

Republic of the Philippines  
Province of Cavite  
**MUNICIPALITY OF BACOOR**  
*Office of the Sangguniang Bayan*

**MUNICIPAL ORDINANCE NO. 32**  
Series of 2011

AN ORDINANCE CONFIRMING AND RE-AFFIRMING THE AUTHORITY TO ENTER INTO A LOAN AGREEMENT WITH THE DEVELOPMENT BANK OF THE PHILIPPINES (DBP) INVOLVING THE AMOUNT OF SIX HUNDRED EIGHTY MILLION PESOS (PHP 680,000,000.00) TO BE USED FOR THE CONSTRUCTION OF A GOVERNMENT CENTER, TO FINANCE VARIOUS DEVELOPMENTAL PROJECTS FOR THE EDUCATION SECTOR OF BACOOR, AND FOR THE REFINANCING OF THE MUNICIPAL GOVERNMENT'S EXISTING LOAN WITH THE GSIS FAMILY SAVINGS BANK THAT WAS GRANTED TO HON. STRIKE. B. REVILLA, MAYOR OF THE MUNICIPALITY OF BACOOR, BY VIRTUE OF MUNICIPAL RESOLUTION NO. 144-S-2010 SUBJECT TO CERTAIN AMENDMENTS.

*Introduced by Hon. Reynaldo D. Palabrica  
(Chairman, Committee on Budget and Finance)*

*Sponsored by Hon. Avelino Solis, Hon. Reynaldo Fabian,  
Hon. Venus De Castro, Hon. Reynaldo Palabrica, Hon. Jaime  
Sapanghila, Hon. Janairo San Miguel, Hon. Bayani De Leon,  
Hon. Catherine Sarino-Evaristo, and Hon. Ma. Eliza  
Bautista.*

**WHEREAS**, on 01 October 2010, the Local Development Council of Bacoor, Cavite issued Resolution No. 02-S-2010 authorizing the Municipal Mayor to enter into a loan agreement with a financial institution to generate funds for the construction of the municipality's government center and endorsing the same for ratification by the Sangguniang Bayan.

**WHEREAS**, on November 18, 2010, the Sangguniang Bayan received a formal request from the Office of the Municipal Mayor for the grant of an authority to enter into a loan agreement with the Development Bank of the Philippines (DBP). Attached to the said request is a loan proposal from DBP addressed to the Municipal Mayor dated November 15, 2010 that contains the following terms and conditions:



*[Signature]*  
EDWIN G. GAWARAN  
Councilor

*[Signature]*  
AVELINO B. SOLIS  
Councilor

*[Signature]*  
REYNALDO M. FABIAN  
Councilor

*[Signature]*  
ATTY. VENUS D. DE CASTRO  
Councilor

*[Signature]*  
JANAIRO C. SAN MIGUEL  
Councilor

*[Signature]*  
REYNALDO D. PALABRICA  
Councilor

*[Signature]*  
JAIME A. SAPANGHILA  
Councilor

*[Signature]*  
BAYANI M. DE LEON  
Councilor

*[Signature]*  
CATHERINE S. EVARISTO  
Councilor - SC President

*[Signature]*  
MA. ELIZA H. BAUTISTA  
Councilor - SK President

*[Signature]*  
Attested by:  
ATTY. KHALID A. AREGA, JR.  
Secretary to the Sanggunian

*[Signature]*  
Certified by:  
Relinquished Chair

ROSETTE MIRANDA FERNANDO  
Municipal Vice Mayor/Presiding Officer

*[Signature]*  
Approved by:  
STRIKE REVILLA  
Municipal Mayor



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*[Signature]*  
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*[Signature]*  
 REYNALDO M. FABIAN  
 Councilor

*[Signature]*  
 ATTY. VENUS D. DE CASTRO  
 Councilor

*[Signature]*  
 JANARO C. SAN MIGUEL  
 Councilor

*[Signature]*  
 REYNALDO D. PALABRICA  
 Councilor

*[Signature]*  
 JAIMIE A. SAPANGHILA  
 Councilor

*[Signature]*  
 BAYANI M. DE LEON  
 Councilor

*[Signature]*  
 CATHERINE S. EVARISTO  
 Councilor - ABC President

*[Signature]*  
 MA. ELIZA H. BAUTISTA  
 Councilor - SX President

Attested by:  
*[Signature]*  
 ATTY. KHALIL A. ATEGA, JR.  
 Secretary to the Sanggunian

