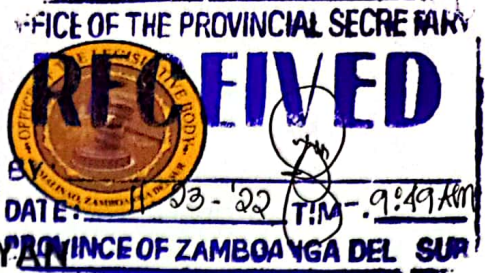




Republic of the Philippines  
 Region IX  
 Province of Zamboanga del Sur  
**MUNICIPALITY OF DUMALINAO**



**OFFICE OF THE SANGGUNIANG BAYAN PROVINCE OF ZAMBOANGA DEL SUR**

**EXCERPTS FROM THE MINUTES OF THE 14<sup>th</sup> REGULAR SESSION OF THE 12<sup>TH</sup> SANGGUNIANG BAYAN OF DUMALINAO, ZAMBOANGA DEL SUR, HELD AT SB SESSION HALL ON NOVEMBER 14, 2022.**

**Present:**

- |                                   |                        |
|-----------------------------------|------------------------|
| <b>HON. LORENZO S. ALCANTARA</b>  | - Municipal Vice Mayor |
| <b>HON. RONALDO D. ENCABO</b>     | - SB Member            |
| <b>HON. ARNOLD L. FLORES</b>      | - SB Member            |
| <b>HON. FREDERICK R. BALANDRA</b> | - SB Member            |
| <b>HON. HERMES B. CABALES</b>     | - SB Member            |
| <b>HON. MA. GEMMA C. ALBISO</b>   | - SB Member            |
| <b>HON. RHOLLY A. LABANG</b>      | - SB Member            |
| <b>HON. ROMEO G. LIGAN</b>        | - SB Member            |
| <b>HON. JELITO R. PEÑONAL</b>     | - SB Member            |
| <b>HON. JESSIE NIEL C. PAULO</b>  | - ABC President        |
| <b>HON. JEZIEL R. DAGUPAN</b>     | - SKF President        |
| <b>HON. ROMEO D. PARILA</b>       | - IPMR                 |

**Absent:**

**NONE**

**ORDINANCE NO. 2022-11-469**

**AN ORDINANCE ESTABLISHING THE LOCAL GOVERNMENT UNIT OF DUMALINAO FEED MILL ECONOMIC ENTERPRISE AND PROVIDING FUNDS THEREOF, AND FOR OTHER PURPOSES.**

**WHEREAS**, the municipality of Dumalinao, Zamboanga del Sur, is a fourth-class municipality in the Province of Zamboanga del Sur, comprising thirty (30) barangays with a growing population of less than thirty-three (33,000) thousand inhabitants;

**WHEREAS**, generally Dumalinao is characterized by rolling lands terrain, noted for having vast agricultural lands and municipal sea waters, with great resources, yet rightfully described to be farming, the primary source of living;

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**WHEREAS**, the law mandates to generate and maximize the use of resources and revenues for the development plans, programs, objectives, and priorities of the municipality, as provided for in Section 18 of R.A. 7160, the Local Government Code of 1991, with particular attention to Agro-Industrial development and countrywide growth and progress;

**NOW, THEREFORE**, in view of the foregoing premises, upon motion of Honorable Hermes B. Cabaes and severally seconded;

**BE IT ORDAINED**, as it is hereby ordained by the 12th Sangguniang Bayan of Dumalinao, Zamboanga del Sur in session assembled that:

**SECTION I. TITLE** – This ordinance shall be known as the "**Dumalinao Feed Mill Economic Enterprise**".

**SECTION II. DECLARATION OF POLICY** – It is the policy of the Municipal Government to promote the general welfare of the people with priorities and attention to Agro-Industrial development in an end view to save the farmers.

**SECTION III. PURPOSE** – To respond to the call and need to promote the general welfare as provided for under Section 16 of R.A. 7160 of the Local Government Code of 1991, create and generate job opportunities, promote food security and affordability, and help establish a just and social life.

