



Republic of the Philippines  
PROVINCE OF LEYTE  
City of Baybay  
-0000000-

OFFICE OF THE SANGGUNIANG PANLUNGSOD

*Excerpt from the*

Minutes of the 18<sup>th</sup> Regular Session of the Sangguniang Panlungsod, this city, held on  
May 21, 2018

CITY ORDINANCE NO. 09, s. 2018

**AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE CITY OF BAYBAY, LEYTE, IN THE AMOUNT OF ONE HUNDRED FIFTY-SEVEN MILLION PESOS (P157,000,000.00) TO FINANCE THE CONSTRUCTION OF BAYBAY CITY HALL (PHASE II) AND RATIFYING THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO.**

(Sponsored by Sangguniang Panlungsod Member Atty. Ernesto M. Butawan)

BE IT ENACTED, AS IT IS HEREBY ENACTED, by the Sangguniang Panlungsod in session assembled, on May 21, 2018 at Baybay City, Leyte that:

“AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE CITY OF BAYBAY, LEYTE, IN THE AMOUNT OF ONE HUNDRED FIFTY-SEVEN MILLION PESOS (P157,000,000.00) TO FINANCE THE CONSTRUCTION OF BAYBAY CITY HALL (PHASE II) AND RATIFYING THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO.”

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 with the DEVELOPMENT BANK OF THE PHILLIPPINES in accordance with Section 297 of Republic Act No. 7160, or the Local Government Code, in the amount of One Hundred Fifty-Seven Million (P157,000,000.00) pesos or 100% of the winning bid price or 100% of the validated cost, whichever is the lowest, under the terms and conditions herein set forth and such other terms and conditions as maybe 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 the 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 maybe necessary and proper for the full and total implementation of the authority herein granted.

SECTION 2. The said priority project herein specified as the **construction of Baybay City Hall (Phase II)** is hereby certified to be a local infrastructure and socio-economic development project in accordance with the approved local development plan

SECTION 3. Consistent with the covering loan contract, deeds and assignments, 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:

Borrower	:	City of Baybay
Loan Amount	:	One Hundred Fifty -Seven Million Pesos (P157,000,000.00) or 100% of the winning bid price or 100% of the validated cost, whichever is lowest.
Purpose	:	To finance the construction of Baybay City Hall (Phase II)
Tenor:	:	Fifteen (15) years inclusive of three (3) years grace period on principal, payable in 144 equal monthly installments to start at the end of the 37 <sup>th</sup> month from initial drawdown date.
Manner of Payment	:	Principal and interest payable monthly.
Principal	:	Payable in 144 equal monthly installments to start at the end of the 137 <sup>th</sup> month from initial drawdown date
Interest	:	<p><u>Option 1: Under DBP Funds</u>  Fixed for five (5) years based on the prevailing interest rate at the time of drawdown, but not lower than 4.40% p.a., payable monthly commencing at the end of the 1<sup>st</sup> month from date of initial drawdown. Interest rate shall be repriced at the end of the 5<sup>th</sup> and 10<sup>th</sup> year based on the prevailing rate at the time of review, but not lower than the original interest rate. GRT is for the account of the Borrower.</p> <p><u>Option 2. Under ODA funds</u>  On the 90% of the Total Project Cost (TPC): Fixed for 15 years, based on the prevailing interest rate at the time of drawdown, but not lower than 4.95 % p.a., payable monthly commencing at the end of the 1<sup>st</sup> month from date of initial drawdown. GRT is for the account of the Borrower.</p> <p><i>If the ODA funds are not available at the time of release and for the remaining 10% of the TPC, Bank funds may be used priced as stated in Option 1.</i></p>
Fees	:	<ol style="list-style-type: none"> <li>1. Commitment Fee-waived.</li> <li>2. Front-end Fee-waived.</li> <li>3. Default Charge-24% p.a.</li> <li>4. Prepayment penalty of 3.0% based on the amount prepaid.</li> </ol>
Security	:	Hold-Out on deposit equivalent to one (1) monthly amortization/s.

