Itam No.: 17

Date: 3 2024 SEP



Republic of the Philippines
PROVINCE OF LEYTE
Provincial Capitol
Palo, Leyte

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PROVINCIAL LEGAL OFFICE

Legal Office

2nd INDORSEMENT

August 27, 2024

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through SP Secretary, the attached Ordinance No. 19-24-002 of the Sangguniang Bayan of Isabel, Leyte.

Issues/concerns for review is/are as follows:

RANDI

• Ordinance No. 19-24-002 entitled: "An Ordinance Authorizing the Proposed Borrowing of the Local Government of Isabel, Leyte in the Amount of Twenty Eight Million Pesos (Php 28,000,000.00) to Finance the Procurement of a Thermal Decomposition Machine/Equipment for the LGU's Material Recovery Facility (MRF) Project and Ratifying the Terms and Conditions of the Loan Agreement and Other Documents Related Thereto."

REVIEW/RECOMMENDATION/LEGAL OPINION:

This office is of the opinion that the subject Ordinance is within the corporate powers of the local government unit particularly covered under Section 296¹, Section 447 (1)² and Section 16³ of the Local Government Code. Hence recommending the declaration of its validity.

We hope to have assisted you with this request. Please note that the opinion rendered by this Office are based on facts available and may vary or change when additional facts and documents are presented or changed. This opinion is likewise without prejudice to the opinions rendered by higher and competent authorities.

ATTY JOSE RAYMUND A. ACOL

Asst. Provincial Legal Officer

¹ Section 296. General Policy. - (a) It shall be the basic policy that any local government unit may 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. (b) A local government unit may avail of credit lines from government or private banks and lending institutions for the purpose of stabilizing local finances.

² Section 447 (1) - Approve ordinances and pass resolutions necessary for an efficient and effective municipal government xxx

³ Section 16. General Welfare. - Every local government unit shall exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare. Within their respective territorial jurisdictions, local government units shall ensure and support, among other things, xxx promote health and safety, xxx.

Republic of the Philippines PROVINCE OF LEYTE Palo, Leyte

OFFICE OF THE SANGGUNIANG PANLALAWIGAN

1st INDORSEMENT 01 August 2023 Legal Cric Legal Cric Mym Nuda D3:33 pm D8 02 2024

The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed MUNICIPAL ORDINANCE NO. 19-24-002 of the MUNICIPALITY of ISABEL, LEYTE, entitled: AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE LOCAL GOVERNMENT OF ISABEL, LEYTE IN THE AMOUNT OF TWENTY EIGHT MILLION PESOS (P28,000,000.00) TO FINANCE THE PROCUREMENT OF A THERMAL DECOMPOSITION MACHINE/EQUIPMENT FOR THE LGU'S MATERIAL RECOVERY FACILITY (MRF) PROJECT AND RATIFYING THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO,



REPUBLIC OF THE PHILIPPINES **PROVINCE OF LEYTE** Municipality of Isabel -000-OFFICE OF THE SANGGUNIANG BAYAN

TRANSMITTAL

Date: July 31, 2024

THE SANGGUNIANG PANLALAWIGAN

Province of Leyte Provincial Capitol, Palo, Leyte

THRU: THE OFFICE OF THE SECRETARY TO THE SANGGUNIANG PANLALAWIGATION OF

Provincial Capitol

Palo, Leyte

MA'M:

RESPECTFULLY TRANSMITTING YOUR END FIFTEEN (15) SETS OF THE FOLLOWING DOCUMENTS.

WITH DETAILS AS FOLLOWS:

ITEM NO.

REF. NO.

TITLE/CAPTION/DESCRIPTION

1

Municipal Ordinance No. 19-24-002

AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE LOCAL GOVERNMENT OF ISABEL, LEYTE IN THE AMOUNT OF TWENTY EIGHT MILLION PESOS (Php 28,000,000.00) TO FINANCE THE PROCUREMENT OF A THERMAL DECOMPOSITION MACHINE/EQUIPMENT FOR THE LGU'S MATERIAL RECOVERY FACILITY (MRF) PROJECT AND RATIFYING THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO

ATTACHMENTS:

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Certificate of Public Hearing Conducted Copy of the Attendance of the Public Hearing

Certificate of Public Posting

Municipal Resolution No. 19-23-330 - A RESOLUTION AUTHORIZING THE MUNICIPAL MAYOR, ATTY. EDGARDO C. CORDENO, TO ENTER INTO A CONTRACT OF LOAN WITH THE DEVELOPMENT BANK OF THE PHILIPPINES (DBP) ORMOC CITY BRANCH IN THE AMOUNT OF Php 28,000,000.00 TO FINANCE THE PURCHASE OF A THERMAL DECOMPOSITION MACHINE FOR THE MUNICIPALITY'S GARBAGE DISPOSAL FACILITY.

