of the proper courts of Manila, where the LENDER's/LBP's Head Office is located and/or in the **Province of Batangas** where the LENDER's/LBP's Branch Office/Lending Center where the loan was transacted and/or where the mortgaged property is located, at the option of the LENDER/LBP.

SECTION 17. GENERAL TERMS AND CONDITION - All the clauses included under the General Conditions of the Loan Agreement are also being ratified as follows:

17.1 Disbursement/Releases of the Proceeds of the LOAN

17.2 Promissory Notes and Evidences of Indebtedness

17.3 Payments in Case of Extraordinary Inflation and Deflation

17.4 Application of Payment

17.5 Lien in favor of the LENDER/LBP over the BORROWER's/LGU's Property/Assets

17.6 Right of Lender to Assign Rights

17.7 Insurance Coverage



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- 17.8 Substitute or Additional Collaterals
- 17.9 Payment of Taxes, Assessments, etc. if any on the Mortgage/Encumbered Property
- 17.10 Affirmative Covenants
- 17.11 Negative Covenants
- 17.12 Representations and Warranties
- 17.13 Conditions Precedent
- 17.14 Conditions Concurrent
- 17.15 Additional Conditions
- 17.16 Events of Default
- 17.17 Consequences of Default
- 17.18 Right of LENDER to Inspect or Visit Premises of the Project of the BORROWER
- 17.19 Right of Compensation
- 17.20 Failure to Exercise Right
- 17.21 Changes in the Laws, Etc.
- 17.22 Effect of a Provision that May Be Declared Unlawful/Void
- 17.23 Termination of the Loan
- 17.24 Damages/Penalties in Case of Violation of any Provision Hereof
- 17.25 Out-of-Pocket Expenses
- 17.26 Non-Subordination of the LOAN
- 17.27 Compliance with Law
- 17.28 Effect of the Rules and Regulations Circulars, etc. of the BSP
- 17.29 Attorney's Fees

IN WITNESS WHEREOF, we hereby sign this Agreement at the place and on the date first above-written.

LAND BANK OF THE PHILIPPINES
(Lender/LBP)

CITY GOVERNMENT OF BATANGAS
Borrower/LGU)

by: **GILDA E. PICO**
President & CEO

by: **HON. EDUARDO B. DIMACUHA**
City Mayor



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Thru:

JOHN AXEL E. MELENDRES
DM/Head, Batangas LC

Signed in the Presence of:

PERLA M. MONTANO

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
Province of Batangas) S.S.

In the City Government of Batangas, Province of Batangas, Philippines, on this 3rd day of March, 2015 personally appeared the following persons:

NAME	IDENTIFICATION PRESENTED	DATE/PLACE/ AGENCY
JOHN AXEL E. MELENDRES	Employee ID No. C-385	LBP, Manila
EDUARDO B. DIMACUHA	Pro.Driv.Lic No. D01-70-027962	2017/04/01

both known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed, as well as the free and voluntary act and deed of the principal they respectively represent.

This instrument refers to a Loan of Agreement consisting of fourteen (14) pages including this page where the acknowledgement is written, all of which have been signed by the parties and witnesses.



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IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first above-written.

Doc. No. 114;
Page No. 23;
Book No. IV;
Series of 2015.

SECTION 2. CONDITION. The grant of authority in the City Mayor and the ratification of the specific covenants entered into by him in relation to the Loan Agreement with the Land Bank of the Philippines are subject to the condition that all pertinent laws, ordinances, rules and regulations shall be strictly complied within the obtaining implementation and use of funds proceeding from the loan from the Land Bank of the Philippines. The approval of the said ordinance ratifying the P350,000,000.00 Loan Agreement **provided that all the necessary documents and requirements specified by existing laws, rules and regulations are complied with**, including the Bureau of Local Government Finance Certificate of Maximum Borrowing and Debt Service Capacity; Monetary Board Opinion on the probable effects of their loans and other borrowings on prices, monetary aggregates and the balance of payments, shall be submitted to the Committee.

