



**Republic of the Philippines**  
**City of Bago**  
**Office of the Sangguniang Panlungsod**

**ORDINANCE NO. 17-01**

**AN ORDINANCE AUTHORIZING, APPROVING, CONFIRMING, RATIFYING AND APPROPRIATING THE PROPOSED BORROWING OF THE CITY GOVERNMENT, NEGROS OCCIDENTAL, IN THE AMOUNT OF PESOS: FIFTY MILLION (P50,000,000.00), PHILIPPINE CURRENCY, TO FINANCE THE PROJECT/S HEREIN.**

On motion of SP Member Jozsef Mark Dexter M. Somcio, duly seconded by SP Members Andrew Martin Y. Torres, Danilo U. Famoso, Carlos E. Mondia, BE IT ORDAINED by the Sangguniang Panlungsod of Bago City, Negros Occidental, in session that:

Section 1. Title - This Ordinance shall be cited as, "An ordinance authorizing, approving, confirming and ratifying the proposed borrowing of the City Government of Bago, Negros Occidental, in the amount of PESOS: FIFTY MILLION (P50,000,000.00).

Section 2. The Local Chief Executive, Hon. Nicholas M. Yulo, in representation of the City Government of Bago, Negros Occidental herein after referred to as the "LGU", is hereby authorized to enter into a Loan Agreement in accordance with section 297 of public act no.7160 or the Local Government Code, in the amount of PESOS: **FIFTY MILLION (P50,000,000.00)**, Philippine Currency, under the terms and conditions herein set forth and such other terms and conditions as may agreed upon with any person, corporation or entity for the purpose of funding the projects stated in section 4.3 and subject to the requirements under Section 123 of Republic Act No.7653 as implemented by the Bangko Sentral ng Pilipinas Circular No. 926 Series of 2016. In this connection, the Local Chief Executive and his successor shall have full power and authority to present the LGU in negotiating the terms and conditions for the said borrowing and in signing, executing, delivering and amending 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 3. The projects in Section 4.3 is hereby certified to be a socio-economic development project and is hereby approved and made part of the Annual Investment Plan.

Section 4. Consistent with the covering loan contract, deeds and assignment and such other agreements as may be entered into by the LGU in connection with the borrowing, the features, terms and conditions shall be as follows and are hereby approved:

4.1 BORROWER – CITY GOVERNMENT OF BAGO, NEGROS OCCIDENTAL

4.2 FACILITY – TERM LOAN FACILITIES

4.3 PURPOSE – To finance projects inclusive of penalties, fees taxes, cash margin and other related financial charges:

Term Loan	Project/s	Amount
Term Loan 1:	Construction of Golden Jubilee Building and Installation of Office Furniture and Fixtures;	P14.75Million
Term Loan 2:	Construction of Government Building 1	12.72Million
Term Loan 3:	Construction of Government Building 2	9.80Million
Term Loan 4:	Construction of Bantayan Park Visitors' Center and 3 units Food Kiosks;	12.73Million
<b>TOTAL</b>		<b>P50.0Million</b>

4.4 TERM – Ten (10) years from initial drawdown date per Term Loan Facility;

4.5 AMOUNT – Up to PESOS: FIFTY MILLION (P50,000,000.00), ONLY, Philippine Currency, or 80% of single borrower's Limit whichever is lower, inclusive of DST, fees, charges, and other applicable taxes shall be for the account of the BORROWER.

4.6 PRINCIPAL PAYMENTS – The principal shall be paid in arrears in 108 equal monthly payments starting at the end of 13<sup>th</sup> month from date of initial drawdown date.

4.7 INTEREST RATE – Shall be based on 91 days PDST-R1 plus a spread of 2% p.a. or a floor rate 4.00% whichever is higher. GRT shall be for the account of the Borrower . Interest shall be repriced quarterly and paid monthly in arrears starting at the end of the 1<sup>st</sup> month from date of initial drawdown.

In the event that PDST-R1 is no longer reflective of the prevailing market rate as maybe reasonably determined by the Lender, the Lender and the Borrower shall agree to adopt a new benchmark rate. In the event that no substitute basis is agreed at the end of 30 days, then the rate shall be the actual cost of raising funds by the Lender plus agreed margin.

4.8 INTEREST RATE REPRICING – Interest rate shall be repriced quarterly.

4.9 INTEREST PAYMENT – Interest shall be paid monthly in arrears starting at the end of the 1<sup>st</sup> month from the date of initial drawdown.

4.10 SECURITY – Deed of Assignment of a portion of Internal Revenue Allotment (IRA) until the loan is fully paid.

4.11. Fees – The following are the applicable fees for the account of the BORROWER

4.11.1. Documentation Fee – P10,000.00 one time fee or Term Loan 1 to 4

4.11.2. Appraisal/Validation Fee – Actual Fees shall be for the account of the Borrower for Term Loan 1 to 4

4.12. AVAILABILITY – 2 years availability period from Bank’s approval date

4.13.DRAWDOWN – Multiple drawdowns allowed. Releases of funds will be based on percentage (%) completion of the project except for the mobilization.

