



Republic of the Philippines
City of Bago
Office of the City Mayor

October 14, 2011
Date

Budget Message

THE HONORABLE MEMBERS
Sangguniang Panlungsod
This City

Gentlemen:

May I submit the proposed Executive Annual Budget for FY 2012 of the City Government for the General Fund pursuant to Section 318 of RA 7160.

A. Introduction

This Executive Budget was prepared after a thorough deliberation with all concerned offices/departments and interested citizens to make it an effective tool for allocating equitably the limited resources of government to the different sectors, thus making the Budget an instrument for the economic and social upliftment of our people. We have substantially committed funds for the programs, projects and activities needed for an efficient and effective delivery of the basic services enumerated in the Code and inline with the national development plan, goals and agenda.

The balanced General Fund Budget for FY 2012 is composed of the Expenditure program and Sources of Financing, both amounting to P522,742,708.00. It means a per capita spending of P3,287.69. The Expenditure Program and Sources of Financing are illustrated in Exhibits 1 and 2.

Exhibit 1
Expenditure Program
(Distribution by Sector)
Budget Year 2012

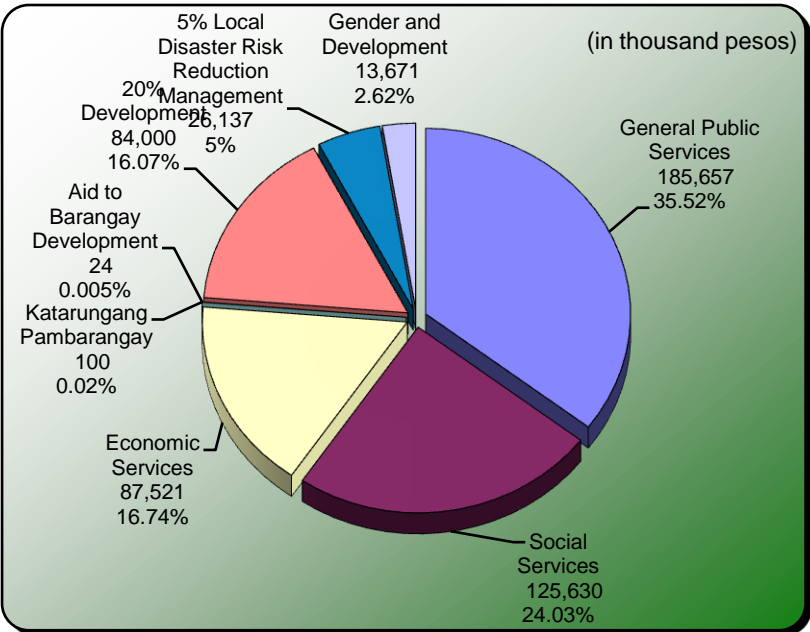
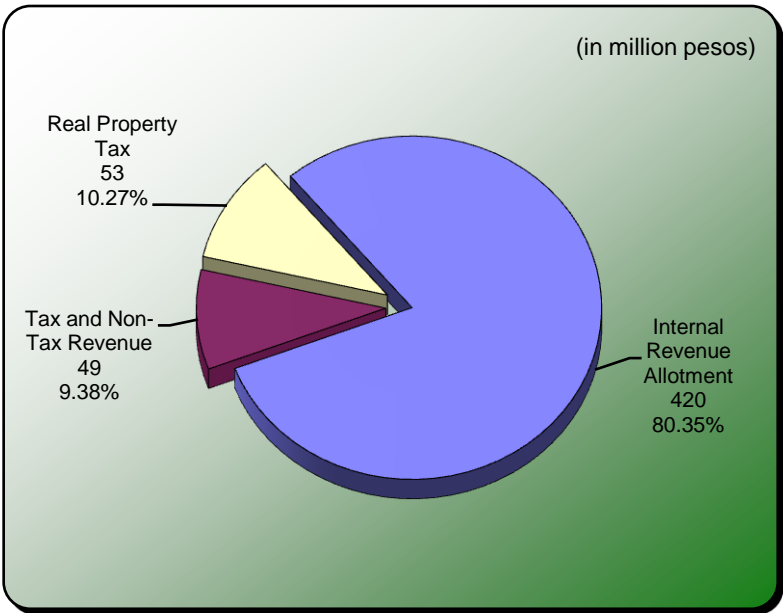


Exhibit 2
Distribution by Type of
Revenue
Budget Year 2012



B. Goals and Objectives

The City expects to attain the following objectives during the plan period:

