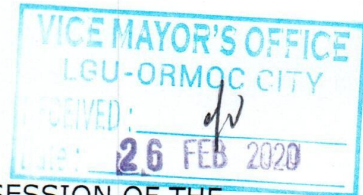
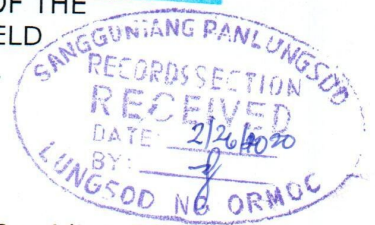


REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE
FIFTEENTH SANGGUNIANG PANLUNGSOD NG ORMOC HELD
AT THE SANGGUNIANG PANLUNGSOD SESSION HALL
ON FEBRUARY 24, 2020 IN LIEU OF
FEBRUARY 25, 2020



PRESENT:

Leo Carmelo L. Locsin, Jr.
Benjamin S. Pongos, Jr.,
Roiland H. Villasencio,
Tomas R. Serafica,
Nolito M. Quilang,
Eusebio Gerardo S. Penserga,
Jasper M. Lucero,
Peter M. Rodriguez,
Vincent L. Rama,
Gregorio G. Yrastorza III,
Lalaine A. Marcos,
Esteban V. Laurente,

Joan Marbie C. Simbajon,

Panlungsod na Pederasyon ng mga Sangguniang Kabataan ng Ormoc

City Vice Mayor & Presiding Officer
SP Member, Majority Floor Leader
SP Member, 1st Asst. Majority Floor Leader
SP Member, Presiding Officer "Pro-Tempore"
SP Member, 2nd Asst. Majority Floor Leader
SP Member
SP Member
SP Member
SP Member
SP Member
SP Member

Ex-Officio SP Member, Chapter President,
Liga ng mga Barangay ng Ormoc

Ex-Officio SP Member, Chapter President,
Panglungsod na Pederasyon ng mga Sangguniang Kabataan ng Ormoc

RESOLUTION NO. 2020-065

**A RESOLUTION AFFIRMING THE INTEREST OF THE CITY
OF ORMOC TO APPLY, NEGOTIATE AND BORROW
FUNDS FROM THE MUNICIPAL DEVELOPMENT FUND
OFFICE (MDFO) OF THE DEPARTMENT OF FINANCE
(DOF) FOR THE IMPLEMENTATION OF THE
GOVERNMENT COMPLEX WITH LOT ACQUISITION.**

WHEREAS, Ormoc, with a total land area of 46,430 hectares, has only about five percent (5%) of its area devoted to urban use with the bulk of it concentrated along Ormoc Bay;

WHEREAS, with a population of 215,030 (in 2015 alone) that is increasing at a rate of 2.26 percent annually, the existing layout has led to traffic congestion within the prime commercial center of Ormoc especially during office hours when transactions are carried out;

WHEREAS, to spur economic growth outside the city center for equitable distribution of opportunities, develop a model urban space with a blend of residential, commercial, cultural, and institutional use and establish walkable areas and pedestrian-friendly green streets for business and pleasure, the City intends to implement the CONSTRUCTION OF A GOVERNMENT COMPLEX WITH LOT ACQUISITION in Ormoc City;

WHEREAS, the CONSTRUCTION OF A GOVERNMENT COMPLEX WITH LOT ACQUISITION in Ormoc City is included in the Annual Investment Program of the City of Ormoc;

WHEREAS, due to financial constraint to finance the CONSTRUCTION OF A GOVERNMENT COMPLEX WITH LOT ACQUISITION in Ormoc City; the LGU Ormoc has opted to avail of credit facility for its implementation;

WHEREAS, the Local Government Code of 1991 empowers the local government units to create indebtedness, and avail of credit facilities to finance local infrastructure and other socio-economic development projects in accordance with the approved local development plan and public investment program;

WHEREAS, the Municipal Development Fund Office ("MDFO"), is an office under the Department of Finance, provides financing assistance to Local Government Units (LGUs);

WHEREAS, the City of Ormoc would like to access the credit financing offered by the MDFO, of which financing terms and conditions were properly conveyed and understood by this Body.

