



SANGGUNIANG BAYAN

EXCERPTS FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIANG BAYAN OF MONCADA, TARLAC HELD ON THE 9th DAY OF JULY 2018 AT THE LEGISLATIVE BUILDING SB SESSION HALL.

PRESENT:

HON. JAIME O. DUQUE	.. VICE MAYOR/PRESIDING OFFICER
HON. RODOLFO A. ESPEJO	.. PRO - TEMPORE
HON. ALBERTO C. MARZAN, JR.	.. MEMBER
HON. EDWARD V. TOLENTINO	.. MEMBER
HON. JANIUS M. YASAY	.. MEMBER
HON. THELMAFLOR A. ESPEJO	.. MEMBER
HON. RUBEN V. GAMBOA, JR	.. MEMBER
HON. GEORGE MICHAEL P. AGUILAR	.. MEMBER
HON. CLEOFÉ D. FAVIS	.. MEMBER
HON. GEORGE R. CUCHAPIN	.. LIGA PRESIDENT
HON. EZEKIEL C. RIVERA	.. SK PRESIDENT

ABSENT:

NONE

RESOLUTION NO. 46

Series of 2018

RESOLUTION ADOPTING THE JOINT COMMITTEE REPORT NO. 004-2018 OF THE COMMITTEE ON TRADE AND INDUSTRY AND COOPERATIVES AND COMMITTEE ON FINANCE, WAYS AND MEANS AND APPROPRIATIONS

On motion by Coun. Cleofe D. Favis and duly seconded by Coun. Edward V. Tolentino;

RESOLVE, TO ADOPT, AS IT IS HEREBY ADOPTED, THE JOINT COMMITTEE REPORT NO. 004-2018 OF THE COMMITTEE ON TRADE AND INDUSTRY AND COOPERATIVES AND COMMITTEE ON FINANCE, WAYS AND MEANS AND APPROPRIATIONS;

RESOLVED FURTHER, THAT COPIES OF THIS RESOLUTION BE FURNISHED ALL CONCERNED PARTIES FOR THEIR INFORMATION AND GUIDANCE;

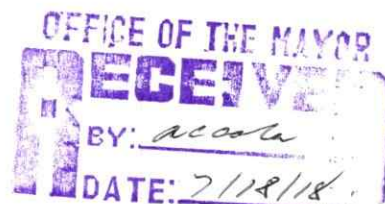
ADOPTED.

I HEREBY CERTIFY to the correctness of the foregoing Resolution.

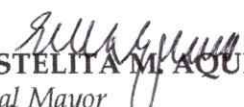

VICTOR SANDINO S. MOLINA, MSN, MPA
SB Secretary (designate)

ATTESTED:


HON. JAIME O. DUQUE
Municipal Vice-Mayor & Presiding Officer



APPROVED:


HON. ESTELITA M. AQUINO
Municipal Mayor
7/20/18



JOINT COMMITTEE REPORT

No. 004, Series of 2018

**TRADE AND INDUSTRY AND COOPERATIVES
FINANCE, WAYS AND MEANS AND APPROPRIATIONS**

26 JUNE 2018

ADOPTED

DATE: 7-9-2018
ATTESTED: [Signature]
RESO#: 46, Series of 2018

- 1) **SUBJECT:** Resolution (BR#33, s.2018) from MWCC: Requesting to amend existing rental rate of building, lease term extension and other matters.

- 2) **PARTICIPANTS:**
During the regular session dated June 25, 2018, Coun. Cleofe D. Favis, Chairperson, Committee on Trade and Industry and Cooperatives, moved to convene a joint committee meeting with Committee on Finance, Ways and Means and Appropriations, set on Tuesday, June 26, 2018, 1:30PM to act on the proposed measure to review existing contract of lease between MWCC and LGU of Moncada.

PRESENT:

HON. CLEOFÉ D. FAVIS	..Trade and Industry and Cooperatives
HON. EDWARD V. TOLENTINO	..Finance, W&M and Appropriations
HON. GEORGE MICHAEL P. AGUILAR	..Labor and Employment
HON. JANIUS M. YASAY	..Rules and Ordinances
HON. ALBERTO C. MARZAN, JR.	..Health and Social Services
MR. VICTOR SANDINO S. MOLINA	..Acting SB Secretary

3) **BACKGROUND / ISSUES**

Excerpts from the minutes of regular session dated June 18, 2018, SB Session Hall

On June 14, 2018, the MWCC submitted a request letter to the Sangguniang Bayan through Vice Mayor Jaime O. Duque, to attend the regular session on June 18, 2018 with an undisclosed purpose. To that effect, VM Duque and all SB members acceded to the request of the Board of MWCC to attend the session and allowed them to discuss the merits of their request. Specified hereunder is an excerpt of what transpired during the regular session:

The Presiding Officer dispensed with the rules and gave the chairperson of MWCC speaking privilege.

Ms. Fe M. Cuchapin, Chairman of the Board offered an overview of the cooperative's role. She explained that it is non-charity and non-profit in nature, and all of its dividends and collections revert to all its members towards the end of the fiscal year. She also reiterated that its primary objective is to help people manage their resources properly and contribute to community development.



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Ms. Cuchapin cited that the foregoing reasons are attributable to the meager revenue of MWCC since its inception, thus, compelling them to amend such provisions relative to a resolution requesting the Sangguniang Bayan to rental rate, lease term extension and other terms and conditions therein stipulated.