FOR YOUR INFORMATION, REFERENCE, AND APPROPRIATE ACTION.

THANK YOU.

Respectfully yours,

JULIUS GESAR T. MATIGA

Secretary to the Sangguniang Bayan



REPUBLIC OF THE PHILIPPINES PROVINCE OF LEYTE

Municipality of Isabel -00o-

OFFICE OF THE SANGGUNIANG BAYAN

EXCERPT FROM THE MINUTES OF THE 84th REGULAR SESSION OF THE 19^{TH} SANGGUNIANG BAYAN OF THE MUNICIPALITY OF ISABEL, LEYTE HELD ON JUNE 10, 2024, AT THE SB SESSION HALL

Present:

Vice Mayor Adam A. Fuentes, Presiding Officer

SB Member Teddy E. Alemia
SB Member Romelo P. Mappala
SB Member Rey Zaldy S. Rojas
SB Member Deborah G. Bertulfo
SB Member Alden A. Martin
SB Member Manuel D. Amodia

SB Member Dan Antonio G. Tentativa Liga Ng Mga Brgy. Pres. Marilyn A. Cordeno

SK Fed. Pres. Kissi Lynn C. Martin

Absent:

SB Member Ailene J. Dearos



AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE LOCAL GOVERNMENT OF ISABEL, LEYTE IN THE AMOUNT OF TWENTY EIGHT MILLION PESOS (Php 28,000,000.00) TO FINANCE THE PROCUREMENT OF A THERMAL DECOMPOSITION MACHINE/EQUIPMENT FOR THE LGU'S MATERIAL RECOVERY FACILITY (MRF) PROJECT AND RATIFYING THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO.

BE IT ENACTED, as it is hereby ENACTED; by the Sangguniang Bayan of Isabel, Leyte in session assembled that:

SECTION 1. The Municipal Mayor, in representation of the Municipality, hereinafter referred to as the "Municipality", is hereby authorized to enter into a term loan with the DEVELOPMENT BANK OF THE PHILIPPINES in accordance with Section 297 of Republic Act No. 7160, or the Local Government Code, in the amount of Twenty Eight Million Pesos (Php 28,000,000.00) or 100% of the winning bid price, whichever is the lower, 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 project/s, and subject to the requirements under section 123 of Republic Act No. 7653 as implemented by the Banko 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.

SECTION 2. The said priority project herein specified as follows:

Priority Project	Amount		
To finance the Procurement of Thermal Decomposition Machine/Equipment for the LGU's Material recovery Facility (MRF)	PhP 28,000,0000.00		
TOTAL	PhP 28,000,000.00		

Or 100% of the actual acquisition cost or winning bid price whichever is lower

Is hereby certified to be local infrastructure and socio-economic development projects in accordance with the approve local development plan and public investment program for the year 2024 of the LGU.

SECTION 3. Consistent with the covering loan contract, deed of assignment, and such other agreements as maybe entered into by the Municipality in connection with the borrowing, the features, terms and conditions shall be as follows and hereby approved:

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3.1 Project Name

Borrower	1 3	Municipality of Isabel, Leyte			
Loan Amount		TWENTY EIGHT MILLION PESOS or up to 100% of the winning bid price whichever is lower.			
Purpose	:	To finance the procurement of a Thermal Decomposition Machine/Equipment for the LGU's Material Recovery Facility (MRF).			
Tenor	:	Ten (10) years inclusive of one (1) year grace period, payable in one hundred eight (108) equal monthly amortization on principal to start a the end of the 13 th month from date of initial drawdown.			
Manner of Payment	:	Principal and interest payable monthly.			
Principal	·	Ten (10) years inclusive of one (1) year grace period, payable in one hundred eight (108) equal monthly amortization on principal to start at the end of the 13 th month from date of initial drawdown			
Funding		DBP Funds			
Interest		Fixed for one (1) year based on existing market rate at the time of the drawdown p.a., payable monthly subject to a floor rate of 7.5% p.a. commencing at the end of the 1 st month from date of initial drawdown. Interest shall be reviewed annually subject to a floor rate equivalent to the existing rate. GRT for the account of the LGU.			
Fees		 Front-end Fee-waived. Commitment Fee is waived. Extension Fee – waived. Default Charge – 24% p.a. Prepayment penalty of 3.0% of the amount to be prepaid. GRT and other applicable taxes shall be for the account of the LGU. 			
Security		 Assignment of deposit with hold-out and control agreement equivalent to three (3) months amortization. Applicable insurance coverage on all insurable financed asset based on sound value placed by DBP through GSIS and the policy endorsed in favor of DBP. 			