SECTION 3. SEPARABILITY CLAUSE. If for any reason any part of this Ordinance shall be held unconstitutional or invalid other parts thereof which are not affected thereby shall continue to be in full force or effect.

SECTION 4. REPEALING CLAUSE - All ordinances, rules and regulations, orders or parts thereof which are inconsistent with the provisions of this Ordinance are hereby repealed or modified accordingly.

SECTION 5. EFFECTIVITY. This Ordinance shall take effect upon approval of the City Mayor.



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SECTION 6. Let a copy of this ordinance be furnished to the Land Bank of the Philippines (LBP), the Bangko Sentral ng Pilipinas (BSP) and other concerned offices for their information, guidance and reference.

ENACTED by the Sangguniang Panlungsod this 20th day of April, 2015.



ATTY. OLIVA D. TELEGATOS
Secretary
Sangguniang Panlungsod

ATTESTED:

(The Presiding Officer declines to affix his signature based on the attached manifestations.)

EMILIO FRANCISCO A. BERBERABE JR.
Presiding Officer

APPROVED:


EDUARDO B. DIMACUHA
City Mayor
Date Approved: 04-27-15



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MANIFESTATION

Date: April 13, 2015

Subject: ORDINANCE RATIFYING THE THREE HUNDRED FIFTY MILLION PESOS (P350, 000, 000.00) LOAN AGREEMENT BETWEEN THE CITY GOVERNMENT OF BATANGAS AND LAND BANK OF THE PHILIPPINES INCLUDING ALL TERMS AND CONDITIONS PROVIDED THEREIN, SUBJECT TO ALL LAWS AND EXISTING LEGAL RULES AND PROCEDURES

As a Presiding Officer, I am mandated to observe utmost neutrality and to ensure the orderly conduct of the session during deliberation and taking of votes.

Maaari lamang po akong bumoto to break a tie. Magkagayon man, considering the significance of the matter involve, hayaan ninyong ipahayag ko ang aking saloobin bilang isang ordinary citizen ng Lungsod ng Batangas.

Ang totoo po, buo ang aking suporta sa pagkakaroon ng pangatlong tulay. Saksi ako sa napakalaking pinsalang idinulot ng bumagsak ang Calumpang Bridge. Patong-patong na problema sa trapiko, seguridad, hanap buhay at buhay ang hatid ng suliraning ito.

This representation is all out for the progress of Batangas. As a Batangueño myself, I am aware that high impact project means further development for our city.

P'wede ito kung magagawa ng tama at dumaan sa tamang proseso.

At the outset, let it be clarified that there is nothing wrong or illegal if the city will procure loans in order to finance its programs and projects. The illegality however will come in the course of the implementation of the projects or if the terms and conditions of the agreement are grossly disadvantageous to the City Government.

Before this Sanggunian even consider and decide to ratify a loan agreement, nararapat lamang na siyasatin ang bawat kondisyon at kasunduang nakapaloob rito.

Una, malinaw na bawat proyektong paglalaanan ng salaping inutang ay dapat nakapaloob sa Annual Investment Plan of 2015. Subalit ang Annual Investment Plan of 2015 ng Lungsod ng Batangas ay nahaharap sa kontrobersiya.

Kung matatandaan n'yo po, inaprubhan po natin ang Resolution No. 339, S. 2014, otherwise known as "Resolution Granting Authority for the City Mayor to Negotiate with Land Bank of the Philippines" for the implementation of the priority projects of the City Government of Batangasnoong November 17, 2014.



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Ang priority projects po na tinutukoy ng resolution na ito ay iyong nakapaloob sa inaprubahang AIP noong October 27, 2014 at wala pa doon ang 350 Million project for the 3rd Bridge.