**SECTION IV. SCOPE AND APPLICATION** – The feed milling operations shall be engaged primarily and initially in the production of hog feeds. It shall buy feed materials and ingredients directly from local farmers in the barangays within the municipal and territorial jurisdiction. Marketing of feed products shall be a priority to local hog backyard raises.

**A. TARGET PRODUCTS**

1. Hog Starter
2. Hog Grower
3. Hog Finisher
4. Hog Gestating Feeds
5. Hog Lactating Feeds



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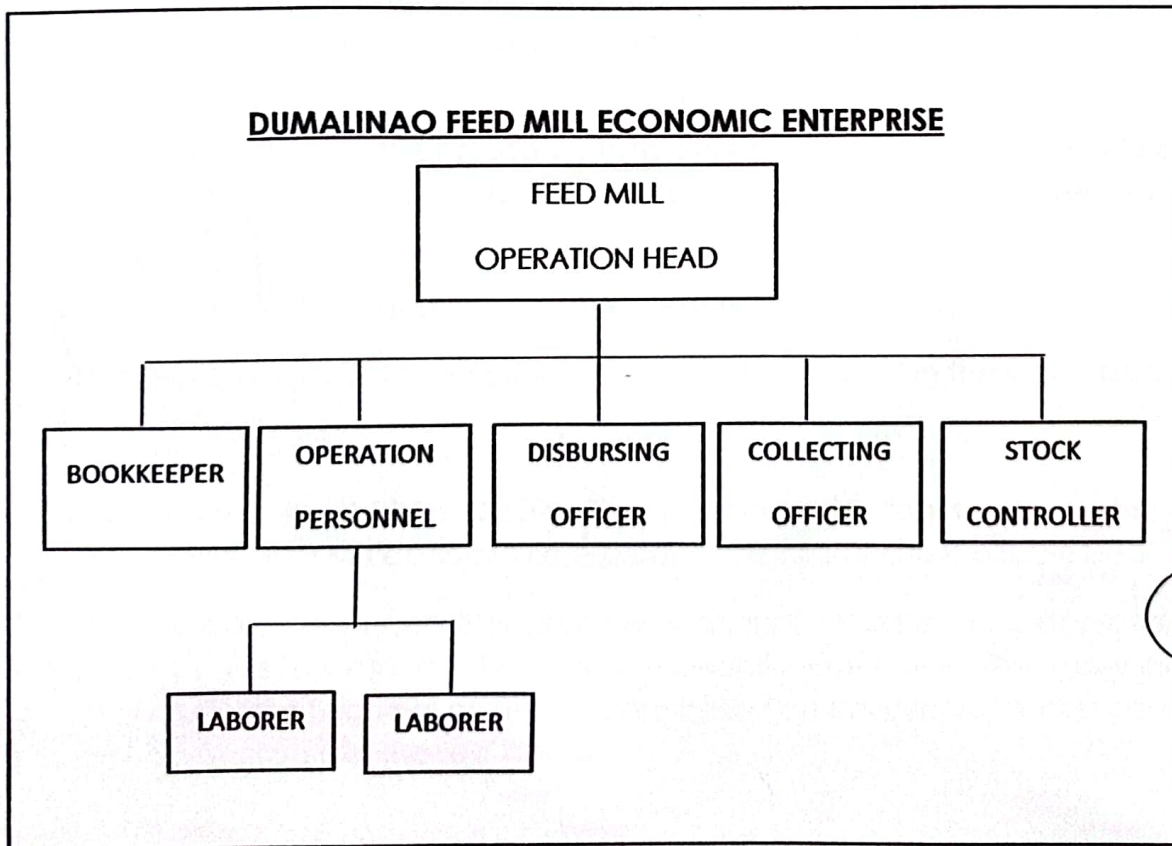
Handwritten signatures of the Sangguniang Bayan members.



**B. SAVE THE FARMERS SUPPORT MECHANISM**

1. The local backyard hog raisers will avail of a full hog consultation by the Municipal Livestock Technician (MLT);
2. In the event hog raisers animals will be infected by sickness, the MLT will visit their premises and examine the affected animal;
3. Free medicines will be provided to infected hogs subject, however, to the availability of the same;
4. To avoid of animal dispersal as the LGU may engage later; and
5. To avail of free and regular seminars/trainings on hogs and poultry care, protection and management which the LGU may engaged hereof.