Certified by:  
 Relinquished Chair  
 ROSETTE MIRANDA FERNANDO  
 Municipal Vice Mayor/Presiding Officer

Approved by:  
*[Signature]*  
 STRIKE REVILLA  
 Municipal Mayor

Amount of Loan	: Total = P 680,000,000.00 (SIX HUNDRED EIGHTY MILLION PESOS) for the following purposes:  a. 500,000,000.00 (or the winning bid price, whichever is lower) Government Center b. 100,000,000.00 Omnibus Term Loan Facility for the developmental projects of LGU Bacoor's education sector c. 80,000,000.00 (or the outstanding principal loan balance as of implementation date, whichever is lower) Refinancing of LGU Bacoor's loan with GSIS Family Savings Bank
Term	: For a and b: Ten (10) years inclusive of two years grace period on principal payment. For c: Ten years, no grace period.
Interest Rate	: Variable rate reviewable annually currently pegged at 5.65% p.a.
Required Fees	: <u>Front-End Fee</u> 0.25% one-time payment based on amount approved. GRT for the account of the borrower.  <u>Commitment Fee</u> 0.125% p.a. computed upon completion of full documentation based on the unreleased balance of the loan up to full availment.
Collateral Requirements	: Assignments of a portion of the LGU's IRA & SEF/deposit placements in favor of DBP until the loan is fully paid and to maintain deposit account with a minimum balance equivalent to at least three (3) monthly amortization payments while the loan is outstanding.  Assignment of profits or income from the financed project/s until the loan is fully paid.

**WHEREAS**, the said loan proposal together with the request of the Office of the Municipal Mayor for authority to enter into a loan agreement with the DBP was referred by the council to the Committee on Budget and Finance.

**WHEREAS**, on 25 November 2010, the Committee on Budget and Finance held a committee hearing on the above-mentioned request of the Municipal Mayor as well as the various terms and conditions of the said loan proposal, Nagkakaisa sa Pagbabago...

**WHEREAS**, during the said committee hearing it was learned that the terms and conditions proposed by the DBP are the most advantageous to the Municipal Government considering that the interest rate of 5.65% per annum being proposed by the said bank is



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the lowest in the banking industry at that time and that the said interest rate is even lower than the interest rate of 7.25% per annum that the DBP previously offered the Municipal Government in 2009. Moreover, the committee discovered that the Municipal Government has the means to pay the said loan.

**WHEREAS**, the Committee on Budget and Finance deliberated on the loan proposal of the DBP and concluded that the said proposal is the most advantageous to the Municipality of Bacoor. The committee then submitted a report to the council recommending the approval of a resolution authorizing the Municipal Mayor to enter into a loan agreement with the DBP involving the amount of Six Hundred Eighty Million Pesos (PhP 680,000,000.00) to be used for the construction of a new government center, to finance various developmental projects for the education sector of Bacoor, Cavite, and to refinance the outstanding PhP80,000,000.00 of the Municipal Government with the GSIS Family Savings Bank.

**WHEREAS**, on 30 November 2010, the Sangguniang Bayan unanimously approved Municipal Resolution No. 144-S-2010 authorizing the Hon. Mayor Strike B. Revilla to enter into a loan agreement with the Development Bank of the Philippines (DBP) involving the amount of Six Hundred Eighty Million Pesos (PhP 680,000,000.00) to be used for the construction of a new government center, to finance various developmental projects for the education sector of Bacoor, Cavite, and to refinance the outstanding PhP80,000,000.00 of the Municipal Government with the GSIS Family Savings Bank. A copy of Municipal Resolution No. 144-S-2010 is attached hereto as **Annex "A"**, and made an integral part hereof.

