

Republic of the Philippines
PROVINCE OF NEGROS ORIENTAL
City of Bayawan
Office of the Sangguniang Panlungsod

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION HELD BY THE CITY COUNCIL OF BAYAWAN, NEGROS ORIENTAL ON SEPTEMBER 13, 2016 AT 2:00 PM AT THE SP SESSION HALL.

RECORD OF ATTENDANCE

HON. ISMAEL P. MARTINEZ	(Vice Mayor & Presiding Officer)	Present
HON. PETER PAUL F. RENACIA		Present
HON. HENRY E. CARREON, JR.		Present
HON. ERNESTO T. TIJING		Present
HON. MARK FIDENCIO L. AURELIA		Present
HON. JONAS M. TRIAS		Present
HON. SHARLOU F. JAMIN		Present
HON. NARCISO N. CASIPONG		Present
HON. NICO ANGELO L. LIM		Present
HON. MERLITA R. GAUDIEL		Present
HON. DANILO G. LAMIS		Present
HON. WARLITO C. MAGDASAL	LNMB President	Present

RESOLUTION NO. 544

“1st Endorsement dated September 8, 2016 of the Honorable Mayor Pryde Henry A. Teves, endorsing to this Body the herein request for a Resolution for Borrowing Capacity for additional loan with Development Bank of the Philippines for the improvement of Integrated Business Center in the amount of P60 Million as one of the requirements for Bureau of Local Government Finance (BLGF) Certification.

“On motion Honorable Councilor Jamin and duly seconded by Honorable Councilor Carreon, the Council

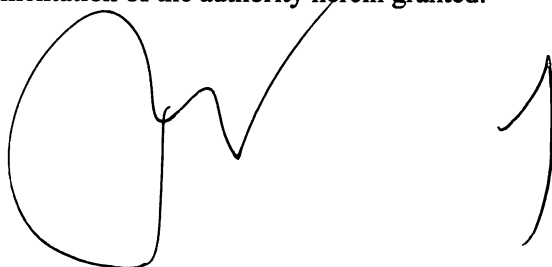
“RESOLVED, To enact, as it hereby enacts the following ordinance:

ORDINANCE NO. 45

AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE CITY OF BAYAWAN, PROVINCE OF NEGROS ORIENTAL, IN THE AMOUNT OF PESOS: SIXTY MILLION (PHP 60,000,000.00), OR DEVELOPMENT BANK OF THE PHILIPPINES (DBP) VALIDATED COST OR 100% WINNING BID PRICE, WHICHEVER IS LOWEST, TO FUND THE RENOVATION OF THE INTEGRATED BUSINESS CENTER

Be it ordained that:

SECTION 1. The City Mayor, in representation of the City, hereinafter referred to as the “City”, is hereby authorized to enter into a term loan agreement with Development Bank of the Philippine (DBP) in accordance with Section 297 of Republic Act No. 7160 of the Local Government Code, in the amount of PESOS: SIXTY MILLION PESOS (PHP 60,000,000.00), OR Development Bank of the Philippine (DBP) VALIDATED COST OR 100% WINNING BID PRICE, WHICHEVER IS LOWEST, under the terms and conditions herein set forth and such other terms and conditions as may be agreed upon with any person, corporation or entity for the purpose of funding priority project/s, and subject to the requirements under Section 123 of Republic Act No. 7653 as implemented by the Bangko Sentral ng Pilipinas Circular No. 402. In this connection, the City Mayor shall have full power and authority to represent the City in negotiating the terms and conditions for the said borrowing and in signing, executing and delivering such agreements, contracts, deeds, papers, and documents as may be necessary and proper for the full and total implementation of the authority herein granted.



SECTION 2. The said priority projects are certified to be socio-economic development projects in accordance with the approved local development plan and public investment program for the current year 2015 of the City of Bayawan, Province of Negros Oriental.

SECTION 3. Consistent with the covering term loan contract, mortgage contracts, and such other agreements as maybe entered into by the City in connection with the borrowing, the features, terms and conditions shall be as follows and are hereby approved:

3.1 Project Name: Various Developmental Projects

Borrower: Bayawan City, Negros Oriental

Amount: Sixty Million Pesos (Php 60,000,000.00) or Development Bank of the Philippine (DBP) Validated Cost or 100% winning bid price, whichever is lowest

Purpose: TO FINANCE THE FOLLOWING DEVELOPMENTAL PROJECTS:

1. Renovation of Integrated Business Center

Term:

Fifteen (15) years inclusive of three (3) years grace period. Principal payable in 144 equal monthly installments, commencing at the end of the 37th month from date of initial drawdown.