1. Completion of all on-going development program and projects;
2. Completion of the development of Bago Public Market;
3. Provide accessibility to all basic needs and services requirements to a realistic percentage of citizens/constituents of the City.
4. Construction of needed economic, social and environmental infrastructure amenities.
5. Development of Bantayan and the reclamation project at the mouth of Bago River that will provide opportunities for establishing a small-scale port and economic zone;
6. Increase agricultural productivity and enhance delivery of health care and services; and
7. Improvement of peace and order.
8. Protection of forests, flora and fauna, abatement of pollution and regulation of pollutants, conservation and regeneration of coastal resources and mangrove forests.
9. Development of Puntaplaya Community-based Eco-tourism;
10. Development of resettlement sites for housing beneficiaries.
11. Provision for palay seeds to farmers at a subsidized cost.
12. Barangay Empowerment and Development, Agri-industrial Productivity, Good Governance and Opportunities for Bagonhon

C. Fiscal Policies

Some of the revenue-generating measures are as follows:

1. Enhanced tax collection via a vigorous tax information campaign and intensified tax collection effort;
2. Appraisal and assessment of new discovered real properties.
3. General revision of assessments and property classification.
4. Appraisal and assessment of all real property units within the territorial jurisdiction of Bago City.
5. Ocular inspection on all real property units and other new business establishments.
6. Update of taxpayers database and individual ledgers.
7. Prepare of list of delinquent taxpayers.

D. Program Thrusts and Priorities

It has been estimated that our total resources for the budget year will reach P522,742,708.00. Four Hundred Twenty Million Pesos (P420,000,000.00) or 80.35% of these will be derived from IRA and One Hundred Two Million Seven Hundred Forty Two Thousand Seven Hundred Eight Pesos (P102,742,708.00) from local sources.

A summary of our total General Fund Budget Proposal will show the allocation by sector, as follows:

Exhibit 3

Sector	Amount	% to Total
General Public Services	P185,157,520.00	35.42%
Social Services	126,130,224.00	24.13%
Economic Services	87,521,909.00	16.74%
Other Purposes:		
• Aid to Barangay Development Fund	24,000.00	0.01%

• Katarungang Pambarangay	100,000.00	0.02%
• 20% Development Fund (as per AIP)	84,000,000.00	16.07%
• 5% Local Disaster Risk Reduction Management	26,137,135.00	5.00%
• Gender and Development Fund (as per GAD Plan)	13,671,920.00	2.62%
TOTAL	P522,742,708.00	100.00%

General Public Services

Allocation for this sector is P185,157,520.00 or 35.42% of the total budget. The amount will be distributed for the regulatory functions of the City.

Social Services

This sector is allocated 126,130,224.00, representing 24.13% of the total City budget. Of this amount, P41,757,399.00 will fund the operation of the City Health Department, P34,935,577.00 for Bago City Hospital, P25,956,988.00 for Bago City College, P11,661,600.00 for Department of Education and the amount P11,818,660.00 is provided for the delivery of social services and welfare.

Economic Services

The budget allocates P87,521,909.00 to this sector or 16.74% of the total LGU budget. Of this amount, P6,064,641.00 is budgeted for agriculture services, P2,790,319.00 for the City Veterinarian Office, P1,607,669.00 for Cooperative Office, P77,059,280.00 for the operation and maintenance of the engineering office.

Other Purposes

The amount P123,933,055.00 or 23.71% of the total regular income is allocated for other purposes which includes P26,137,135.00 representing 5% Local Disaster Risk Reduction Management fund, P13,671,920.00 for Gender and Development, P24,000.00 for aid to the 24 barangays, P100,000.00 for Katarungang Pambarangay and P84,000,000.00 for the 20% IRA Development Fund.

E. Distribution by Major Expense Class

Personal Services

The total expenditures for Personal Services for the budget year is P247,685,147.00 which is 47.38% of the total LGU budget.

Maintenance and Other Operating Expenses

The expenditures for the MOOE are totaled to P151,124,506.00, representing 28.91% of the budget.

Other Purposes

The amounts of P26,137,135.00 and P24,000.00 as earlier mentioned were set aside as reserve for Local Disaster Risk Reduction Management and Aid to Barangays, respectively. The development programs and projects amounting to P84,000,000.00 is funded from the 20% IRA Development Fund, P13,671,920.00 for Gender and Development and P100,000.00 for Katarungang Pambarangay.

F. Conclusion

Submitted together with this Message are the Local Revenue and Expenditure Program and the Budget of Expenditures and Sources of Financing.

Gentlemen of the Sanggunian, this budget proposal manifest our determination to lay a strong foundation for a greater and progressive City. May we always join our hands together as we go about our mission of providing a brighter future for our constituents. I hope that we can always remember that in public service, we must at all times put forward the benefit and welfare of our people over and above our personal interests.

Very truly yours,

RAMON D. TORRES
City Mayor