



Sangguniang Panglungsod

RESOLUTION NO. 09-306

A RESOLUTION AUTHORIZING THE CITY MAYOR HON. ALDRIN L. SAN PEDRO TO WITHDRAW/DRAWDOWN FROM THE LAND BANK OF THE PHILIPPINES (LBP) THE AMOUNT OF TWO HUNDRED FIFTY MILLION PESOS (PHP250,000,000.00) AND RATIFYING/CONFIRMING THE TERMS AND CONDITIONS OF THE PRE-RELEASE REQUIREMENTS OF THE LOAN AGREEMENT AND OTHER TERMS AND CONDITIONS OF THE SAID LOAN.

- Sponsored by: *Hon. Coun. Atty. Icasiano M. dela Rea*
- Co-sponsored: *Hon. Coun. Allan Rey A. Camilon*
- Hon. Coun. Ma. Luisa Babaran-Echavez, MD*
- Hon. Coun. Margarita Amythyst Patdu-Labios, MD*
- Hon. Coun. Melchor R. Teves*
- Hon. Coun. Marita Deang-Calalang, DMD*
- Hon. Coun. Francis Ian T. Bagatsing*
- Hon. Coun. Joselito V. Arevalo*
- Hon. Coun. Luvi P. Constantino*
- Hon. Coun. Engr. Mamerto T. Sevilla, Jr.*
- Hon. Coun. Vergel C. Ulanday*
- Hon. Coun. Robert A. Abas*
- Hon. Coun. Atty. Rey E. Bulay*
- Hon. Coun. Renato R. So*

WHEREAS, RA 7160, otherwise known as the Local Government Code of 1991 has empowered the Local Government Units (LGUs) to apply their own sources of resources and assets and/or source credit from financial institutions to fund developmental or welfare projects in furtherance of their governmental or proprietary powers and functions;

WHEREAS, same Code likewise provides that, it shall be the basic policy that any local government unit may create indebtedness, and avail of credit facilities, contract loans, credit and other forms of indebtedness with any government or domestic private bank and other lending institutions, to finance local infrastructure and other socio-economic development projects in accordance with the approved local development plan and public investment program;

WHEREAS, the Land Bank of the Philippines Investment and Loan Executive Committee, approved the city's request for drawdown from the approved Omnibus Term Loan Facility amounting to **TWO HUNDRED FIFTY MILLION PESOS (PHP250,000,000.00)**;

WHEREAS, the Land Bank of the Philippines (LBP) offered the terms and conditions of the **Term Loan 16** to the City Government, to wit:

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A. Terms and Conditions:

- 1) **Amount** - Two Hundred Fifty Million Pesos (Php250,000,000.00).
- 2) **To finance the following projects:**
 - ✓ Construction of various projects included in the Local Government of Muntinlupa's approved local development plan or annual investment plan;
- 3) **Interest rate** - At prevailing rate, subject to quarterly repricing, or at special financing rate if funded under special financing program.
- 4) **Tenor** - Up to a maximum of fifteen (15) years if funded under Special Financing, otherwise, if internally funded, up to ten (10) years.
- 5) **Repayment** - Details to be discussed in the subsequent STOT of each sub-project
- 6) **Modes of Release** - Details to be discussed in the subsequent STOT of each sub-project.
- 7) **Penalty** - Twenty Four percent (24%) per annum in case of non-payment, shall be charged to start on the date after due date of loan amortization up to date settlement.
- 8) **Collateral** - Assignment of IRA and other revenues and income.

WHEREAS, the pre-release requirements for term loan are the following:

Pre-release requirements:

- 1) The Local Government Unit (LGU) shall submit a Sanggunian Resolution expressly:
 - a) Authorizing the Local Chief Executive to negotiate and enter into Loan Agreement with the Land Bank of the Philippines and approving the projects specified on the purpose of the Term Loan under its approved Local Development Plan or Annual Investment Plan;

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- b) Confirming, approving and ratifying all previous representations and warranties and all the terms and conditions of the Loan;
- c) Assignment of Local Government's IRA and other revenues and income;
- d) Committing not to contract other loans/credit with other creditors/banks as to impair the Local Government paying capacity for the duration of the loan;
- e) Directing the Local Government Treasurer and the Accountant to enter the Loan in its appropriate books;
- f) Maintain LBP as the LGU's official IRA and major depository bank for its Internal Revenue Allotment (IRA) and for its other deposits, revenues and collections which designation shall not be revoked while the Loan remains outstanding, and directing the Secretary to the Sanggunian to provide a copy of such resolution to the Department of Budget and Management (DBM) and other IRA administering office;
- g) Approving the following amounts in the annual budget of the Local Government until the loan interest and other charges are fully paid:
 - (i) the required Local Government's equity;
 - (ii) the repairs and maintenance of the projects and equipment;
 - (iii) the insurance premium payments; and
 - (iv) other statutory and contractual obligations.
- h) Authorizing the Land Bank of the Philippines to set-off and/or deduct amounts from any deposits or funds of the Local Government with the Bank 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 bank.
- i) Authorizing the Local Chief Executive to sign, execute, endorse and deliver any and all promissory notes and deed of assignments, loan agreements, mortgage and other documents, paper and deeds as may be necessary and proper for the implementation of the authorities and directive contained in the resolution;