**WHEREAS**, on 14 January 2011, the Sangguniang Bayan received a letter from the DBP dated 04 January 2011 that the loan amount approved by its Board of Directors was only PhP 580, 000, 000.00 covering only the construction of the proposed government center and the refinancing of the outstanding loan of the Municipal Government with the GSIS Family Savings Bank amounting to PhP80,000,000.00.

**WHEREAS**, on 9 August 2011, the Municipal Mayor of Bacoor, Cavite received a letter from Mr. Antonio B. Cintura, director of the Department of Economic Research of the Bangko Sentral ng Pilipinas, requiring the municipal government to submit, among others, an ordinance authorizing the Municipal Mayor to borrow the aforementioned amount from the DBP.

*[Signature]*  
 EDWIN G. GAWARAN  
 Councilor

*[Signature]*  
 AVELINO B. SOLIS  
 Councilor

*[Signature]*  
 REYNALDO M. FABIAN  
 Councilor

*[Signature]*  
 ATTY. VENUS D. DE CASTRO  
 Councilor

*[Signature]*  
 JANAIRO C. SAN MIGUEL  
 Councilor

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 REYNALDO D. PALABRICA  
 Councilor

*[Signature]*  
 JAIME S. SAMPANGHILA  
 Councilor

*[Signature]*  
 BAYANI M. DE LEON  
 Councilor

*[Signature]*  
 CATHERINE S. EVARISTO  
 Councilor - NBC President

*[Signature]*  
 MA. ELIZABETH BAUTISTA  
 Councilor - SK President

Attested by:  
*[Signature]*  
 ATTY. KHALID A. ATEGA, JR.  
 Secretary to the Sangguniang Bayan

Certified by:  
 Relinquished Chair  
 ROSETTE MIRANDA FERNANDO  
 Municipal Vice Mayor/Presiding Officer

Approved by:  
*[Signature]*  
 STRIKE REVILLA  
 Municipal Mayor


**BAGONG BACOOR!**

Tapat sa Serbisyo, Nagkakaisa sa Pagbabago...

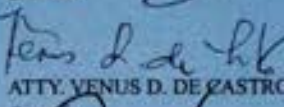


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 JAIME N. SAPANGHILA  
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 BAYANI M. DE LEON  
 Councilor

  
 CATHERINE S. EVARISTO  
 Councilor / SB President

  
 MA. ELIZA H. BAUTISTA  
 Councilor - SK President

Attested by:  
  
 ATTY. KHALID A. ORTEGA, JR.  
 Secretary to the Sanggunian

Certified by:  
 Relinquished Chair  
 ROSETTE MIRANDA FERNANDO  
 Municipal Vice Mayor/Presiding Officer

Approved by:  
  
 STRIKE REVILLA  
 Municipal Mayor

**WHEREAS**, while Municipal Resolution No. 144-S-2010 was duly approved and legally valid, the municipal government has every intention of complying with any matter that may be required by the Bangko Sentral ng Pilipinas. Moreover, there is a need to amend the authority granted to the Municipal Mayor in light of the reduced amount that would be involved in the Loan Agreement as approved by the DBP.

**WHEREAS**, after due deliberation and after conducting a committee hearing on the said matter, the Sangguniang Bayan of Bacoor unanimously resolved to pass an ordinance re-affirming and re-confirming the authority granted to the Municipal Mayor by virtue of Municipal Resolution No. 144-S-2010 to enter into a Loan Agreement with the Development Bank of the Philippines (DBP) subject to the condition that Loan Amount shall not exceed Five Hundred Eighty Million Pesos (Php 580,000,000.00) to be used for the construction of a government center and for the refinancing of the municipal government's existing loan with the GSIS Family Savings Bank.

**NOW THEREFORE**, upon motion of Hon. Reynaldo Palabrica, unanimously seconded by all its members, **BE IT ORDAINED** by the Sangguniang Bayan in special session duly assembled **THAT**:

**Section 1.** The Municipal Mayor, Hon. Strike B. Revilla, in representation of the Municipality of Bacoor, Cavite, is hereby authorized to enter into a Loan Agreement with the Development Bank of the Philippines (DBP) involving the amount of Five Hundred Eighty Million Pesos (Php 580,000,000.00) in accordance with Section 297 of Republic Act No. 7160 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 projects 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 Municipal Mayor shall have full power and authority to represent the municipality 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.