WHEREFORE, on motion of SP Member Benjamin S. Pongos, Jr., Chairman, Committee on Laws & Ordinances, severally seconded by SP Members Vincent L. Rama, Roiland H. Villasencio, Tomas R. Serafica, Nolito M. Quilang, Esteban V. Laurente, Lalaine A. Marcos and Peter M. Rodriguez; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to pass a RESOLUTION AFFIRMING THE INTEREST OF THE CITY OF ORMOC TO APPLY, NEGOTIATE AND BORROW FUNDS FROM THE MUNICIPAL DEVELOPMENT FUND OFFICE (MDFO) OF THE DEPARTMENT OF FINANCE (DOF) FOR THE IMPLEMENTATION OF THE GOVERNMENT COMPLEX WITH LOT ACQUISITION;

ADOPTED, February 24, 2020.

RESOLVED, that the City of Ormoc shall apply, negotiate and borrow funds from the MDFO to finance the "CONSTRUCTION OF A GOVERNMENT COMPLEX WITH LOT ACQUISITION";

RESOLVED FURTHER, that the City of Ormoc hereby commits to undertake the necessary acts for the implementation of the Project, as follows:

- a) Create a Project Implementation Unit ("PIU") by providing adequate number of technical and support staff, office space and all necessary facilities and assistance for the effective and efficient management of the Project;
- b) Provide the LGU equity for the Project, when necessary;
- c) Appropriate the total project costs composed of loan proceeds, equity and grant (if applicable);
- d) Appropriate funds for the amortization of loan until fully paid. The funds appropriated shall include the cost of insurance and all operation and maintenance expenses of the Project;
- e) Conduct public hearings and consultations, enact ordinances authorizing the collection of fees, charges and other impositions and carry out necessary measures in support of the viability and sustainability of the Project;
- f) Authorize the MDFO to deduct from the LGU's Internal Revenue Allotment ("IRA") the amount due to MDFO in connection with the Project under the following cases: (i) default in the payment of principal amortization including interests and penalties; or (ii) any unliquidated financial obligations. The right of MDFO to deduct on the LGU's IRA shall be without prejudice to any other remedies available under Philippine law;

- g) To appropriate LGU funds to defray expenses charges and penalties contemplated in the commitment letter attached hereto, incurred by MDFO during appraisal which include administrative/travel expenses settled between the parties in case the LGU would withdraw, cancel or postpone the application.

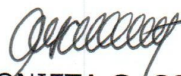
RESOLVED FURTHERMORE, to:

- a) Authorize and empower the incumbent Local Chief Executive, Hon. RICHARD I. GOMEZ, and his successor, for and behalf of the City of Ormoc to:
- i. Apply, negotiate and enter into a loan agreement with the MDFO and with partner agency/s, when necessary, and execute deeds and to do all acts necessary and proper under the premises for the effective and efficient implementation of the Project;
 - ii. Enter into agreements with qualified private individuals or corporations, after public bidding, to execute the Project; and
 - iii. Together with the Local [Provincial/City/Municipal] Treasurer, to open a separate bank account to facilitate the transfer of funds due to MDFO as payment for principal amortizations, interests and any other amount owing to MDFO by the LGU in connection with the Project.

RESOLVED FINALLY, to furnish copies of this resolution each to the City Mayor of Ormoc Richard I. Gomez; the City Administrator, Mr. Vincent L. Emnas; the City Legal Officer, Atty. Josephine M. Romero; the City Planning & Development Officer; the City Budget Officer; the City Accountant; the City Treasurer; the Municipal Development Fund Office (MDFO); the City Local Government Operations Officer-DILG; and all others concerned;

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the above resolution.


MARIA ANTONIETA G. CO HAT
Secretary to the
Sangguniang Panlungsod

ATTESTED:


LEO CARMELO L. LOCSIN, JR.
City Vice Mayor & Presiding Officer



Republic of the Philippines
OFFICE OF THE CITY MAYOR
Ormoc City

2019-066

February 12, 2020

Ms. HELENA B. HABULAN

Executive Director

Municipal Development Fund Office

Department of Finance

4th Floor, Palacio del Gobernador Building

Gen. Luna Street, Intramuros, Manila

Dear *Executive Director Habulan*:

In behalf of our City of Ormoc, we would like to express our intent to apply for the Municipal Development Fund Project financial and technical assistance that we intend to use for the Public Economic Enterprise/ Revenue Generating Construction of Government Complex with Lot Acquisition.

We understand that we are required to complete the initial requirements in the checklist provided in order to avail of MDFO Project assistance. We will soon complete and submit these requirements to your office. In the meantime, should you require a discussion on our proposed subproject, please contact us through telephone numbers: 053- 2557395 or 053- 5608045.

Thank you for your kind attention.