Marahil, masasabi n'yo na "moot and academic" napag-usapan pa ang AIP dahil noong nakaraang session, April 13, 2015 ay inaprubahan na ang "Supplemental AIP." Subalit tandaan po natin, **wala po dapat 'retroactive' effect ang approval ng Supplemental AIP of 2015.** Kung ganon, malinaw na hindi po saklaw ng inaprubahan nating Resolution Granting the City Mayor Authority to Negotiate noong November 17, 2014, ang mga proyektong nakapaloob sa Supplemental AIP. At dahil kaaapprove pa lamang po ng Supplemental AIP, dapat po ito ay isumite sa Sangguniang Panlalawigan upang mareview at maaksyunan bago pa ito maging fully effective.

Isa pa pong puntos na ang Supplemental AIP ay hindi dumaan sa Committee Hearings na maaaring magdulot ng iba pang problema. Napag-usapan sana ang mga financial implications nito, lalo at higit ang source ng funding ay manggagaling sa utang.

Nais ko ring pong tanungin kung ang total amount ba ng ating AIP ay mananatili sa halagang 6.06 Billion o madadagdagan ng 1 Billion pa?

Masalimuot na usaping hindi na napag-usapan, sapagkat hindi dumaan sa Committee Level ang pag-aapruba.

Sang-ayon ako, labas sa saklaw ng Institusyong ito ang mag-imbetiga at magpatunay sa mga alegasyon kasangkotang AIP ng 2015. Subalit mali ring sabihin na "IRRELEVANT" ang isyu. Prudence dictates na huwag natin itong ipagwalang bahala.

Hindi natin kailangan na may sumulat pa sa atin upang mabahala at umakasyon. Kung alam natin na may pagkakamali, hindi ba nararapat lamang na hintayin natin, with FINALITY ang resulta ng imbestigasyon ng City Legal Office bago sana natin mai-ratify ang Loan Agreement?

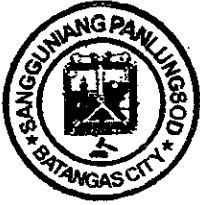
Due diligence...Ika nga.

Responsibilidad natin sa taong-bayan ang maging maingat at mabusisi sa pagpasa ng anumang ordinansa at resolusyon lalo na kung ito ay naglalaman ng mga bagay na sangkot ang pananalapi ng Pamahalaang Lungsod.

As Custodians of Public Funds, tungkulin ng Sanggunian na timbangin at pagkalimiin ang mga bagay-bagay upang masiguro na bawat sentimong ating ilalaan at gagastusin ay naayon sa umiiral na panuntunan at batas upang maiwasan ang anumang pagkaantala ng pagpapatupad at implementasyon ng kahit anong pagawaing bayan.

Pangalawa, "for consistency" let me read an excerpt from the Committee Report submitted by the Committee on Laws, Rules and Regulations on March 23, 2015, adopted by this August Body on the same day...

The Committee recommends the approval of the attached ordinance on first reading ratifying the 350,000,000 Loan Agreement and the Omnibus Term Loan Facility worth 650,000,000 PROVIDED that all necessary



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documents and requirements specified by existing laws, rules and regulations are complied with, including the following.

- a. The Bureau of Local Government Finance Certificate of Maximum Borrowing and Debt Service Capacity.
- b. Monetary Board Opinion on the probable effects of their loans and other borrowings on prices, monetary aggregates and the balance of payments

Hindi ba at nararapat lamang na panindigan natin ang ating nauna ng napagkasunduan? Nasaan na ang mga Certificates na 'yan?

Pangatlo, hindi lang po ito ratification of the authority of the Mayor to enter into loan agreements. Ira-ratify din po natin ang retroactive effect ng Supplemental AI at higit sa lahat, ang terms and conditions of the loan agreements.

Nirerespeto ko po ang individual discretion ng bawat miyembro ng Sangguniang ito, at alam ko po na pinag-aralan n'yo ang ating mga desisyon.

