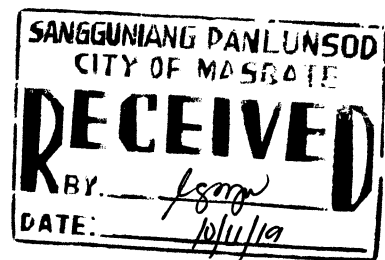




OFFICE OF THE CITY MAYOR

October 9, 2019

THE HONORABLE MEMBERS
SANGGUNIANG PANLUNGSOD
Masbate City



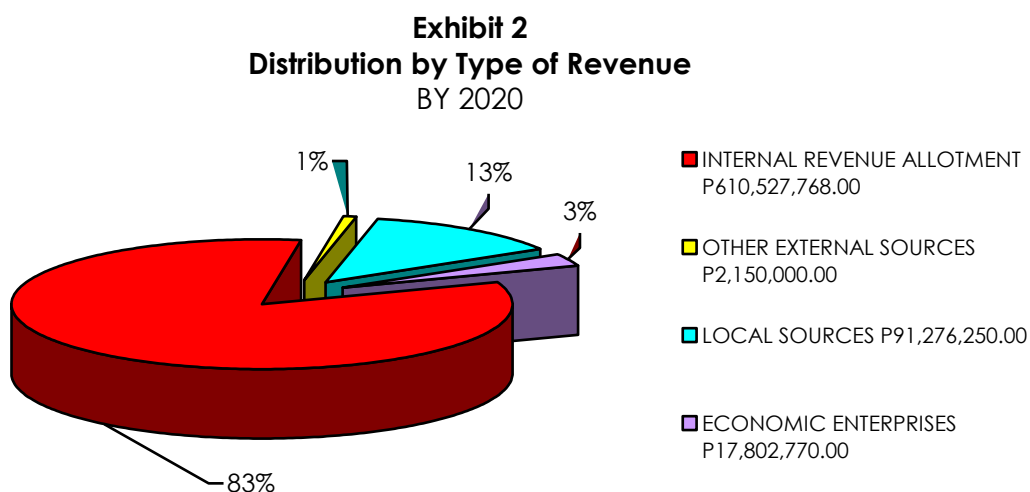
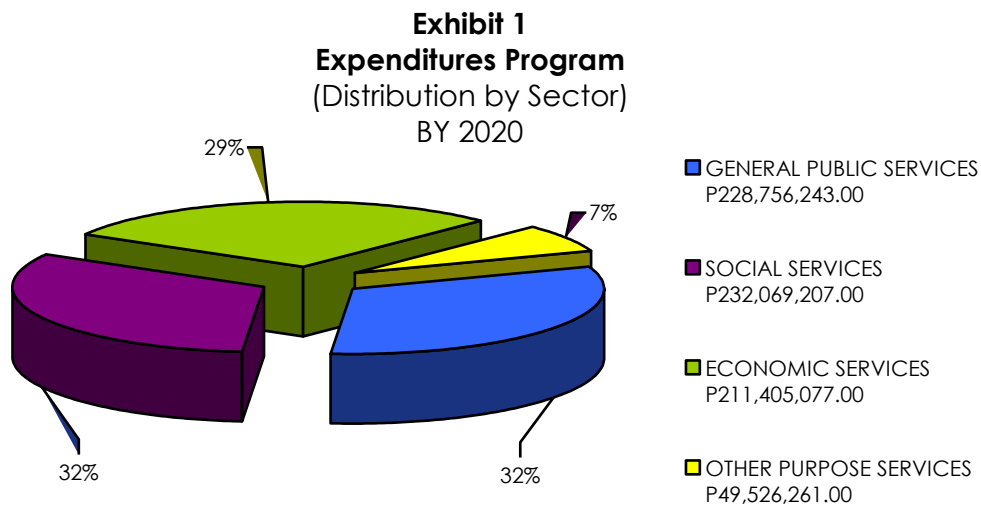
Ladies and Gentlemen:

May I submit the proposed Annual Budget for FY 2020 of the City Government of Masbate for both the General Fund and Operation of Economic Enterprises pursuant to Section 318 of Republic Act 7160, otherwise known as the Local Government Code of 1991 amounting to **Seven Hundred Twenty-One Million Seven Hundred Fifty-Six Thousand and Seven Hundred Eighty-Eight Pesos (₱721,756,788.00)**.

