



*Office of the Sangguniang Panlalawigan*

EXCERPT FROM THE MINUTES OF THE 3<sup>rd</sup> REGULAR SESSION OF THE 10<sup>th</sup> SANGGUNIANG PANLALAWIGAN OF ISABELA HELD AT PROVINCIAL CAPITOL, ILAGAN CITY, ISABELA ON JULY 16, 2019.

PRESENT:

DELFINITO EMMANUEL L. ALBANO	Member (1 <sup>st</sup> District) & Presiding Officer Protempore
ALFREDO V. ALILI	Member (6 <sup>th</sup> District) & Floor Leader Protempore
EMMANUEL JOSELITO B. AÑES	Member (1 <sup>st</sup> District)
ED CHRISTIAN S. GO	Member (2 <sup>nd</sup> District)
EDGAR R. CAPUCHINO	Member (2 <sup>nd</sup> District)
RAMON JUAN N. REYES, JR.	Member (3 <sup>rd</sup> District)
RANDOLPH JOSEPH P. ARREOLA	Member (3 <sup>rd</sup> District)
ABEGAIL V. SABLE	Member (4 <sup>th</sup> District)
CLIFFORD R. RASPADO	Member (4 <sup>th</sup> District)
MARCO PAOLO A. MERIS	Member (6 <sup>th</sup> District)
DAX PAOLO C. BINAG	Member, SK Federation President

OFFICIAL BUSINESS:

FAUSTINO G. DY III	Provincial Vice Governor
FAUSTINO U. DY IV	Member (5 <sup>th</sup> District)
EDWARD S. ISIDRO	Member (5 <sup>th</sup> District)

**RESOLUTION NO. 353**  
**SERIES OF 2019**

**A RESOLUTION DECLARING APPROPRIATION ORDINANCE NO. 2018-08 (2019 ANNUAL BUDGET) IN THE AMOUNT OF ONE HUNDRED TWENTY EIGHT MILLION EIGHT HUNDRED SIXTY FIVE THOUSAND FIVE HUNDRED FIFTY SIX PESOS (P128,865,556.00) OF THE MUNICIPALITY OF SAN GUILLERMO, ISABELA INOPERATIVE IN PART**

**Sponsor: HON. DELFINITO EMMANUEL L. ALBANO**  
**Chairman, Committee on Municipal Appropriation**

**WHEREAS**, Municipal Appropriation Ordinance No. 2018-08, an ordinance authorizing the Annual Budget of the Municipality of San Guillermo for Fiscal Year 2019 in the total amount of **ONE HUNDRED TWENTY EIGHT MILLION EIGHT HUNDRED SIXTY FIVE THOUSAND FIVE HUNDRED FIFTY SIX PESOS (P128,865,556.00)** covering the various expenditures for the operation of the Local Government for Fiscal Year 2019, and appropriating the necessary funds for the purpose, pursuant to the provision of Section 327 of Republic Act 7160, otherwise known as the Local Government Code of 1991.

**WHEREAS**, the subject Appropriation Ordinance shows substantial compliance with the budgetary requirements, general limitations and other provisions set forth under Republic Act No. 7160, except for the following item of appropriation:

1. The Appropriation for Personal Services (PS) Costs exceeded the PS limitation by Three Hundred Twenty Six Thousand Seven Hundred Forty & 80/100 (P326,740.80). Section 325(a) of Republic Act 7160 provides that the total appropriation, whether Annual or Supplemental, for Personal Services of a Local Government Unit for one (1) fiscal year shall not exceed forty-five

***Nagkaisa para sa Isabela***

percent (45%) in the case of first to third class Provinces, Cities and Municipalities, and 55% in case of 4th class or lower, of the total Annual Income from Regular Sources realized in the Next Preceding Year, to wit:

Total Income from Regular sources (NPY)	<u>P126,811,002.21</u>
Allowable PS Level (55%-PS limitation)	P 58,679,070.03
Less: Appropriation for PS	<u>59,005,810.83</u>
Excess Over PS Limitation	<u>(P 326,740.80)</u>