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SECTION 4. The City hereby appropriates the entire proceeds of the borrowing exclusively **to finance the construction of Baybay City Hall (Phase II) and** other financial obligations relative thereto.

SECTION 5. The City hereby grants its City Mayor authority to execute a letter waiving the right to confidentiality of information by authorizing 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 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 6. The aforesaid Term Loan Agreement, Deed of Assignment with Hold-Out Agreement and other collateral loan documents are now before the Sanggunian for its perusal, study, ratification and approval and the same are found fair, just legal and in order;

SECTION 7. The City is hereby authorized the following:

1. To open and maintain with DBP a Deposit Account where the proceeds of the loan shall be maintained during the term of the loan, and for the City Mayor to execute the covering Deed of Assignment;
2. To undertake not to incur additional obligations/indebtedness without the prior written consent of DBP which consent will not be unreasonably withheld; and
3. To authorize DBP to debit the LGU's deposit account to cover loan payments of its obligation with the Bank.

SECTION 8. The Sanggunian undertakes, as it hereby undertakes to appropriate in the LGU's Annual Budget for the years 2018 to 2034 an amount sufficient to pay its loan with DBP including interest thereon and other charges.

SECTION 9. Any Ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

SECTION 10. The obligation shall not be subject to recall by the Sanggunian concerned for the whole term of the loan, regardless of any change in the composition of the Sanggunian. This ratification includes any and all subsequent requests by the City concerned for modification/revision/reallocation and/or amendment to be made on the project as well as on its approved terms and conditions.

SECTION 11. 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 10 members, on all the pages of this Ordinance.

SO ORDAINED/ENACTED.

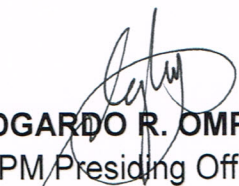
RESOLVED FURTHER, that copies of this Ordinance be furnished to the Honorable City

ADOPTED this 21<sup>st</sup> day of May, 2018.

I HEREBY CERTIFY to the correctness of the foregoing Ordinance.

  
**ATTY. VIVIAN E. VIDALLON**  
SP Secretary

ATTESTED & CERTIFIED  
TO BE DULY ADOPTED:

  
**EDGARDO R. OMPOY**  
SPM Presiding Officer

With our concurrence:

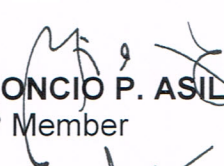
  
**ATTY. ERNESTO M. BUTAWAN**  
SP Member

  
**ARTURO ELISA O. ASTORGA**  
SP Member

  
**RODULFO S. PALMA, JR.**  
SP Member

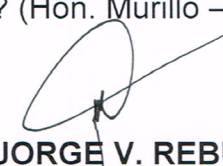
  
**ALAN D. FERNANDEZ**  
SP Member

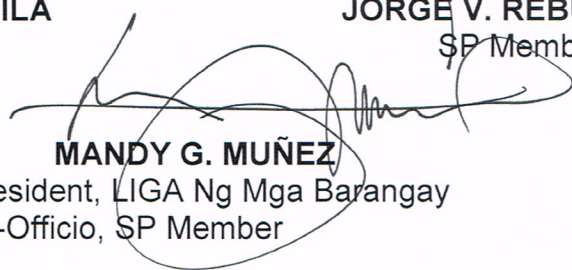
  
**FILEMON F. AVILA**  
SP Member

  
**LEONCIO P. ASILOM, JR.**  
SP Member

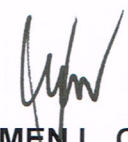
  
**VICENTE VICTOR G. VELOSO**  
SP Member

? (Hon. Murillo – O.B.- PCL)

  
**JORGE V. REBUCAS**  
SP Member

  
**MANDY G. MUÑOZ**  
President, LIGA Ng Mga Barangay  
Ex-Officio, SP Member

*Approved by Her Honor:*

  
**CARMEN L. CARI**  
City Mayor