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*[Signature]*  
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 Councilor - President

*[Signature]*  
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 Councilor - SK President

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*[Signature]*  
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 Secretary to the Sangguniang Bayan

Certified by:  
 Relinquished Chair  
 ROSETTE MIRANDA FERNANDO  
 Municipal Vice Mayor/Presiding Officer

Approved by:  
*[Signature]*  
 STRIKE REVILLA  
 Municipal Mayor

**Section 2.** The said priority projects herein specified as the (1) the construction of a new government center, and (2) the refinancing of the outstanding PhP80,000,000.00 loan of the Municipal Government with GSIS Family Bank that was used to finance the construction of the Bacoor Public Market in 2003 are hereby certified as self-liquidating, income-producing development or livelihood projects pursuant to the priorities established in the approved public investment program for the current year of the Municipality of Bacoor, Cavite.

**Section 3.** Consistent with the covering Loan Agreement and such other contracts as may be entered into by the Municipality of Bacoor in connections with the borrowing, the features, terms and conditions shall be as follows and are hereby approved:

Amount of Loan	: Total = P 580,000,000.00 (FIVE HUNDRED EIGHTY MILLION PESOS) for the following purposes:  a. 500,000,000.00 (or the winning bid price, whichever is lower) Government Center b. 80,000,000.00 (or the outstanding principal loan balance as of implementation date, whichever is lower) Refinancing of LGU Bacoor's loan with GSIS Family Savings Bank
Term	: For a : Ten (10) years inclusive of two years grace period on principal payment. For B: Ten years, no grace period.
Interest Rate	: Variable rate reviewable annually currently pegged at 5.65% p.a.
Required Fees	: <u>Front-End Fee</u> 0.25% one-time payment based on amount approved. GRT for the account of the borrower.  <u>Commitment Fee</u> 0.125% p.a. computed upon completion of full documentation based on the unreleased balance of the loan up to full availment.
Collateral Requirements	: Assignments of a portion of the LGU's IRA & SEF/deposit placements in favor of DBP until the loan is fully paid and to maintain deposit account with a minimum balance equivalent to at least three (3) monthly amortization payments while the loan is outstanding.  Assignment of profits or income from the financed project/s until the loan is fully paid.

**Section 4.** The Municipality hereby appropriates the entire proceeds of the borrowing exclusively to finance the (1) the

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construction of a new government center, and (2) the refinancing of the outstanding Php80,000,000.00 loan of the Municipal Government with GSIS Family Bank that was used to finance the construction of the Bacoor Public Market in 2003 and other financial obligations relative thereto.

**Section 5.** Any ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

**Section 6.** This Ordinance shall take effect upon its publication and compliance with all procedures required under RA 7160.

**Section 7.** The Municipal Accountant, the State Auditor assigned to the Municipality, and the Bangko Sentral ng Pilipinas shall be furnished with copies of this Ordinance for their information and appropriate action.


**ENACTED** this 22<sup>nd</sup> day of September 2011 at Bacoor, Cavite in a special session duly assembled.

*I hereby certify to the truth and correctness of the foregoing Ordinance.*

Certified by:

  
**HON. EDWIN G. GAWARAN**  
*Councilor/Acting Presiding Officer*

Attested by:

  
**ATTY. KHALID A. ATEGA, JR.**  
*Sangguniang Bayan Secretary*

**BAGONG BACOOR!**

*Tapat sa Serbisyo, Nagkakaisa sa Pagbabago...*

Approved by:

  
**HON. STRIKE B. REVILLA**  
*Municipal Mayor*

EDWIN G. GAWARAN

*Councilor*

AVELINO B. SOLIS

*Councilor*

REYNALDO M. FABIAN

*Councilor*

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*Secretary to the Sanggunian*

Certified by:

Relinquished Chair  
ROSETTE MIRANDA FERNANDO

*Municipal Vice Mayor/Presiding Officer*

Approved by:

STRIKE REVILLA

*Municipal Mayor*