**WHEREAS**, Item 3.6.3(a), page 91 of Budget Operations Manual for Local Government Units, 2016 edition as prescribed under DBM Local Budget Circular No. 112 dated June 10, 2016 provides to declare the Appropriation Ordinance inoperative in part when some items are contrary to limitations or in excess of the amount prescribed by RA 7160 such as but not limited to Discretionary Purposes, Personal Services, Funds for confidential/intelligence expense, Appropriation for Debt Servicing;

**NOW THEREFORE**, on motion of **SP Member RANDOLPH JOSEPH P. ARREOLA** duly seconded:

**THE SANGGUNIANG PANLALAWIGAN IN SESSION DULY ASSEMBLED:**

**RESOLVED**, to declare Appropriation Ordinance No. 2018-08 (2019 Annual Budget) of the Municipality of San Guillermo, Isabela **INOPERATIVE IN PART** subject to the posting requirements under Section 59 of Republic Act No. 7160 and subject further to the following conditions:

1. The DBM Local Budget Memorandum No. 77, additional instruction No. 3 of LBP Form No. 3 states that only funded vacant positions shall be included in the plantilla. All unfunded positions shall be removed/deleted from the plantilla.

*We noted that there are Nine (9) unfunded vacant positions as shown in the Personnel Schedule of various Offices/Departments. Please be informed that vacant positions are deemed not properly created if such had not fully provided with corresponding appropriations for basic salary and other compensation. (Item 5.3 of DBM Local Budget Circular No. 98 dated October 14, 2011). Since there is no appropriation to back up its legal existence, its abolition is hereby recommended;*

2. The following Position Title and Salary Grade should be in accordance with DBM LBC No. 61 dated March 18,1996 on the revised Index of Occupational Services, Position Titles and Salary Grades (IOS) in the Local Government, to wit:

OFFICE	ITEM NO.	POSITION TITLE IN THE LGU AND SG	LBC No. 61 IOS
MPDC	8.70	Development Management Officer SG-15	Development Management Officer II SG-15

3. The MHRMO must reconcile the inconsistencies of Salary Rates, Salary Grades and Step Increments of the following positions in accordance with Salary Schedule Annex "A1" of DBM Local Budget Circular No. 118 dated January 15, 2019 :

OFFICE	ITEM No.	POSITION TITLE IN THE PLANTILLA & SG/STEP	SALARY IN THE PLANTILLA	LBC 118 ANNEX "A1"
MHO	9.16	Administrative Aide I (Utility Worker I) SG-1/6	P 137,316	P 138,456
	9.25	Medical Technologist SG-11/4	P 255,924	P 259,428

4. The appropriation for Discretionary Fund exceeded the 2% of the actual receipts derived from basic Real Property Tax (RPT) in the next preceding calendar year by Two Thousand Nine Hundred Ten Pesos and 48/100 (P2,910.48). Section 325(h) of Republic Act No. 7160 provides that the annual appropriations for discretionary purposes of the Local Chief Executive **shall not exceed** the 2% of the actual receipts derived from basic Real Property Tax (RPT) in the next preceding calendar. To wit:

Actual Receipts Derived from RPT (NPY)	<u>P 217,476.00</u>
Required Appropriation (2%)	P 4,349.52
Amount appropriated	<u>P 7,260.00</u>
Excess	<u>P 2,910.48</u>

Furthermore, the Appropriation for Extraordinary and Miscellaneous Expense under the Office of the Municipal Mayor in the amount of Twenty Thousand Pesos (P20,000.00) is **disallowed**. There is no specific provision in the Code which authorizes appropriations for Extraordinary and Miscellaneous Expense separate and distinct from the Discretionary Fund, as both have the same purpose.

