



Republic of the Philippines
 Province of Masbate
City of Masbate

OFFICE OF THE CITY MAYOR

October 6, 2014

THE HONORABLE MEMBERS
SANGGUNIANG PANLUNGSOD
 Masbate City

Ladies and Gentlemen:

In compliance with the provision of Section 318 of Republic Act 7160, otherwise known as the Local Government Code of 1991, I am submitting herewith the proposed Annual General Fund Budget of the City Government of Masbate for FY 2015 amounting to **Four Hundred Thirty-Six Million One Hundred Forty-Seven Thousand Three Hundred Fourteen Pesos (₱436,147,314.00)**.

A. Introduction

Our Annual Budget incorporates the programs, projects and activities of CY 2015 Annual Investment Program that will ensure continuity and sustainability of developmental plans through good formulation, harmonization and synchronization.

We follow the mechanisms of participative processes involving of people from the City Development Council (CDC) and other Local Special Bodies, the Local Finance Committee (LFC), Department Managers and the direct participation of our constituents through bottom-up approach that contributed wide arrays of ideas, information, experiences and high standards of integrity that develop into remarkable objectives, initiatives, policies and strategies while capturing consensus and support from the populace.

The balanced General Fund for FY 2015 is composed of the Expenditures Program and Sources of Financing both amounting to ₱436,147,314.00. It means a per capita spending of ₱5,117.00.

The Expenditures Program and Sources of Financing are illustrated in Exhibits 1 & 2.

Exhibit 1
Expenditures Program
 (Distribution by Sector)
 BY 2015

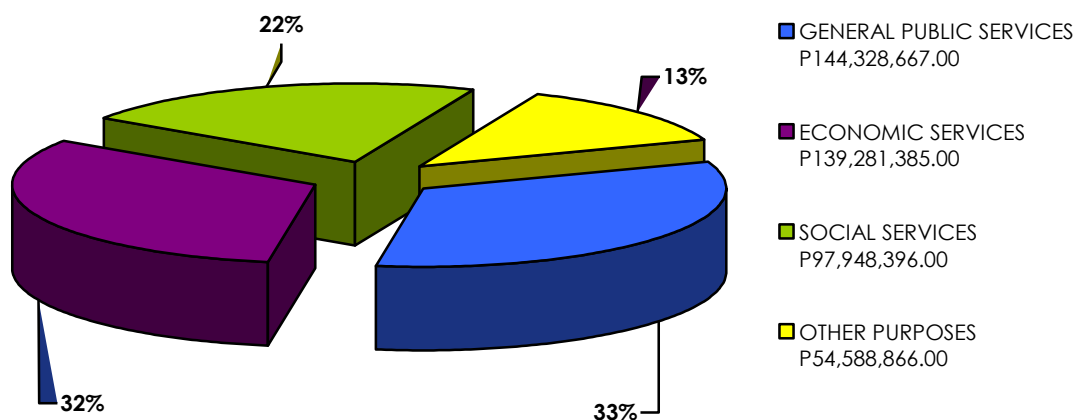
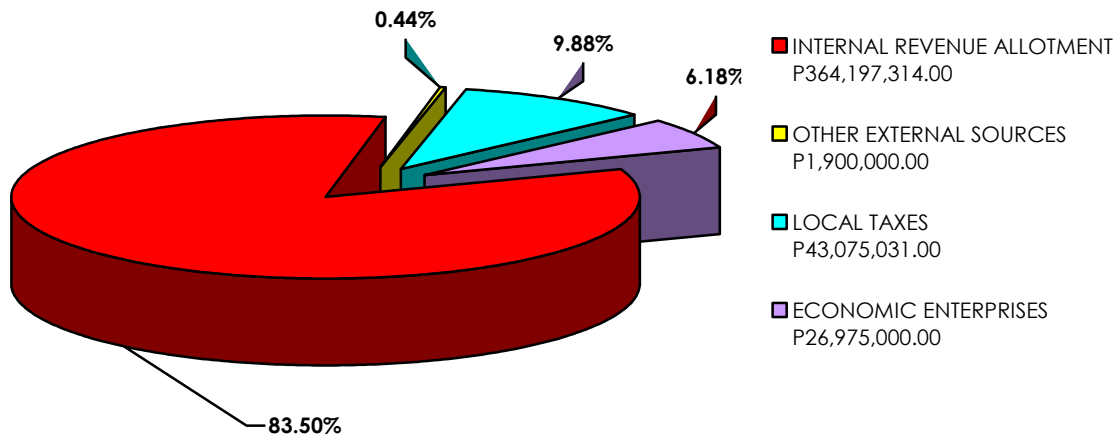


Exhibit 2
Distribution by Type of Revenue
 BY 2015



B. Goals and Objectives

The city expects to attain the following objectives:

- ✚ To increase per capita income by a stated realistic percentage;
- ✚ To deliver livelihood and support development services;
- ✚ To provide accessibility to basic needs and services;
- ✚ To enhance delivery of health care and social services;
- ✚ To intensify programs in agriculture such as fisheries and livestock production;
- ✚ To implement infrastructure development projects with economic and social impact for the 30 component barangays;
- ✚ To protect and preserve our environment;

C. 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 in shaping our city to progress.

We are guided by the following target policies and measures for this Budget Year 2015 as follows:

- ✚ Capability building for collections and revenue centers;
- ✚ Maintain tax collection efficiency;
- ✚ Provide more economic activities through livelihood and support programs accompanied by infrastructure support development projects ;
- ✚ Implement agriculture intensification program to increase production of agricultural crops, livestock and marine products for sustained economic growth;
- ✚ Provision of funding for social and health services to our constituents;
- ✚ Evaluate and review the existing policies governing the economic enterprises and make actions and measures for sustainability and viability of the enterprises.

This administration commits to pursue our aspiration and vision of a vibrant Masbate city with significant programs, projects and activities needed for an efficient and effective delivery of the basic services enumerated in the Local Government Code.

Allocation of Funds

A summary of our total General Budget proposal will show the allocation by sector as follows in Exhibit 3:

Exhibit 3
Expenditures Program by Sector

Sector	Amount	% Total
General Public Services	₱ 144,328,667.00	33
Economic Services	139,281,385.00	32
Social Welfare Services	97,948,396.00	22
Other Purpose	54,588,866.00	13
Total	₱ 436,147,314.00	100

General Public Services

The major share of the budget goes to this sector which has an allocation of ₱144,328,667.00 or 33% of the total budget shall cover expenditures from services that are necessary to the existence of the agency comprising the executive and legislative services, over-all financial and fiscal services, planning, public order and safety and other general centralized services.

Economic Services

This is the second biggest share with an allocation of ₱139,281,385.00 or 32% of the total appropriations.

This allocation is intended for economic infrastructure projects for roads, bridges, pathways and alleys, pier, post harvest facility, livelihood support development programs and other public infrastructures for environmental management and protection.

Repair and maintenance of government structures and facilities such as electrification, power and energy structures, government building, roads, alleys, pathways, bridges, canals and laterals, parks, plazas and others were also provided.

Provisions of funds were also provided for frontline offices task to deliver and implement the said programs.

Social Services and Welfare

This sector ranks third with an allocation of ₱97,948,396.00 or 22% of the total budget to assists and address the need of less fortunate families for health and welfare; 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.

Preferential funding were provided for social infrastructure projects such as electrification, multi-purpose buildings, water systems, health and day care centers, evacuation centers, schools stages, perimeter fences, and other structures essential to the well-being of the people.

Frontline offices tasked to deliver and implement the said programs were also provided through this fund.

Other Purposes

The amount of ₱54,588,866.00 or 13% is allocated for programs, projects and activities related to disaster preparedness, prevention and mitigation as well as disaster response and rehabilitation.

Funding for budgetary requirements were provided for debt services, personnel benefit fund and aid to barangay in compliance to the provision of Section 324 (1) of R.A. 7160.

Exhibit 4 shows the trend of expenditures for FY 2013 to FY 2015.

Exhibit 4
Expenditures Program by Sector
 Comparative Trend, BY 2013 - 2015
 (in million pesos)