**SECTION V. ORGANIZATION AND STAFFING PATTERN: FUNCTIONS, DUTIES AND RESPONSIBILITIES** - The Dumalinao Feed Mill Economic Enterprise will not affect the structure of the Local Government Unit of Dumalinao. However, several staffing additions are required to implement this economic enterprise successfully. These positions will work within existing departments and report to appropriate department supervising heads. A diagram (Diagram 1.0) is provided below:



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The duties and responsibilities of these personnel are as follows:

**a. FEED MILL OPERATION HEAD** - This is a full-time position that shall supervise and manage the entire operation of the Dumalinao Feed Mill Economic Enterprise. He/ she shall develop policies that correlate with strategies and techniques to enhance feed mill operations. He/she is also tasked to oversee compliance with existing regulations and is liable for reporting to the LGU officials and the supervising department heads concerned about all operational progress and mishaps of the feed mill.

**b. BOOK KEEPER** – responsible for recording and maintaining the Dumalinao Feed Mill Economic Enterprise's daily financial transactions. He/she shall prepare and provide financial statements to the Feed Mill Operation Head.

**c. COLLECTING OFFICER** - receives and remits daily cash collections to the treasurer and verifies reviews, consolidates collection reports; records and reports discrepancies and adjustments in the collection; prepares daily collection reports and cash receipt vouchers and other documents.

**d. DISBURSING OFFICER** – responsible for the proper release of funds. Prepares report for the release and status of government funds.

**e. STOCK CONTROLLER** – maintains the stock inventory to meet the feed mill requirements. He/she will analyze supply chain data to ensure stock availability, place purchase orders, transfer stocks, and maintain purchase and pricing reports.

**f. OPERATIONAL PERSONNEL** – responsible for improving operational procedures to promote efficiency and foster relationships between clients, suppliers, and vendors.

**g. DRIVER** – aids in the transport of products during operations.

**h. LABOURER** – responsible for various manual tasks needed in the operation.

**SECTION VI. FINANCIAL PROJECTION** - The financial projections for the creation of Dumalinao Feed Mill Economic Enterprise are highlighted in the table below.

These figures account for the projected annual income and operating expenses of the Dumalinao Feed Mill Economic Enterprise. The following assumptions for the financial projections are based on the current market price of products available in the market, to wit:

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- Dumalinao Feed Mill Economic Enterprise start-up capital is One Million Five Hundred Thousand Pesos (Php1, 500, 000.00);
- One full load is a Two Hundred (200) kilo mixing of all the ingredients (material) and labor needed;
- One (1) sack is equal to Fifty (50) kilos of finished feed products;
- The Cost of Goods Sold (COGS) comprises the materials and labor directly related to the product. Per product is estimated as follows:
  1. HOG PRE- STARTER is at P2, 256.20 per 1 load or P45.12 per kilo.
  2. HOG STARTER is at P1, 450.32 or P29.01 per kilo.
  3. HOG GROWER is at P384.16 or P27.68 per kilo.
  4. HOG FINISHER WITH RECTO by 3.6% or P1, 432/sack or 28.64/kilo.
  5. HOG GESTATING by 4.7% or P1, 343.00/sack or P26.87/kilo.
  6. HOG LACTATING by 11.11% or P1, 604.00/sack or P32.08/kilo.

Selling prices per feeds product are marked up at a different percentage due to differences in materials used and their costs, as well as the current market price of the same feed product available in the market.

**SECTION VI-A.** In the first year of its operation, the Dumalinao Feed Mill Economic Enterprise hog feed production can cater to fifty (50) hogs and twenty (20) sows (for the lactating and gestating feed product) per feed product per feeding schedule and projects to increase by an additional fifty (50) hogs, and ten (10) sows per year of operation, respectively.