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- j) Authorizing the Department of Budget and Management to deposit and remit directly the Local Government's IRA to the Bank's account.
- 2) Budget appropriations or certification from the Budget Officer and Treasurer of the LGU noted by its Local Chief Executive that:
- a) The LGU equity, amount of repairs and maintenance of the sub-project and equipment, insurance premium and the principal and interest repayments on the loan will be fully appropriated, and
 - b) Full provision will be appropriated by the LGU for its loan obligation.
- 3) Certification by the LGU Treasurer and Accountant, noted by the Local Chief Executive that the contractual obligation/loan shall be entered or has been entered (as may be applicable), in the LGU books of accounts.
- 4) Certification by the LGU Treasurer, noted by the Local Chief Executive that the proposed sources of repayments are available and not restricted by law or its other obligations.
- 5) Certification by the Bids and Awards Committee (BAC) duly noted by the Local Chief Executive that the LGU has complied with RA 9184 as well as COA rules and regulations.
- 6) The LBP is hereby given the authorization by the LGU to exercise that option to debit the LGU's deposit account to cover any loan payment as they fall due.
- 7) The maximum amount of allocation of Two Hundred Fifty Million Pesos (Php250,000,000.00) shall be based on the City's Net Borrowing Capacity (NBC) during the period of the application and the term of duration of this loan or credit facilities applied for.

WHEREAS, before the loan is released from the bank there is a need for the City Council to pass a resolution **ratifying/confirming** the **Terms and Conditions of the Loan Agreement of Term Loan 16** to finance various projects, to finance various infrastructure projects and that the City Mayor is **authorized** to drawdown said amount;

WHEREAS, copy of the **Loan Agreement of Term Loan 16** hereto attached as Annex A and forms part of this resolution;

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NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the 5th Sangguniang Panlungsod of Muntinlupa, to authorize the City Mayor Hon. Aldrin L. San Pedro to withdraw/drawdown from the Land Bank of the Philippines (LBP) the amount of **Two Hundred Fifty Million Pesos (Php250,000,000.00)** and **ratifying/confirming** the Terms and Conditions of the pre-release requirements of the Loan Agreement and other terms and conditions of the said loan.

ADOPTED, by the 5th Sangguniang Panlungsod of Muntinlupa this 30th day of July 2009, on its 30th Special Session.

CONCURRED:

DISTRICT I:


COUN. ALLAN REY A. CAMILON
Member


COUN. MA. LUISA BABARAN-ECHAVEZ, MD
Member


COUN. MARGARITA AMYTHYST PATDU-LABIOS, MD
Member

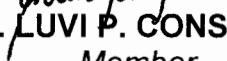

~~COUN. ATTY. ICASIANO M. DELA PEÑA~~
Member


COUN. MARITA DEANG-CALALANG, DMD
Member

DISTRICT II:


COUN. FRANCIS IAN T. BAGATSING
Member

COUN. JOSELITO V. AREVALO
Member


COUN. LUVI P. CONSTANTINO
Member



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COUN. ENGR. MAURTO T. SEVILLA, JR.
Member

COUN. VERGEL C. ULANDAY
Member

COUN. ROBERT A. ABAS
Member

COUN. ATTY. REY E. BULAY
Member

COUN. RENATO R. SO
*Sectoral Representative
President
Association of Barangay Captains*

NO:

COUN. ALLEN F. AMPAYA

ABSENT:

COUN. ENGR. MARISSA COLE-RONGAVILLA
Member

COUN. ERMIE S. ESPELETA
Member

COUN. DANN HENRY G. TEVES
*Sectoral Representative
President
Federation of Sangguniang Kabataan*

I HEREBY CERTIFY, as to the correctness of the foregoing Resolution.

LEONORA M. MARCELO
Legislative Staff Officer IV

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**PAMAHALAANG LUNGSOD NG MUNTINLUPA
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ATTESTED:


COUN. MELCHOR R. TEVES
Acting Presiding Officer


Melchor R. Teves

APPROVED:


ALDRIN L. SAN PEDRO
City Mayor
Date: _____



Norie!

