

Republic of the Philippines
Province of Cebu
CITY OF NAGA



Excerpt from the minutes of the regular session of the Sangguniang Panlungsod of the City of Naga, Cebu held on September 21, 2015 at the Session Hall, City of Naga, Cebu.

Present:

HON. DELFIN R. SEÑOR
HON. ALEXANDER R. LARA
HON. OTHELLO M. CHIONG
HON. VIRGILIO M. CHIONG
HON. NILO B. ALINSONORIN
HON. CARMELINO N. CRUZ
HON. RODRIGO A. NAVARRO
HON. AFSHIN MARK K. SEÑOR

- Vice Mayor/Presiding Officer
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member

Absent:

HON. VENCI R. DEL MAR
HON. ELMER Q. LAPITAN
HON. LETECIA F. ABANGAN
HON. .
HON. AURELIO B. ALINSONORIN

- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- SK President
- ABC President



ORDINANCE NO. 2015-011

Series of 2015

AN ORDINANCE AMENDING, REVISING AND/OR MODIFYING SECTIONS 3.1 AND 4 AND APPEND SECTIONS ON CITY ORDINANCE NO. 2014-002, OTHERWISE KNOWN AS THE "ORDINANCE ON THE BORROWING OF THE CITY GOVERNMENT OF NAGA, CEBU, IN THE AMOUNT OF EIGHTY MILLION PESOS (P80,000,000.00) TO FUND THE CONSTRUCTION & OPERATION OF THE SEPTAGE MANAGEMENT FACILITY".

WHEREAS, the City of Naga, Cebu has already enacted Ordinance No. 2014-002 and submitted the same to Bangko Sentral ng Pilipinas (BSP) to secure Monetary Board (MB) Opinion which is a requirement of the loan;

WHEREAS, Section 3.1 of Ordinance No. 2014-002 indicates the terms and conditions of the loan wherein some of these provisions are inconsistent with the final terms and conditions approved by the Development Bank of the Philippines (DBP).

WHEREAS, Section 4 of said Ordinance needs to be amended to specify the projects to be financed;

WHEREAS, Ordinance No. 2014-002 lacks the expressed authority of the City Mayor to waive their rights to confidentiality of information, authorizing DBP to disclose to BSP all information pertaining to transactions with said Bank and BSP is also authorized to disclose such information to the Department of Finance;

WHEREAS, said Ordinance also has to include ratification of the approved terms and conditions of DBP lending entered into by the City Mayor hence, the need to amend and incorporate additional sections to Ordinance No. 2014-002;

NOW THEREFORE, BE IT ORDAINED by the Sangguniang Panlungsod of the City of Naga, Cebu in a session duly assembled that:

SECTION 1. Section 3.1 of City Ordinance No. 2014-002 is hereby amended, revised and/or modified to read as follows:

CPDC - [Signature] 11/9/15

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DBP CO - 11/11/15

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“3.1 FINANCE THE CONSTRUCTION OF SEPTAGE TREATMENT PLANT AND PURCHASE OF TRUCKS FOR SEPTAGE FACILITY.”

Borrower	:	CITY – City of Naga, Cebu
Amount	:	Pesos: Eighty Million (P80,000,000.00)
Purpose	:	Construction of Septage Treatment Plant and purchase of Trucks for Septage Facility
Term	:	Six (6) years, inclusive of one (1) year grace period on principal repayment
Manner of Payment of Interest	:	Payable monthly
Manner of Payment of Principal	:	Payable in sixty (60) equal or nearly equal monthly amortizations, to start at the end of the 13th month from date of initial drawdown.
Interest Rate	:	Fixed for five (5) years based on prevailing rate at the time of availment, payable monthly commencing at the end of the 1st month from date of initial drawdown. Interest shall be reviewed after five (5) years. GRT shall be for the account of the City.
Security	:	<ol style="list-style-type: none"> 1. Deed of Assignment on the applicable portion of the City’s IRA, local revenue and income derived from projects to be financed in favour of DBP for the duration of the loan. 2. Appropriate insurance coverage on all insurable assets based on sound value shall be placed by DBP through GSIS and the policy endorsed in favour of DBP.
Fee/s	:	<ol style="list-style-type: none"> 1. Front-end Fee of Twenty Five Thousand Pesos (P25,000.00) 2. Commitment fee of 0.50% per annum based on unreleased loan amount to start after signing of loan agreement up to full availment”
Other Conditions	:	<ol style="list-style-type: none"> 1. The City shall maintain depository account with an average daily balance (ADB) of at least 3% of the loan outstanding principal balance (OPB), otherwise an additional 1% per annum service charge shall be imposed 2. Submission of duly approved and unexpired Monetary Board Opinion 3. Compliance of the conditions set by DBP’s Project Evaluation and Endorsement Report (PEER)

