

Republic of the Philippines
Province of Davao del Norte
CITY OF TAGUM

BEFORE THE 5TH CITY COUNCIL

EXCERPT FROM THE MINUTES OF THE 32ND REGULAR SESSION OF THE SANGGUNIANG PANLUNGSOD OF THE CITY OF TAGUM, PROVINCE OF DAVAO DEL NORTE HELD ON FEBRUARY 21, 2011 AT THE SP SESSION HALL.

PRESENT:

Hon. ALLAN L. RELLON, MPA,	City Vice Mayor (Presiding Officer)
Hon. DE CARLO L. UY,	Member
Hon. MARIA LINA F. BAURA,	Member
Hon. NICANDRO T. SUAYBAGUIO, JR.,	Member
Hon. ROBERT L. SO,	Member
Hon. JOEDEL T. CAASI,	Member
Hon. OSCAR M. BERMUDEZ,	Member
Hon. ALAN D. ZULUETA,	Member
Hon. GETERITO T. GEMENTIZA,	Member
Hon. TRISTAN ROYCE R. AALA,	Member
Hon. FRANCISCO C. REMITAR,	Member
Hon. ALFREDO R. PAGDILAO,	Member (ABC Representative)

ABSENT:

Hon. JACQUELINE GRACE Q. EDULLANTES,	Member (SKF Representative)
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RESOLUTION NO. 259, s-2011

“A RESOLUTION AUTHORIZING HON. REY T. UY, CITY MAYOR TO ENTER INTO AND SIGN FOR AND IN BEHALF OF THE CITY GOVERNMENT OF TAGUM A CONTRACT OF LOAN WITH THE PHILIPPINE NATIONAL BANK (PNB) IN THE AMOUNT OF ONE HUNDRED SIXTY – TWO MILLION (P162,000,000.00) PESOS FOR THE PURPOSE OF FUNDING THE ON-GOING CONSTRUCTION OF THE NEW CITY HALL BUILDING AND TO SIGN THE LOAN AGREEMENT, DEED OF ASSIGNMENT, THE PROMISSORY NOTE AND CERTIFYING THE NAME/S, SPECIMEN SIGNATURE/S AND AUTHORITY OF THE PERSON/S EXECUTING THE COVERING LOAN AGREEMENT.”

WHEREAS, the city is witnessing a rapid growth and progress which is altering the physical landscape of the city through numerous infrastructure projects and the influx of migrants both investors and would-be residents;

WHEREAS, with these realities and challenges the City Government is forthright in pursuing a grand landmark through the construction of an iconic structure to house its daily transacting constituents through the New City Hall Building Complex;

WHEREAS, there is a need to secure the necessary financial requirement in order to facilitate the on-going construction works of the New City Hall Building the soonest possible time and be able to address the numerous needs and necessities of its citizenry;

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, by the 5th City Council the session duly assembled to authorize as it hereby authorizes Hon. Rey T. Uy, City Mayor, to enter into and sign for and in behalf of the City Government of Tagum a Contract of Loan with the Philippine National Bank (PNB) in the amount of One Hundred Sixty – Two Million (P162,000,000.00) Pesos for the purpose of funding the on-going construction of the New City Hall Building and to sign the loan agreement, deed of assignment, the promissory note and certifying the name/s, specimen signature/s and authority of the person/s executing and delivering this agreement; and the performance of all obligations contained other documents contemplated thereby evidencing the One Hundred Sixty – Two Million (P162,000,000.00) Pesos loan from PNB and for said purpose, it hereby authorizes the following:

- I The City to maintain a deposit account with the Philippine National Bank (PNB) as a pre-implementation requirement which shall have a minimum balance that is sufficient to cover payment of at least two (2) amortizations;
- II The City appoints Philippine National Bank (PNB) as its Attorney - In - Fact to demand/collect/receive from the IRA – depository Bank, the quarterly twenty percent (20%) of the LGUs IRA or its applicable portion until the loan is fully paid and instruct Land Bank of the Philippines (LBP) to directly remit to the LGUs deposit account with PNB said LGUs IRA until the loan is fully paid;
- III The City to issue a letter of authorization to Land Bank of the Philippines duly approved by the Sanggunian and duly conformed to by the LBP to continually remit monthly to PNB 20% of the City's IRA, without need of any further instruction/advice by the LGU, until the loan is fully paid;

RESOLUTION NO. 259, s-2011, cont'd:

- IV The City to issue checks to transfer IRA from the LGU official depository Bank to the LGU's deposit account with PNB and to authorize PNB to debit said deposit account to cover payment for the loan obligation;
- V The continuing assignment of the city's applicable portion of the Internal Revenue Allotment (IRA), Realty Taxes and other taxes and other revenues, in favor of PNB and authority of the city, to execute the covering Deed of Assignment;
- VI The assignment of the appropriate portion of the city's other revenues in favor of PNB in case the Internal Revenue Allotment (IRA), Realty Taxes, Project Revenues are not sufficient to service the loan amortization;
- VII The designation of the Philippine National Bank (PNB) as the principal depository bank, until such time that the loan including all accrued interest and other charges due thereon, is paid in full and the authority of the City Mayor and the City Treasurer to open and maintain a deposit account with the bank where the city share in IRA and other Revenues shall be deposited until the loan, including the interest and other financial charges is fully paid;
- VIII The PNB to debit the City Deposit Account maintained with PNB to cover payment of its loan obligation with the bank;
- IX The undertaking of the city to inform the Department of the Interior and Local Government in writing of the city loan application with the bank, appending therewith the corresponding loan documents;
- X The undertaking to remit to PNB the applicable portion of the City Realty Taxes and net revenues on a quarterly basis as payment of amortization of the loan and for the City Mayor to effect the said remittance;
- XI The undertaking to the city to include in its annual budget the required amortizations to service its loan obligations with PNB;
- XII The undertaking of the city that it will not incur additional obligations/indebtedness without prior written consent of PNB which consent will not be unreasonably withheld.

RESOLVED FURTHER, that **Resolution No. 137, s-2010** is hereby rendered ineffective in lieu of this resolution.

RESOLVED FURTHERMORE, that the City Council undertakes as it hereby undertakes to appropriate in its annual budget for the year 2011 to 2018 of the City Government sufficient to pay its loan from PNB including interest thereon and other charges. The estimated amount to be appropriated in the schedule of payments, hereto attached as Annex "A" which form part of the resolution.

RESOLVED FINALLY, that copies of this resolution be furnished to the Office of the City Mayor, Philippine National Bank (PNB), the Treasurer's Office, the Auditor's Office and the concerned Development Council.

CARRIED AND APPROVED.

I HEREBY CERTIFY to the correctness of the foregoing.

(SGD) REY A. BUHION
Secretary to the Sanggunian

ATTESTED AND CERTIFIED
TO BE DULY ADOPTED:

(SGD) ALLAN L. RELLON, MPA
City Vice Mayor
(Presiding Officer)