**SECTION VI-B.** In the first year of operation the following assumptions are the fixed operating expenses are as follows, to wit:

1. Water Expenses at P12, 000.00;
2. Electricity Expenses at P18, 000.00;
3. Fuel and Lubricants at P80, 000.00;
4. Maintenance and Other Operating Expenses (MOOE) at P20, 000.00 expenses are assumed to increase by 10% per year.

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**TABLE 1. 1** - Showing the sales, expenses, and net income per year of the operation.

	2023	2024	2025	2026	2027
<b>Sales</b>	3,999,885.00	9,132,480.00	13,698,720.00	13,992,720.00	17,490,900.00
<b>Coast of Goods Sold</b>	3,759,749.94	8,604,079.50	12,906,119.25	13,176,863.70	16,471,079.63
<b>Gross Sales</b>	240,135.06	528,400.50	792,600.75	815,856.30	1,019,820.38
<b>Less: Expenses</b>					
<b>Water Expenses</b>	12,000.00	13,200.00	15,840.00	20,592.00	28,828.80
<b>Electricity expenses</b>	18,000.00	19,800.00	23,760.00	30,888.00	43,243.20
<b>Fuel and Lubricants Expenses</b>	80,000.00	88,000.00	105,600.00	137,280.00	192,192.00
<b>Maintenance and other Operating Expenses</b>	20,000.00	22,000.00	24,200.00	26,620.00	29,282.00
<b>Total Expenses</b>	130,000.00	143,000.00	169,400.00	215,380.00	293,546.00
<b>Net Income</b>	<u>110,135.06</u>	<u>385,400.50</u>	<u>623,200.75</u>	<u>600,476.30</u>	<u>726,274.38</u>

<b>Payback</b>	<b>4 years and 8 months</b>
<b>5 years ROI</b>	163%
<b>Annual ROI</b>	32.61%

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**SECTION VII. ADMINISTRATIVE PROVISIONS** – Under Sections 6 and 7 of Article III of Ordinance No. 2020-03-442-A, otherwise known as the Amended and Adopted the Code of Economic Enterprises of Dumalinao, Zamboanga del Sur. It is enforceable, hence, Article III – Management, Organization, Regulatory, Administrative, and Supervisory Functions are carried into effect hereof.

**SECTION 6, ARTICLE III OF ORDINANCE NO. 2020-03-442-A**

**Economic Enterprise Regulatory Board** – There shall be hereby constituted and Economic Enterprise Regulatory Board who is on top of the Economic Enterprise Organizational structure with the following composition, functions, schedule of meetings, and honorarium.

**1. COMPOSITION OF THE BOARD**

Chairman – Municipal Mayor

V-Chairman - Municipal Vice Mayor

Members:

SB Chair Committee on Finance, Budget & Appropriation

SB Chair Committee on Public Works, Utilities & Facilities

Municipal Administrator

SB Secretary

MPDC

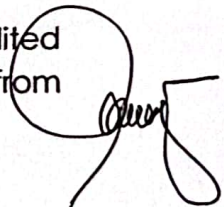
Municipal Treasurer

Municipal Budget Officer

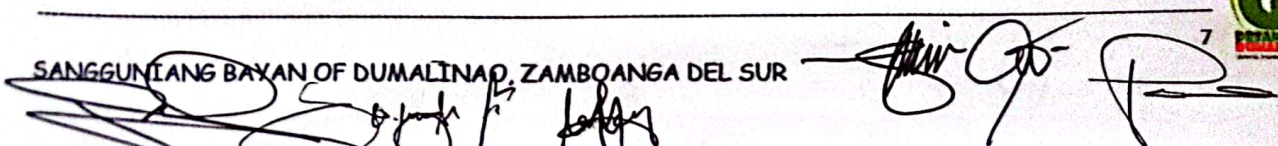
Municipal Accountant

Municipal Engineer

Two (2) NGO Representative (one from accredited stallholders/vendors organization of the Economic Enterprises and one from consumer's group or association).