Manner of Payment:

Interest – Monthly

Principal – Monthly

Interest Rate: Fixed for Five (5) years, reviewable every Five (5) years thereafter, based on prevailing Development Bank of the Philippine (DBP) rate, presently at 5.25% p.a., payable monthly commencing at the end of the 1st month from date of initial drawdown. Gross Receipt Tax shall be for the account of the borrower.

Collateral/Guarantee/Security:

Contractor's All Risk (CAR) Insurance coverage shall be obtained prior to initial release of the loan based on estimated cost of the entire project when completed.

Fees: In case of prepayment, 3% on the amount prepaid or breakfunding cost, whichever is higher, shall be charged to the borrower, subject to 30 days advance notice.

Front-end Fee: None

Commitment Fee: None

Guarantor: None

Guarantee Fee: None

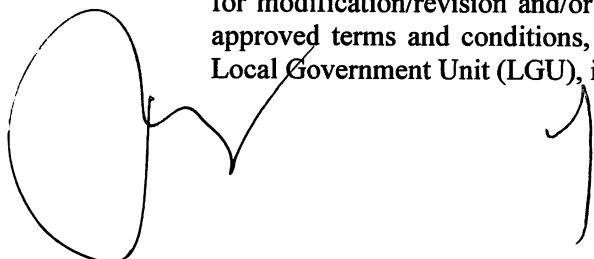
Sinking Fund (if applicable) or other Funding Arrangement: None

SECTION 4. The City hereby appropriates the entire proceeds of the borrowing exclusively to finance the following developmental projects:

1. Renovation of Integrated Business Center

SECTION 5. The City hereby authorizes the following:

- i. The City Mayor to negotiate and enter into a contract of the loan applied for and to assign or otherwise enter into a collateral agreement to secure the payment of the loan applied for
- ii. Waiver on the confidentiality of investment and bank deposits, whether in peso or foreign currency
- iii. Ratification of the approved terms and conditions of Development Bank of the Philippine (DBP) lending entered into by the City Mayor which shall contain a provision that such ratification includes any and all subsequent requests by the Local Government Unit (LGU) for modification/revision and/or amendment to be made on the project as well as on its approved terms and conditions, and which makes the loan a statutory obligation of the Local Government Unit (LGU), including the following:



- The Local Government Unit (LGU) to execute the Loan Agreement, Promissory Notes, and other documents relating thereto, and specifically stating that the obligations of the Local Government Unit (LGU) thereunder, as well as the terms and conditions thereof, shall be valid and binding on the Local Government Unit (LGU) and shall not be subject to recall by the Sangguniang Panlalawigan for the whole term of the loan, regardless of any change in its composition
- The Development Bank of the Philippine (DBP) to automatically debit on due date from the LGU's CA/SA deposit account with Development Bank of the Philippine (DBP) to an amount equivalent to the maturing loan amortization until the loan is fully paid
- The inclusion of appropriation for debt-servicing in the LGU's annual budget in accordance with the Local Government Code until the loan is fully paid.

SECTION 6. The City hereby grants its City Mayor authority to execute a letter waiving our rights to confidentiality of information by authorizing Development Bank of the Philippine (DBP), our trustee bank and all banks or financial institutions with which we have transactions to disclose to the Bangko Sentral ng Pilipinas (BSP) all information pertaining to the deposits, investments, loans or other transactions including the history or status of our dealings with said banks or financial institutions and for the BSP to make all inquiries as may be necessary regarding the same.

Furthermore, the Bangko Sentral ng Pilipinas (BSP) is likewise authorized to disclose and share any such information furnished or obtained from said banks or financial institutions to the Department of Finance in relation to the performance by said Department of its functions.

SECTION 7. Any Ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

SECTION 8. This Ordinance shall take effect upon compliance with the provision of R.A. 7160, the Local Government Code of 1991.

“Enacted.”

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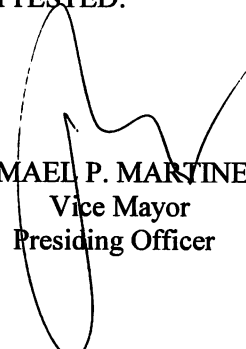
I hereby certify to the correctness of the foregoing resolution.

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JULIUS T. ESPARTERO
 Secretary to the Sangguniang Panlungsod

ATTESTED:

DATE APPROVED: OCT 10 2016


ISMAEL P. MARTINEZ
 Vice Mayor
 Presiding Officer


PRYDE HENRY A. TEVES
 Mayor

Copy for:

- The Honorable Provincial Board, Dumaguete City
- The Development Bank of the Philippines (DBP), Dumaguete City
- The Honorable Mayor Pryde Henry A. Teves, this city
- The City Treasurer, Mrs. Gemma G. Sumalpong, this city
- The City Accountant, Mrs. Corazon P. Lirazan, this city
- The City Budget Officer, Mrs. Lani T. Patajo, this city