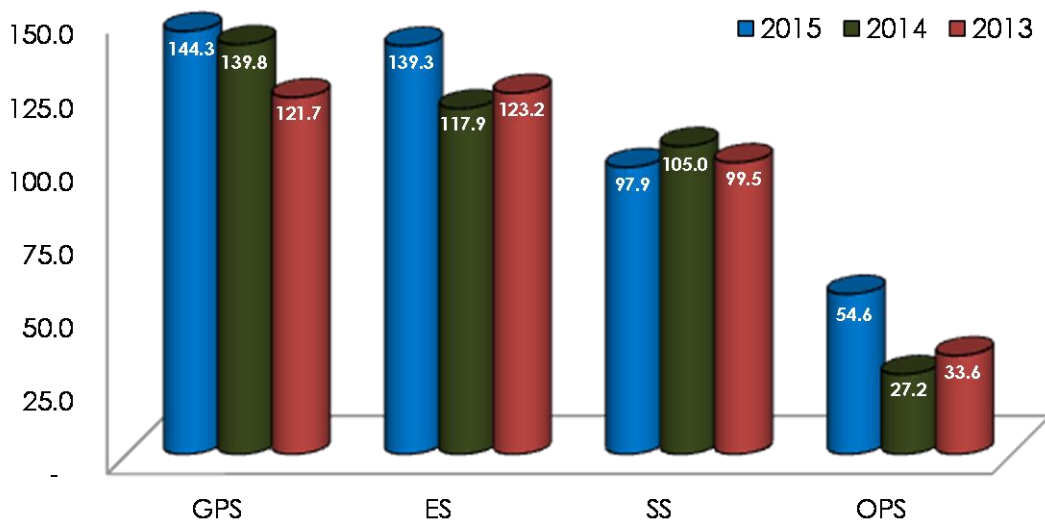
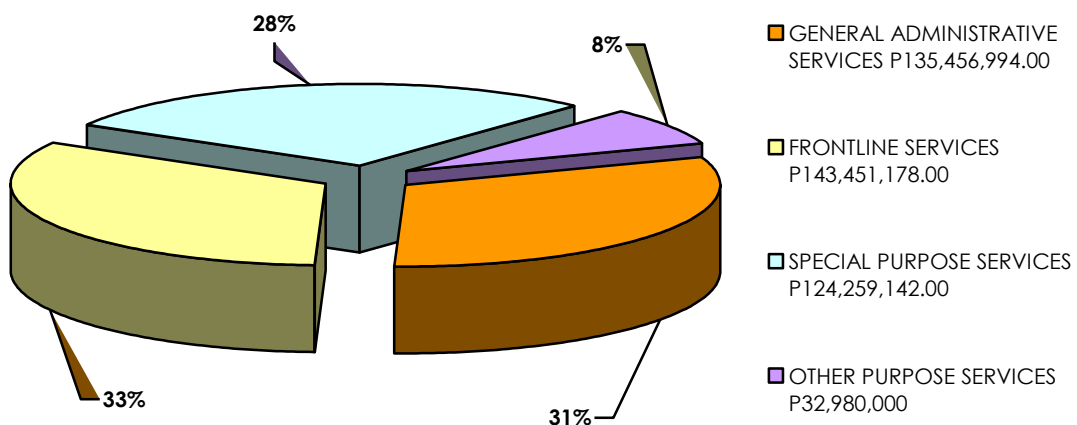


Exhibit 5
Distribution by LGU Budget by Functional Activity
 BY 2015
 (in million pesos)



D. Distribution by Functional Activities

The distribution of the city's budget in Exhibit 5 shows that ₱135,456,994.00 or 31% is allocated for the general administrative services covering the executive, legislative, planning and other support offices. An amount of ₱143,451,178.00 or 33% will finance the agriculture, engineering, health and social services of frontline offices. Mandatory

and budgetary appropriations amounting to ₱124,259,142.00 or 28% for development infrastructure projects, gender and development, concerns for senior citizens and persons with disability together with the protection and welfare of children. Debt services, aid to barangays and personnel benefit fund were also provided aggregating an amount of ₱32,980,000.00 or 8% from the total annual budget.

E. Distribution by Major Expense Class

Personal Services

The total expenditures for Personal Services for the Budget Year is ₱153,129,080.00 or 35.11% of the total budget. The amount appropriated is intended for the salaries, wages and other compensation of permanent and temporary plantilla personnel in accordance to the Modified Salary Schedule, Annex-4 of the Local Budget Circular No. 99, dated May 25, 2012. The wages of casual and contractual employees and Personnel Benefit Fund to cover terminal leave pay and other benefits of plantilla personnel were also included.

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 ₱181,648,719.20 represents 41.65% of the total budget has been provided to enable to achieve their specific goals and targets.

Capital Outlay

₱101,369,514.80 or 23.24% of the total budget has been allocated for economic and social infrastructure projects under the 20% Development Fund, and the procurement of furniture, fixtures, IT equipment and software, other machineries, office equipment and transport equipment.

F. Operation of Economic Enterprise

The Proposed budget for the Operation of Economic Enterprises in FY 2015 shall be sourced out from the following:

Particulars	Amount
Receipts from City Fish Complex	₱ 18,775,000.00
Receipts from Markets	5,200,000.00
Receipts from Slaughterhouse	3,000,000.00
Total Receipts	₱ 26,975,000.00
Total Available for Appropriation	₱ 26,975,000.00

The source as allocated as follows:

Particulars	Amount	% Total
Personal Services (PS)	₱ 9,482,318.00	35
Maintenance & Other Operating Expenses (MOOE)	16,153,932.00	60
Capital Outlay (5% CDRRMF)	1,338,750.00	5
Total	₱26,975,000.00	100

Conclusion:

Submitted together with this Message are the Local Expenditures Program and the Budget of Expenditures and Sources of Financing.

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

The policies we conveyed on plan-budget synchronization and harmonization genuinely responds to people's needs and to our battlecry... **Padayon na Pag-urusad...Katawhayan kag Progreso... AKSYON PADAYON!**

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

Respectfully yours,


ROWENA R. TUASON
City Mayor