SECTION 2. Section 4 of City Ordinance No. 2014-002 is hereby amended, revised and/or modified to read as follows:

“SECTION 4. The City of Naga hereby appropriates the entire proceeds of the borrowing exclusively to finance (1) the construction of Septage Treatment Plant and purchase of Trucks for Septage Facility, and (2) other financial obligations relative thereto”

SECTION 3. The City hereby grants its City Mayor authority to execute a letter waiving our rights 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 4. This Ordinance hereby ratifies the Loan Agreement and Deed of Assignment executed by and between the City of Naga and the Development Bank of the Philippines. Such ratification includes any and all subsequent requests by the City for modification/revision and/or amendments to be made on the project as well as on its approved terms and conditions, and which makes the loan as statutory obligation of the City, including the following:

- a. The execution by the City of the Loan Agreement, Promissory Notes, and other documents.
- b. The obligations of the City, as well as the terms and conditions thereof, shall be valid and binding on the City and shall not be subject to recall by the Sanggunian Panlungsod for the whole term of the loan, regardless of any change in its composition.
- c. The continuing assignment in favor of DBP on the applicable portion of the City's IRA and local revenues derived from projects to be financed until the loan is fully paid.
- d. The City hereby authorizes DBP to automatically debit on due date from the City's deposit account with DBP the amount equivalent to the maturing loan amortization until the loan is fully paid.
- e. The inclusion of appropriation for debt-servicing in the City's annual budget in accordance with the Local Government Code until the loan is fully paid.
- f. The City hereby undertakes that it will not incur additional obligation without DBP's prior consent."

SECTION 4. Any Ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

SECTION 5. 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 eleven members, on all pages of this Ordinance.

SO ORDAINED / ENACTED.

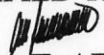
RESOLVED FURTHER, that copies of this Ordinance be furnished to the Honorable Mayor, ~~city~~ Accountant, and ~~city~~ Auditor, all of this City of Naga, the Development Bank of the Philippines and the Bangko Sentral ng Pilipinas for their information and appropriate action.

ADOPTED this 21st day of September 2015, on motion of Hon. Carmelino N. Cruz, Jr., seconded by Hon. Othello M. Chiong .

SANGGUNIANG PANLUNGSOD MEMBERS:

Hon. Alexander R. Lara
Hon. Nilo B. Alinsondrin
Hon. Carmelino N. Cruz, Jr.
Hon. Virgilio M. Chiong
Hon. Othello M. Chiong
Hon. Rodrigo A. Navarro
Hon. Atshin Mark K. Señor

CERTIFIED TRUE AND CORRECT:


DELZA T. ARELLANO
Sangguniang Panlungsod Secretary

ATTESTED:


HON. DELFIN R. SEÑOR
City Vice-Mayor/Presiding Officer

APPROVED:

Date Approved: 11/05, 2015


HON. VALDEMAR M. CHIONG
City Mayor

VALIDATED AS CONSISTENT WITH LAW:

Sangguniang Panlalawigan Secretary

HON. HILARIO DAVIDE III
Provincial Governor

Date Validated: _____