SECTION 4. The Municipality hereby appropriates the entire proceeds of the borrowing exclusively to finance the procurement of a Thermal Decomposition Machine/Equipment for the LGU's Material Recovery Facility (MRF) in the amount of PhP 28,000,000.00 or 100% of the actual acquisition cost or winning bid price whichever is lower, and other financial obligations relative thereto.

SECTION 5. The Municipality hereby grants its Municipal 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 Banko 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.

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SECTION 6. The 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 Municipality is hereby authorized the following:

- 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 Municipal 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 2024 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 all subsequent requests by the Municipality concerned for modification/revision/reallocation and/or amendment to be made on the subject 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 Bayan members, in concurrence thereto, composing at least a majority thereof, out of the total of 10 members, on all pages of this ordinance.

RESOLVED FURTHER, that copies of this Ordinance be furnished to the Municipal Mayor, Atty. Edgardo C. Cordeno, the Offices of the Municipal Budget, Municipal Accounting, Municipal Treasury, Municipal Audit, the Banko Sentral ng Pilipinas, and the Development Bank of the Philippines, for their information and appropriate action.

ADOPTED ON MASS MOTION by all the members present this 10th day of June 2024.

HON. TEDDY E. ALEMIA

HON. ROMELO P. MAPPALA

HON. REY ZALDY S. ROJAS

HON.DEBORAH G. BERTULFO

HON. ALDEN A. MARTIN

HON. MANUEL D. AMODIA

HON. AILENE J. DEARO

HON. DAN ANTONIO G. TENTATIVA

HON. MARILYN A. CORDENO

HON. KISSI LYNN C. MARTIN

I HEREBY CERTIFY to the correctness and authenticity of the foregoing resolution.

JULIUS ESAR I MATIGA Secretary to the Sangguniang Bayan

ATTESTED BY:

HON. ADAM A. FUENTES

Municipal Vice Mayor & Presiding Officer

APPROVED:

HON. ATTY EDGRAPO C. CORDENO

Municipal Mayor



REPUBLIC OF THE PHILIPPINES PROVINCE OF LEYTE Municipality of Isabel -000-

OFFICE OF THE SANGGUNIANG BAYAN

CERTIFICATE OF PUBLIC HEARING CONDUCTED

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that a hearing/consultation was conducted last May 20, 2024 1:30 P.M., at the SB Session Hall for the Municipal Ordinance No.19-24-002 — AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE LOCAL GOVERNMENT OF ISABEL, LEYTE IN THE AMOUNT OF TWENTY EIGHT MILLION PESOS (PhP 28,000,000.00) TO FINANCE THE PROCUREMENT OF A THERMAL DECOMPOSITION MACHINE/EQUIPMENT FOR THE LGU'S MATERIAL RECOVERY FACILITY (MRF) PROJECT AND RATIFYING THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO.

Done this 30th day of July 2024, at SB Office, LGU-Isabel, Leyte, Philippines.

JULIUS ESAR . MATIGA
SB Secretary



REPUBLIC OF THE PHILIPPINES **PROVINCE OF LEYTE** Municipality of Isabel -000-

OFFICE OF THE SANGGUNIANG BAYAN

PUBLIC HEARING ON THE MUNIPAL DROINANCE NO. 19-24-002-

AN ORDINANCE ANTHORIZING THE PROPOSED BORROWING OF THE MUNICIPALITY OF ISABEL IN THE AMOUNT OF \$28,000,000.00 TO FINANCE THE PROCUREMENT OF A THERMAL DECOMPOSITION EQUIPMENT FOR THE LCU'S MATERIALS RECOVERY FACILITY PROJECT & RATIFYAND THE TERMS & CONDITIONS

Time: 1:30 r.m.

OF THE LOAN AGREEMENT & OTHER POLLMENTS RELATED

THERETO

ATTENDANCE

Venue: SB Session Hall

		·ATTENDAN	ICE		
Name 1944	Office/Designation	Address	Time of Arrival	Contact Number	Signature
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ALDEN A. MARTIN		SB WEMPTER	2 3:10 PM	0916-244-7349	Aruhto
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PROVINCE OF LEYTE Municipality of Isabel -000-

OFFICE OF THE SANGGUNIANG BAYAN

CERTIFICATE OF POSTING

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY THAT pursuant to Section 59 of RA 7160, otherwise known as "Local Government Code of 1991", as amended, a copy of MUNICIPAL ORDINANCE NO. 19-24-002: AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE LOCAL GOVERNMENT OF ISABEL, LEYTE IN THE AMOUNT OF TWENTY EIGHT MILLION PESOS (PhP 28,000,000.00) TO FINANCE THE PROCUREMENT OF A THERMAL DECOMPOSITION MACHINE/EQUIPMENT FOR THE LGU'S MATERIAL RECOVERY FACILITY (MRF) PROJECT AND RATIFYING THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO, was posted within the period from June 19, 2024 to July 10, 2024 on the Bulletin Board located at the lobby of Isabel Town Hall, another one (1) copy at Isabel Public Market Bulletin Board, and one (1) more copy at Isabel Public Utility Vehicles Terminal, this municipality.