Very truly yours,

RICHARD I. GOMEZ, DPA
City Mayor

ORMOC CITY



Republic of the Philippines
OFFICE OF THE CITY MAYOR
Ormoc City

February 12, 2020

Ms. CLYDE E. PADILLA

Deputy Executive Director

Municipal Development Fund Office

Department of Finance

4th Floor, Palacio del Gobernador Building

Gen. Luna Street, Intramuros, Manila

Dear ***Deputy Executive Director Padilla:***

The ***City of Ormoc*** intends to avail of the financial services from the Municipal Development Fund Office ("MDFO") in the form of loans and/or grants under ***the pure loan project*** for the purpose of funding and/or financing the Subproject: **CONSTRUCTION OF GOVERNMENT COMPLEX WITH LOT ACQUISITION.**

In this regard, we hereby provide you with the LGU's consent to be bound by the following commitments:

Information

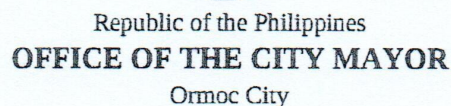
The LGU agrees to furnish and/or assist the MDFO in obtaining such information that will be reasonably requested by the MDFO to assist in performing its tasks in relation to the proposed financing transaction. The LGU shall use reasonable effort to ensure that the MDFO has access to and is provided with all complete, updated, relevant, and accurate information on a timely basis. The MDFO shall have the right to rely on the truthfulness and correctness in all material aspects of all information provided to them by the LGU on matters related to the proposed financial transaction.

Confidentiality

This Commitment Letter, any proposal, written communication and reports and all other information or advice communicated by MDFO to the LGU and vice versa, whether verbal or written, are intended solely for the MDFO and LGU in relation to this proposal and shall be deemed confidential.

The LGU agrees to ensure that its employees, staff, agents and other advisors will not without the prior written consent of MDFO disclose to any third party the discussions or negotiations between MDFO and the LGU concerning the possible transaction including the terms, conditions, analyses, status of fund application, studies or other documents and materials prepared by MDFO. However, information that are generally available to the public such as MDFO brochures and Pro-forma documents may be shared by the LGU to other LGUs, as necessary.

ORMOC CITY



Exclusivity

Indemnification

Termination

In addition, MDFO may deem that the LGU has cancelled/withdrawn from the proposed financial transaction in cases of dormant application or continued failure of the LGU to implement the provisions stipulated in the loan agreement for a period of at least six (6) months. In that case, MDFO shall send a letter to the LGU confirming if the LGU is still interested in pursuing the financing transaction. If the LGU fails to confirm its commitment to pursue the financial transaction to MDFO two (2) months after the receipt of the said letter, the MDFO shall deem that the proposed financial transaction has been cancelled/ withdrawn by the LGU.

Charges/Penalties

ORMOC CITY



Republic of the Philippines
OFFICE OF THE CITY MAYOR
Ormoc City

the amount equal to the actual expenses or P100,000.00 whichever is higher, representing all reasonable out-of-pocket expenses of MDFO including but not limited to expenses incurred in connection with MDFO due diligence to the LGU that are associated with the preparation, execution, delivery, administration, and other processes related to the transaction.

In the event the LGU fails to make such payment to MDFO, this Commitment Letter shall be sufficient for the MDFO to recover the payment due through IRA intercept in accordance with the mechanics therefore determined by the DOF, MDFO and DBM.

However, the Commitment Fee shall not be imposed in cases that the approval of the loan financing application of the LGU was not granted within six months after full compliance of documentary and other requirements and/or there are changes in MDFO policies relative to the eligibility of LGU and subproject for financing after the conduct of appraisal.

Amendments, Governing Law and Dispute Resolution

The terms of this Commitment Letter may be amended, modified or waived only by an agreement in writing signed by each Party expressly so amending, modifying or waiving such terms. This Commitment Letter shall be governed by and construed in accordance with the laws of the Republic of the Philippines. Any dispute arising from this Commitment Letter shall be, at the first instance, resolved amicably by the Parties, failing which either party may elevate the matter to the Office of the President for final resolution.

We look forward to working with the MDFO on this transaction.

Very truly yours,

Name of LGU,

By: **RICHARD I. GOMEZ, DPA**
City Mayor

Confirmed and agreed to as of the date first above written:
Municipal Development Fund Office-Department of Finance

By: **CLYDE E. PADILLA**
Deputy Executive Director
Date:

ORMOC CITY