Our Annual Budget incorporates the programs, projects and activities of CY 2020 Annual Investment Program that ensures continuity and sustainability of developmental plans with good formulation, harmonization and synchronization.

We follow the mechanisms of participative processes involving of people from the local special bodies, the Local Finance Committee (LFC), department managers, non-governmental organizations and people's organizations or civil society organizations and the direct participation of our constituents through bottom-up approaches that contributed wide arrays of ideas, information and high standards of integrity that resulted into remarkable objectives, initiatives, policies and strategies that captures consensus and support from the general public.

Consistent with the provision of the Local Government Code pursuant to Section 17 (g) of RA 7160 covering the cost of providing basic services and facilities under Section 17 (b), the city government shall focus its resources to the attainment of our general objectives, thrusts and policies as illustrated in the expenditures program and sources of financing in Exhibits 1 and 2.



GOALS AND OBJECTIVES

Consistent with the provision of the Local Government Code, the LGU shall focus its resources to the attainment of the following general objectives:

- ✓ Provide more economic activities to reduce poverty incidence and to continue addressing the problem through infrastructure support development projects for sustained economic growth;
- ✓ Implement agricultural and fishery intensification program to increase production of agricultural crops, livestock and marine products for stable food supply;
- ✓ Intensify environmental protection and the integrity of the environment, climate change adaptation and mitigation as well as disaster preparedness and resiliency;
- ✓ Provide health, social and education services geared towards promoting economic growth and equity to marginalized constituents;
- ✓ Develop the youth full potentials and enhance skills for socio-cultural activities and nation-building;
- ✓ Achieve the desired efficiency and effectiveness in the delivery of services;
- ✓ Well-timed enactment and amendment of landmark legislations;
- ✓ Implementation of preventive or educational programs and activities against proliferation and use of illegal drugs through constructive and holistic approach;
- ✓ Men, women and children empowerment in the grass-root level;
- ✓ Barangay empowerment;
- ✓ Transparency and accountability;
- ✓ Just and lasting peace and the rule of law;

FISCAL POLICIES

Our continued commitment in building a faithful, stronger, more progressive, peaceful and vibrant Masbate City by focusing our strategies, policies and resources on fiscal regulations. We are committed to enhance tax collection via-a-vigorous tax information campaign and intensify tax collection efficiency to further fuel our economic development and progress.

To support the budget for FY 2019 the following fiscal policies and measures were taken into account as stated below:

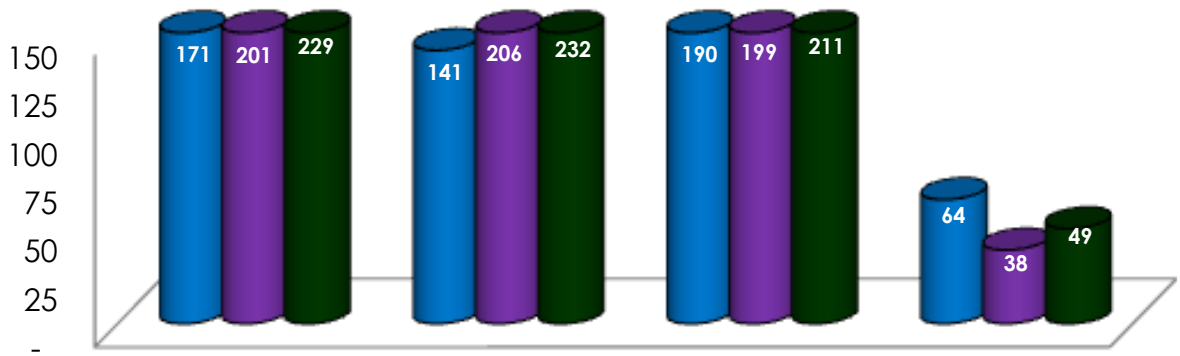
- 1) The IRA share shall be used as the primary fund source in accordance to Local Budget Memorandum No. No. 78 dated May 15, 2019 issued by the Department of Budget and Management;
- 2) The local income of the city government shall complement the IRA as an additional source of funding. Launching a vigorous tax information campaign supported by intensified tax collection effort as forerunner of our strategies will surely lessen our IRA dependency.

The city government programs, projects and activities shall continue building faithful, stronger, more progressive, peaceful and vibrant Masbate City by focusing our strategies, policies and resources pursuant to Executive Order No. 27 dated June 1, 2017 anchored on a set of Sustainable Development Goals (SDGs);

EXPENDITURE PROGRAM

The income estimates through our fiscal policies are focused on funding the different programs, projects and activities for sectors of services as shown in Exhibit 4 presenting the trend of expenditures from FY 2018 to FY 2020.