Afterwards, Ms. Cuchapin allowed Ms. Editha Madriaga, vice-chairman of the board, to read and elaborate further the provisions of their board resolution # 33, series of 2018.

Ms. Madriaga explained in detail the gist of their request, specified as follows:

- 1. Reduce the 10% annual increase in monthly rental to 5% and instead of a yearly increase, the same should be made in five (5) years.*
- 2. That the term of lease which is 30 years commencing January 2000 be extended to 50 years.*
- 3. That the Build-Operate-Transfer (BOT) agreement on the MWCC building be rescinded.*

The August Body advised the MWCC that the matter shall initially be referred to the Committee on Trade and Industry and Cooperatives and Committee on Finance, Ways and Means and Appropriations.

4) TRANSCRIPT:

4.1 CALL TO ORDER AND ACKNOWLEDGMENT OF GUESTS

The meeting was called to order at 2PM by the lead Committee Chairperson, Coun. Cleofe D. Favis, forthwith the acknowledgment of other SB members present.

4.2 FINDINGS:

1. SB Resolution No. 75 series of 1997 allowed the MWCC to extend its office space within the area between the Moncada Water District and the cooperative with additional lease of P500.00 per year and following the terms and conditions of the original contract.
2. SB Resolution No. 49 series of 2011 granted the MWCC peaceful occupancy of an additional one hundred thirty (130) square meter space behind its main building subject to certain limitations and conditions.
3. SB Resolution No. 70 series of 2003 granted the request of the MWCC to amend SB resolution no. 8, series of 1996, whereby extending the term of leased LGU property to MWCC from fifteen years to 30 years commencing in the year 2000.
4. SB Resolution No. 73 series of 2003 authorized Mayor Estelita M. Aquino to enter into a contract with the MWCC for the lease and subsequent transfer of ownership of the MWCC building to the LGU.
5. That the existing Contract of Lease entered by the LGU of Moncada and MWCC promulgated the following terms and conditions, to wit:
 - 1) That the monthly lease rental of the lot of which the Lessor is the owner shall be One Thousand Pesos (1,000.00) to be paid by the Lessee to the Lessor on or before the 5th day of every month;*
 - 2) That the Lessee agrees to pay a 10% increase per year of the monthly rental;*



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- 3) *That the term of lease shall be 30 years commencing January 4, 2000;*
- 4) *That upon the expiration of the period of 30 years on the last day of December 2030, the Lessee do hereby agrees and binds itself to turn over and transfer the Title of Ownership of the building together with all the improvements thereon to and in favor of the Lessor, the Local Government Unit of Moncada. A copy of Board Resolution No. 49-2003 of the MWCC is hereto attached and made part of this Contract.*
6. As per financial report submitted to the Body, the Total Assets of MWCC increased from P 158,505,81.02 in FY 2016 to P 205,088,167.56 in FY 2017 and likewise, its Total Equity increased from P64,291,628.37 in 2016 to P70,808,985.33 in 2017, respectively.

4.3 RECOMMENDATIONS:

1. Taxes, fees and charges are the life blood of the Local Government Unit.
2. Republic Act 7160 or the Local Government Code of 1991 encourages LGUs to look for sources of revenues in order to be autonomous and not IRA-dependent.
3. The ten percent (10%) increase is applicable to everybody conducting business. Cooperatives which include MWCC are exempted from paying taxes, and rental is not considered a form of tax.
4. The rent on lot does not exempt the MWCC from paying the 10% increase.
5. The term of lease which is 30 years that commenced in the year 2000 and will end on 2030 is too early an issue to take up by the present Sangguniang Bayan.
6. Although the Sangguniang Bayan can rescind the earlier resolution for the Build-Operate-Transfer (BOT) agreement, the aforesaid measure shall be initiated by the executive department, and the Sanggunian is mandated to ratify proposed amendments to existing contracts and consequently authorize the incumbent Local Chief Executive to enter into an agreement thereto.

WHEREFORE, in view of all the foregoing premises, the concerned Committees **UPHOLD** the provisions of existing contract of lease and BOT agreement between the LGU of Moncada, Tarlac and Moncada Women's Credit Cooperative. The requests thereof as contained in their Board Resolution #33 – 2018 is hereby **DENIED** at the committee level. The MWCC is therefore directed to wait until the lease period expires in 2030, whereby a new lease contract will have to be firmed up between the MWCC and the LGU of Moncada.

(SGD) COUN. CLEOFÉ D. FAVIS
Chairperson, Trade and Industry and Cooperatives
Lead Committee

WE CONCUR:

(SGD) COUN. ALBERTO C. MARZAN, JR.
Chairperson, Health and Social Services

(SGD) COUN. EDWARD V. TOLENTINO
Chairperson, Finance, Ways and
Means and Appropriations



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(SGD.) COUN. GEORGE MICHAEL P. AGUILAR
Chairperson, Labor and Employment

(SGD) COUN. JANIUS M. YASAY
Chairperson, Rules and Ordinances

X=====X

CERTIFICATION

I hereby certify that the foregoing report is a true and complete record of transactions that transpired during the joint committee meeting held at the SB Session Hall, Legislative building, Moncada, Tarlac on June 26, 2018.

(SGD) COUN. CLEOFÉ D. FAVIS
Sangguniang Bayan Member
Chairperson, Committee on Trade and Industry and Cooperatives

Signed: June 26, 2018

ATTESTED BY:

(SGD) VICTOR SANDINO S. MOLINA, MSN, MPA
SB Secretary – designate

Signed: June 26, 2018