Subalit marapat lamang na tingnan natin ang ilan sa mga kondisyon ng loan agreement na ito na maaring makaapekto sa minimithi nating kaunlaran.

Nakapaloob po sa kontrata na ang "collateral" po sa utang ay ang atin pong IRA (Internal Revenue Allotment. Sang-ayon sa DILG and DOJ opinion, IRA can be used as collateral provided that it should not exceed 20% of the entire IRA.

Loan 1 (the 350M loan) put up the entire IRA as collateral while Loan 2 (the 650M loan) indicated the 20% share in IRA as collateral.

Dito pa lamang ay posibleng maharap na tayo sa malaking problema.

Sa huli, nais ko pong pag-usapan, on a personal note ang isyu ng Accountability at Liability na nakaatang sa ating mga balikat.

Alam po natin na noong isang lingo ay may kaso na pong nai-file po dito at nakalagay po mismo sa Loan Agreement "the bank reserves the right to withhold loan releases should there be a case filed against the LGU or its officials involving the projects to be financed". Hindi po kaya dapat ay nagging paalala ito sa atin na dapat maging maingat tayo at maging mas responsible sa bawat aksyon na ating gagawin?

Ratifying the Loan Agreement we absolve any illegality or irregularity that the executive department may have committed when they enter and execute a loan agreement without Authority from the Sangguniang Panlungsod.

Ito ay nakapaloob sa ating Saligang Batas.

Wala naman masama, kung ganito ang nangyari.

Hindi tayo nagbigay ng permiso, pero sumige pa rin. Ok lang 'yon.



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Hiniling na lang natin na sundin ang proseso bago tanggapin ang kasunduan.

Na ayusin lahat ng legalidad at posibleng maging k'westyon upang ng sa gayon naman ay walang maging problema.

Sino po ba ang gustong mademanda? Sa posisyong ating hinahawakan, ang maidemanda ay nangangahulugan ng bahid sa ating integridad, disposisyon, kredibilidad at personal napagkatao.

Bilang Pangalawang Ama ng Lungsod ng Batangas at bilang Pinuno ng Kapulungang ito, tungkulin ko po na pangalagaan ang Institusyong aking kinabibilangan.

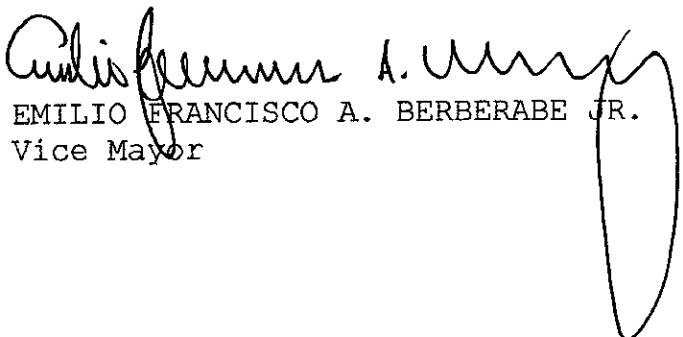
Sinong magulangang nagnanais na mapahamak ang kanyang mga anak?

And in the same vein, I am proposing that discussion of the creation of the third party Multi-Sectoral Oversight Committee to give us a hand in rectifying loopholes that may come along the way in the implementation of the project.

Inuulit ko po. Hindi po ako kontra sa mga proyektong gustong gawin ng ating Executive Department. Ang gusto ko lang po ay dumaan tayo sa tamang proseso.

Magkaganon pa man, sapagkat iisa lamang po ang hindi sumang-ayon sa ordinansang ito, si Konsehal Kristine Balmes at tama lamang pong igalang natin ang desisyon ng mayorya. Ang Ordinansa po ay aprubado on its second and final reading.

Given this 13th day of April 2015.


HON. EMILIO FRANCISCO A. BERBERABE JR.
City Vice Mayor