5. As per Worksheet of the Proposed New Appropriation By Object Of Expenditures, the total amount of the following accounts do not coincide with the amount stated at the Summary of Proposed New Appropriations, by Object of Expenses and by Sector, to wit:

Account	LEP (Proposed New Appropriation by Object of Expenditures)	LEP (Summary)	Difference
Training Expense	P1,866,000.00	P2,291,000.00	(P425,000.00)
Donations	P1,245,000.00	P1,575,000.00	(P330,000.00)

Other MOOE	P7,898,260.00	P7,143,260.00	P755,000.00
Office Equipment	P425,000.00	P386,000.00	P39,000.00
ICT Equipment	P405,000.00	P409,000.00	(P4,000.00)
Furniture & Fixtures	P70,000.00	P105,000.00	(P35,000.00)
Land Improvements	P350,000.00	P250,000.00	P100,000.00
Infrastructure Assets	P100,000.00	-	P100,000.00
Building & Other Structure	P1,300,000.00	P1,500,000.00	(P200,000.00)

Typographical errors should be avoided especially in the budget documents which are considered legal documents.

6. The utilization of the appropriation for Capital Outlay in the amount of Two Million Six Hundred Fifty Thousand Pesos (P2,650,000.00) shall be governed by the provisions of Republic Act No. 9184, the Government Procurement Reform Act (GPRA) and its Implementing Rules and Regulations. Likewise, the appropriation for Capital Outlay should be properly classified to specific Object of Expenditures as per COA Circular No. 2015-009 dated December 1, 2015, on the Prescribing the Revised Chart of Accounts for Local Government Units;
7. That the utilization of 5% LDRRMF shall be in accordance with the approved Local Disaster Risk Reduction and Management Plan pursuant to RA 10121 and its implementing Rules and Regulations, as supplemented by NDRRMCD-BM-DILG JMC No. 2013-1 dated March 25, 2013;
8. The appropriation for the following projects under the 20% Development Fund shall be identified or broken down into specific/project component indicating the activities/programs to be undertaken and the project site/location in accordance with the DILG-NEDA-DBM and DOF Joint Circular No. 1, s. 2007 and that the appropriation shall strictly cover only the development projects prescribed and authorized under DILG-DBM Joint Memorandum Circular No. 2017-1 dated February 22, 2017:
  1. Construction of Potable Water System to Various Barangays for P300,000.00.
  2. Installation of Street Lights for P2,000,000.00.
  3. Construction of Residual Containment Area (RCA) for P100,000.00.
  4. Construction of Urban Drainage System for P2,000,000.00.

Furthermore, the following project is **disallowed**:

1. Purchase of Equipments/Gadgets for CBMS for P500,000.00

Said project is not covered by said JMC, however same can be re-appropriated in the General Fund Account provided the no less than 20% requirement for EDF shall be observed or can be re-programmed with programs/projects activities covered by said Joint Memorandum Circular.

That all procurement activities shall be governed by the Government Procurement Reform Act (Republic Act No. 9184) and its 2016 Revised IRR.

**RESOLVED FURTHER**, to require the Municipality of San Guillermo, Isabela to comply with the herein review findings/conditions and notify this body of actions taken thereon.

**RESOLVED FURTHERMORE**, to inform the Municipality of San Guillermo, Isabela that this review action does not authorize any item of appropriation that is/are specifically prohibited by or inconsistent with the provisions of law and that compliance with all the existing laws, rules and regulations shall be the responsibility of the Local Government Unit and disbursement of funds shall be subject to the usual budgeting, accounting rules and regulations.

**RESOLVED FINALLY**, to furnish a copy of this Resolution to the **Sangguniang Panglunsod of the Municipality of San Guillermo, Isabela** through the **Honorable MARILOU N. SANCHEZ, Municipal Mayor**.

**Approved and Adopted. July 16, 2019.**

**I HEREBY CERTIFY TO THE CORRECTNESS  
of the foregoing Resolution:**

  
**ATTY. FRANCIS JAMES E. MEER**  
Secretary, Sangguniang Panlalawigan

**ATTESTED/APPROVED:**

  
**DELFINITO EMMANUEL L. ALBANO**  
Board Member 1<sup>st</sup> District & Presiding Officer Protempore