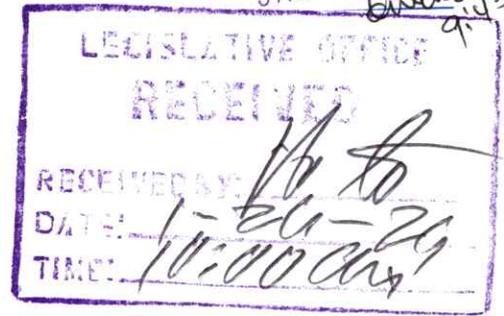


JAN 27 2026
9:43 am

January 26, 2026

ATTY. JESUS B. CABANACAN
Municipal Vice Mayor
Sangguniang Bayan of Barugo Barugo,
Leyte



Dear Vice Mayor Cabanacan:

Thank you for your letter dated January 13, 2026 and for providing the documents related to Sangguniang Bayan Resolution No. 194, S. 2025, authorizing the Local Chief Executive to negotiate and enter into a loan agreement with the Development Bank of the Philippines in the amount of Php 36,000,000.00.

While I appreciate your response, a careful review of the documents raises several substantive issues that remain unaddressed. These relate to the claimed urgency of the measure, the prioritization of the project, its alignment with existing development plans, the LGU's fiscal capacity, and the sequencing of required processes.

To begin with, none of the documents establish a factual or legal basis for classifying the loan authority as urgent. Urgency must be supported by imminent threats to public welfare, mandatory national directives, or time-bound opportunities. However, the documents do not reflect any such condition. Instead, the actions appear to have been undertaken toward the end of the year, which contradicts the assertion of urgency.

Moreover, the LGU receives its annual National Tax Allotment (NTA), which is intended to support priority programs identified in the Annual Investment Program (AIP) and the Local Development Investment Program (LDIP). If the project were truly urgent and high-priority, it should have been included in the AIP, reflected in the 2026 COB, and supported by earlier planning instruments. Therefore, its absence from these documents suggests that urgency was invoked only to justify the loan, rather than because the project was genuinely prioritized.

The LSWMB resolution dated September 25 was not attached, and no technical justification from the LSWMB was included. Consequently, this omission raises concerns about whether the project is consistent with the municipality's long-term waste management strategy.

In addition, the development of a sanitary landfill was already identified in the Local Development Investment Program (LDIP) for 2020–2025. This means the project was not a new or unforeseen requirement but a long-standing programmed activity. Therefore, if the LGU had genuinely prioritized this project over the past years, it could have been gradually funded or incorporated into the annual budgets without resorting to an urgent loan authority at the end of 2025. Its prior inclusion in the LDIP further contradicts the claim that the matter suddenly became urgent.

Additionally, if the LGU truly lacked sufficient funds, it could not have qualified for a Php 36-million loan under DBP's creditworthiness requirements. Conversely, if the LGU does have sufficient fiscal capacity, then the claim of urgency due to lack of funds becomes inconsistent. This contradiction therefore requires clarification.

It is also notable that the Joint Committee Report appears to rely solely on the letter of the Local Chief Executive, without accompanying technical studies, feasibility assessments, cost-benefit analysis, or prior MDC endorsement. Thus, a committee report based only on a request letter cannot reasonably serve as a sufficient basis for granting borrowing authority.

Moreover, if the project were truly urgent, it should have been reflected in the 2026 Calendar of Budget. Its absence indicates that the project was not part of the LGU's planned priorities, that urgency was not established during budget preparation, and that the loan authority was processed outside the normal planning and budgeting cycle. This, in turn, undermines the claim that immediate action was required.

Finally, the Municipal Development Council meeting and resolution are dated December 17, 2025—after the Sangguniang Bayan had already acted on the loan authority. This sequence is reversed. Under the Local Government Code, the MDC must first identify and prioritize the project, endorse it for inclusion in the LDIP and AIP, and recommend funding strategies. Only after these steps can the SB validly authorize borrowing. Therefore, since the MDC endorsement came after the authority was granted, the SB had no proper basis for approving the measure.

With respect to your invitation for me to attend the public proceedings of the Sangguniang Bayan and its committees, I wish to express that I am willing to participate whenever my presence is formally requested or when there are matters directly requiring clarification from me. Attendance is most meaningful when stakeholders are properly notified

and when the agenda clearly identifies the issues to be discussed. Should the SB or any committee deem my input necessary, I will gladly make myself available.

In view of the foregoing, and based on a careful perusal of the documents at hand, I respectfully request clarification on the following:

1. What specific facts or conditions justified the declaration of urgency?
2. Why was the project not included in the 2026 COB if it was truly urgent?
3. How does the project align with the municipality's 10-year Solid Waste Management Plan?
4. What technical, financial, or feasibility studies were used by the Joint Committee in recommending approval?
5. Why did the MDC act only after the SB had already granted authority?

These questions are raised in the spirit of transparency, accountability, and responsible fiscal management—values that benefit the entire community of Barugo.

Thank you for your attention.

Respectfully,

MA. ROSARIO C. AVESTRUZ

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Copy furnished:

Sangguniang Panlalawigan

Province of Leyte