This certifies further that this document is being posted by the Sangguniang Bayan for public information, guidance, and for whatever legal purpose this may serve best.

Done this 30th day of July 2024, at SB Office, LGU-Isabel, Leyte, Philippines.

JULIUS CESART. MATIGA

SB Secretary



REPUBLIC OF THE PHILIPPINES PROVINCE OF LEYTE

Municipality of Isabel -000-OFFICE OF THE SANGGUNIANG BAYAN

EXCERPT FROM THE MINUTES OF THE 64th REGULAR SESSION OF THE 19th SANGGUNIANG BAYAN OF THE MUNICIPALITY OF ISABEL, LEYTE HELD ON DECEMBER 18, 2023, AT THE SB SESSION HALL

Present

Vice Mayor Adam A. Fuentes, Presiding Officer

SB Member Teddy E. Alemia SB Member Rey Zaldy S. Rojas SB Member Deborah G. Bertulfo SB Member Alden A. Martin SB Member Manuel D. Amodia SB Member Ailene Jubida Dearos

SK Federation President Kissi Lyn C, Martin Liga Ng Mga Barangay Pres. Marilyn A. Cordeno

Absent

SB Member Romelo P. Mappala - On Leave SB Member Dan Antonio G. Tentativa - On Leave

MUNICIPAL RESOLUTION NO. 19-23-330

A RESOLUTION AUTHORIZING THE MUNICIPAL MAYOR, ATTY. EDGARDO C. CORDENO, TO ENTER INTO A CONTRACT OF LOAN WITH THE DEVELOPMENT BANK OF THE PHILIPPINES (DBP) ORMOC CITY BRANCH IN THE AMOUNT OF Php 28,000,000.00 TO FINANCE THE PURCHASE OF A THERMAL DECOMPOSITION MACHINE FOR THE MUNICIPALITY'S GARBAGE DISPOSAL FACILITY.

WHEREAS, Republic Act 9003, otherwise known as the Solid Waste Management Act of the Philippines provides an Ecological Solid Waste Management Plan which every Local Government Units has to comply and implement:

WHEREAS, the Local Government Unit of Isabel, Leyte has identified the procurement and installation of a Thermal Decomposition Machine in its material recovery facility as the best method to implement the intent and spirit of Republic Act 9003:

NOW THEREFORE:

BE IT RESOLVED, as it is hereby resolved by the 19th Sangguniang Bayan of the Municipality of Isabel, Province of Leyte, to AUTHORIZE THE MUNICIPAL MAYOR, ATTY. EDGARDO C. CORDEÑO, TO ENTER INTO A CONTRACT OF LOAN WITH THE DEVELOPMENT BANK OF THE PHILIPPINES (DBP) ORMOC CITY BRANCH IN THE AMOUNT OF PhP 28,000,000.00 TO FINANCE THE PURCHASE OF A THERMAL DECOMPOSITION MACHINE FOR THE MUNICIPALITY'S GARBAGE DISPOSAL FACILITY.

RESOLVED, further, that copies of this resolution be furnished each to the offices of the Municipal Mayor, Atty. Edgardo C. Cordeno; the Isabel Municipal Development Council c/o the MPDO; the Municipal Budget, the Development Bank of the Philippines Ormoc branch, and other concerned offices for their information, reference and appropriate action hereof.

ADOPTED UNANIMOUSLY, by all the members present on motion of SB Member Rey Zaldy Rojas, seconded by SB Members Ailene J. Dearos and Manuel D. Amodia, this 18th of December 2023.

HON. TEDDY E. ALEMIA

HON. REY ZALDY S. ROJAS

HON. DEBORAH G. BERTULFO

HON. ALDEN A. MARTIN

Page 2 of two Pages Mun. Res. 19-23-326

HON. MANUEL D. AMODIA

HON. AILENE J. DEAROS

HON. MARILYN A. CORDENO

HON. KISSI LYN C. MARTIN

I HEREBY CERTIFY to the correctness and authenticity of the foregoing resolution.

JULIUS ESAR T MATIGA Secretary to the Sanguniang Bayan

ATTESTED & APPROVED BY:

Mun. Vice Mayor and Presiding Officer