Exhibit 4
Expenditures Program by Sector
 Comparative Trend, BY 2018 - 2020
 (in million pesos)



Our budget has provided allocation as mandated under Section 287 of RA 7160 and guided by DILG-DBM JMC No. 2017-1 the 20% Development Fund.

As provided under Section 21 of RA No. 10121, Rule 18 and its IRR and item 4.0 of NDRRMC-DBM-DILG JMC No. 2013-1, 5% of the regular resources provided funds for Local Disaster Risk Reduction and Management programs, projects and activities.

We allocated from the total budget for 5% Gender and Development pursuant to RAs No. 7192, 9710, PCW-DILG-DBM-NEDA JMC No. 2016-01: 1% for Senior Citizen and Persons with Disabilities as required under RAs No. 9994, amending 7432, 9442 amending 7277. Implementation of the programs of the Local Council for the Protection of Children in adherence to RA 9344 is also provided.

Combating AIDS pursuant to RA No. 8504 has been a regular program of the City Health Office.

Taken into account also the allocation of local funds respective to our local nutrition action plan formulated in accordance with Philippine Plan of Action for Nutrition 2017-2022.

We provided funds in support to the eradication of problem of illegal drugs pursuant to Section 51 of RA 9165 respective to the approved Public, Order and Safety Plan.

ALLOCATION BY SECTOR OF SERVICES

General Public Services

The second major share of the budget goes to this sector with an allocation of ₱228,756,243.00 or 32% of the total budget that covers expenditures from services necessary to the operation of the agency comprising the executive and legislative services, over-all financial and fiscal services, planning, and other general centralized services.

Economic Services

This is the biggest share of allocation from the total budget amounting to ₱232,069,207.00 or 32% of the total appropriations.

This allocation is intended for economic infrastructure projects for acquisition and land development, road networks, flood control systems, pier, post harvest facilities, livelihood support development programs, other public infrastructures and environmental management and protection projects.

Inclusive under these funds are intended for the repair and maintenance of government structures, facilities, machinery, equipment, other capital expenditures and provision of funding of the frontline offices mandated to deliver and implement the aforesaid projects and programs.

Frontline offices tasked to deliver and implement the said programs were also provided through this sector of services

Social and Welfare Services

This sector ranks third with an allocation of ₱211,405,077.00 or 29% of the total budget shall address the needs of less fortunate families, provide assistance to distressed and displaced individual and families, care of the aged and persons with disabilities, the gender and development programs and for the welfare and protection of children and other common health care programs and projects.

It includes the provisions for disaster preparedness, response, prevention, mitigation, rehabilitation and recovery programs, projects and activities.

Preferential funding were provided for social infrastructure projects such as water systems, street lights, school and ALS building, day care centers, multi-purpose buildings, birthing facility and other structures such as dental gutter and sanitary toilets with septic tanks essential to the well-being and health of our constituents.

Frontline offices tasked to deliver and implement the said programs were also provided through this sector of services