Section 5. The LGU hereby appropriates the entire proceeds of the borrowing as stated in Section 4.5 exclusively to finance the project/s stated in Section 4.3 inclusive of fees, and applicable taxes:

Section 6. The Approved Budget of the Contract (ABC) as defined in R.A. 9184 for the Projects is shown below:

Term Loan	Project/s	ABC
Term Loan 1:	Construction of Golden Jubilee Building and Installation of Office Furniture and Fixtures;	
Term Loan 2:	Construction of Government Building 1	
Term Loan 3:	Construction of Government Building 2	
Term Loan 4:	Construction of Bantayan Park Visitors’ Center and 3 units Food Kiosks;	
<b>TOTAL</b>		

Section 7. Pursuant to Article 303 of Republic Act No. 7160 or the Local Government Code of 1991 and Art 401 of the Implementing Rules and Regulations of Republic Act 7160, the LGU’s Sangguniang shall appropriate in its annual budget such amounts as are sufficient to pay the loan and that failure to provide the appropriations herein required shall render the annual budget inoperative.

Section 8. The Treasurer is authorized to open a CA/SA account in any branch of Philippine Veterans Bank.

Section 9. The Institutional Banking Group (IBG) of Philippine Veterans Bank (PVB) shall be the Issue Manager and shall be allowed to sell down to or syndicate with other interested Financial Institution up to the full amount of the approved credit facility. Subsequent sell down by the subsequent lenders shall be allowed to qualified lenders only;

Section 10. The obligation of the LGU with PVB shall be binding all shall not be subject to recall by the Sanggunian concerned for the entire term of the obligation regardless of any change in the composition of the Sanggunian thereafter, if any;

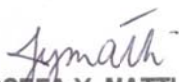
- Section 11. The LGU's obligation with PVB shall be entered in the LGU book of accounts and in the approved local development plan and public investment program;
- Section 12. The LGU shall not contract other loans with other creditors/banks if the said loan will exceed the LGU's debt service capacity as certified by the Department of Finance-Bureau of Local Government Finance (DOF-BLGF);
- Section 13. Certifying that the LGU does not have any other borrowings, other than those already disclosed. Any misinterpretation or breach shall be an event of default and may result in the loan being called in default and appropriate legal remedies applied.
- Section 14. Pursuant to the provisions of Sections 2 and 3 of Republic Act No. 1405 and other laws relating to the secrecy of bank deposits, the LGU is waiving its rights to confidentiality of information by authorizing the IRA depository Bank, Lending Banks, Trustee Bank and all other banks or financial institutions with which the LGU has 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 the LGU's dealings with said banks or financial institutions and for the BSP to make inquiries as may be necessary regarding the same. The 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 15. REPEALING CLAUSE. Any ordinance, resolution or administrative issuances or part thereof inconsistent with this enactment is hereby repealed or amended accordingly.
- Section 16. SEPARABILITY CLAUSE. If any section or provision of this ordinance is declared illegal or void by any competent jurisdiction, it shall not affect the other portion/s not otherwise declared and decided as illegal or void.
- Section 17. AUTHORITY – That this Ordinance is pursuant to R.A. 7160, The Local Government Code of 1991;
- Section 18. EFFECTIVITY CLAUSE. This Ordinance shall take effect upon its publication and compliance with all procedures required under Republic Act No. 7160 of an ordinance for its validity, including the affixation of signatures of the Sanggunian PANLUNGSOD members, in concurrence thereto, composing at least a majority thereof, out of the total of 11 members, on all the pages of this Ordinance.

SO ORDAINED/ENACTED

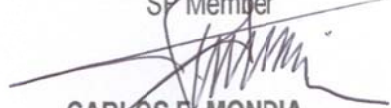
Resolved Further, that copies of this Ordinance be furnished the Honorable Mayor Nicholas M. Yulo, the LGU Accountant, LGU Treasurer and the LGU Auditor, all of the City Government of Bago, Negros Occidental and the Bangko Sentral ng Pilipinas for their information and appropriate actions.

Resolved Further, that this Ordinance upon approval of the Local Chief Executive be submitted to the Sanggunian Panlalawigan review and validation in accordance to Sec 56 and 57 of R.A. 7160

Adopted this 15<sup>th</sup> day of February 2017

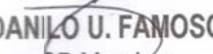
  
**MA. JOSEFA Y. MATTI**  
 SP Member

  
**ANDREW MARTIN Y. TORRES**  
 SP Member

  
**CARLOS E. MONDIA**  
 SP Member

  
**CLEO E. GAUDITE**  
 SP Member

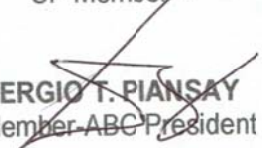
  
**ALLANC. GALUNAN**  
 SP Member

  
**DANILO U. FAMOSO**  
 SP Member

  
JORSE AGUSTIN A. ARANETA  
SP Member

  
JOZSEF MARK DEXTER M. SOMCIO  
SP Member

  
MAE C. JAVELLANA  
SP Member

  
SERGIO T. PIANSAY  
SP Member-ABC President

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I hereby certify to the correctness of the foregoing Ordinance No. 17-01 which was duly enacted by the Sangguniang Panlungsod during its regular session held on February 15, 2017.

CERTIFIED CORRECT:



RAMON D. TORRES  
City Vice Mayor-Presiding Officer

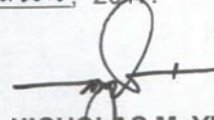
ATTESTED:



VICENTE D. MESIAS  
Supervising Environmental Management Specialist/  
City Secretary-Designate

Approved this 9th day of March, 2017.

APPROVED:

  
NICHOLAS M. YULO  
City Mayor