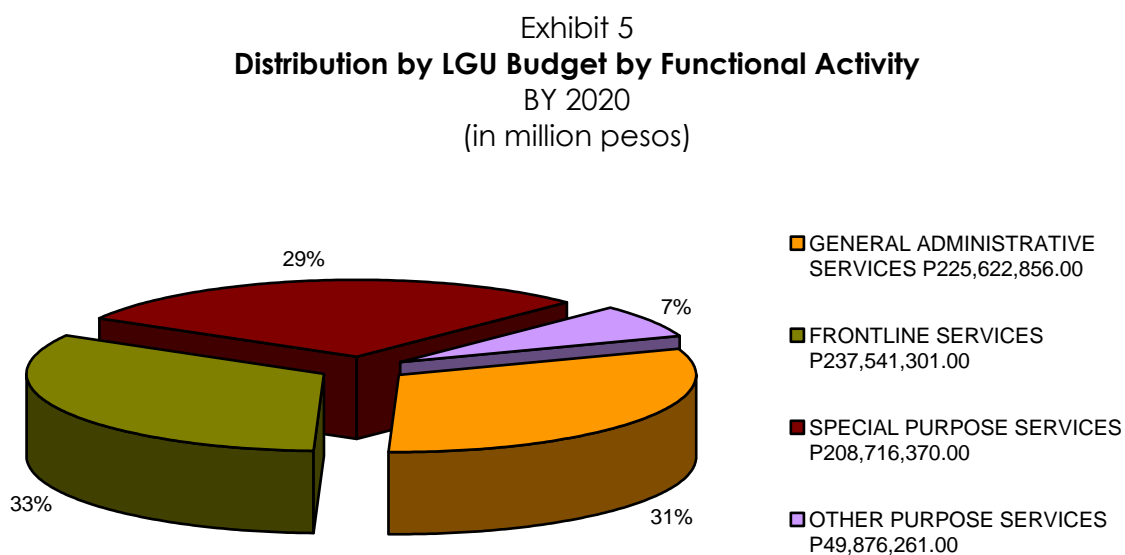
Other Purpose Services

The amount of ₱49,526,261.00 or 7% is allocated for budgetary requirements such as insurance and documentary stamp expenses , debt services, personnel benefit fund and aid to barangays pursuant to the provision of R.A. 7160 of the Local Government Code.

We are committed to pursue our aspiration and vision of a vibrant Masbate City with these significant programs, projects and activities funded under limited resources in accordance with the guidelines prescribe by DBM Local Budget Memorandum No. 78 dated May 15, 2019.

DISTRIBUTION BY MAJOR EXPENSE CLASS

It has been long recognized that in order for a local government unit to achieve efficient and effective operation, it should aim for the improvement of the ratio of its overhead costs to cost of production and service delivery. Thus, it is important to present in this Message, through the chart below, the direct cost of public goods and services produced and delivered vis-à-vis their associated costs. This presentation slices the budget pie on the basis of functional activity.



Personal Services

The allocation of ₱289,953,397.00 or 40% for Personnel Services for the Budget Year is in accordance to the Modified Salary Schedule pursuant to Executive Order No. 201 from the Office of the President dated February 19, 2016 including the appropriation intended for other compensations; personnel benefit contributions and other benefits of permanent, elected, co-terminus and temporary plantilla personnel. Funding of wages for our job orders/contract and service/agreement were provided. It attributes and compliment to the strong, cost-effective and service efficiency of the city government.

Maintenance and Other Operating Expenses

To respond to the needs of various offices and sections for an effective performance of its basic mandate and operations, an amount of ₱266,226,485.00 represents 37% of the total budget has been provided to enable to achieve their specific goals and targets.

Capital Outlay

An amount of ₱165,576,906.00 or 23% of the total budget has been allocated for economic services inclusive of infrastructure project, environmental management and protection, health, social and general public services as well as the procurement of equipment for office, information and communication technology, medical, musical instruments, watercraft, motor vehicles, other machineries, furniture and fixtures,

OPERATION OF ECONOMIC ENTERPRISES

The Proposed Budget for the Operation of Economic Enterprises in FY 2019 shall be sourced out from the following:

Particulars	Amount	% Total
Receipts from City Fish Complex	₱ 7,293,350.00	41
Receipts from Markets	6,409,320.00	36
Receipts from Slaughterhouse	3,700,000.00	21
Other Business Income	400,100.00	2
Total Receipts/Available for Appropriation	₱17,802,770.00	100

The source as allocated as follows:

Particulars	Amount	% Total
Personal Services (PS)	₱ 12,963,510.00	73
Maintenance and Other Operating Expenses (MOOE)	4,839,260.00	27
Total	₱17,802,770.00	100

CONCLUSION

Our Annual Budget is the result of good planning by prioritizing the current needs of our constituents based on consultations and status of what has been implemented and completed that transpires and informs the legislative body, on how the limited resources have been optimized to the most indispensable and specific programs, projects and activities expanding to the different sectors of services essential to the needs and well-being of our constituents.

Submitted together with this Message is the Local Expenditures Program, Plantilla of Personnel, Annual Operating Budget of LEEs, Annual Investment Program and other supporting documents. Gentlemen and Ladies of the Sanggunian, this budget proposal manifests our determination to lay a strong foundation for a greater and progressive city. Let us all be a part of the mission of providing improved Masbateños quality of life through sustained and inclusive socio-economic development.

This is an urgent measure for your immediate and appropriate action.

AKSYON PADAYON!

Respectfully yours,


ROWENA R. TUASON
City Mayor

Padayon na Pag-urusad....Katawhayan kag Progreso!

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