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**2. SELECTION OF NGO REPRESENTATIVES.** There shall be one (1) representative from each of the two (2) accredited NGO which shall be chosen on the following criteria:

a. He/she must be duly authorize representative of the organization accredited by the City/Municipality which is relevant to the operations of the economic enterprises and those from an accredited consumer's group association. The organization shall refer to the existing associations of stall holders/vendors in any of the economic enterprises of the municipality as enumerated under Section 2 of this Code.

b. The board shall recommend the two (2) NGO representatives based on the above-mentioned criteria, subject to the approved appointment of the Municipal Mayor.

c. The tenure of NGO representatives shall be one (1) year. The one (1) year terms shall start on the date of the appointment.

d. The two (2) NGO representatives after having served his/her tenure shall be rotated to other accredited stallholders/vendors organization in the case of stallholders/vendors organization's representative and to other officer or member in the case of a consumers' group association.

**3. FUNCTIONS OF THE BOARD.**

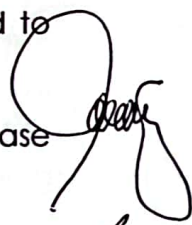
a. To formulate and adopt specific and related rules, regulations, and guidelines, pertaining to the operation and management of all existing economic enterprises of the municipality consistent with the policy and provisions of this code.

b. Develop plans, programs, and strategies beneficial to the municipality and making the economic enterprises more viable, productive and stable.

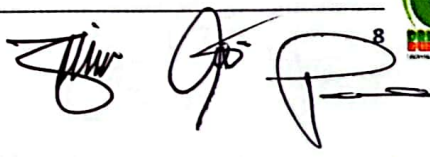
c. To serve as the advisory body of the Local Chief Executive and the Sangguniang Bayan on matters affecting the overall management of economic enterprises.

d. To conduct the raffles or awarding of vacant stalls/spaces and to certify to the Sangguniang Bayan the result thereof.

e. To award stalls/spaces by authorizing the chairman to sign the lease contract to applicants as prescribed by this Code.



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f. To conduct pre-qualifications of the applications for stall applicants. In case where deliberation of the board result in a tie votes, the chairman shall break the tie.

g. May propose adjustment and/or increase or any fees and rentals and amendment to this code to the Sangguniang for a justifiable and reasonable cause.

#### 4. MEETINGS.

a. Regular Meetings – the board shall hold regular meeting/s every month. The day, place and time to be determined by the board.

b. Special Meetings – the chairman of the board may call for a special meeting anytime should there be an important/urgent matter(s) that need the attention and decision of the members of the board. Any member or members may as concurred/supported by the majority members may propose for a special meeting on the reason as mentioned above.

c. Attendance in Board Meetings – it is the duty of the members of the board to attend regular and special meetings called for the chairman.

d. In case of a justifiable reason, a member may send his/her duly authorized representative preferably next-in-rank in position. Said representative may participate in the discussion but with no voting rights.

e. Only a member attending each board meetings is entitled to receive honorarium. Every absence of the member in any meeting shall therefore cause forfeiture of his/her honorarium.

f. Quorum – the presence of majority (50%+1) of the total members of the board in any meeting shall continue a quorum.

g. Agenda – focus of the meetings will include monthly status of collections and expenditures of each enterprise; issue and concerns that need the board's decision, and other matters pertaining to the operation and management of the enterprises.

**5. HONORARIUM** – the chairman, vice chairman and members of the board shall each receive an honorarium of Php200.00 per regular monthly meeting. An honorarium to be received by each member shall be subject to the provision of Section 6 , item 4, letter e of this Code , and those of the existing accounting and auditing rules and regulations.

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**6. TERM OF OFFICE** – the term of office of the chairman, vice chairman and members shall be co-terminus with their position/official function except those two (2) NGO representatives who shall serve for one (1) year as provided under Section 6, item 2, letter c and d of the Code.

**7. FUNDING** – an initial lump sum appropriation of Php50, 000.00 shall allocated annually for the operation of the board.

**SECTION 7, ARTICLE III OF ORDINANCE NO. 2020-03-442-A**

**ADMINISTRATIVE AND SUPERVISORY FUNCTION** – The Municipal Mayor being the Local Chief Executive has the overall administrative and supervisory authority, power and control over the economic enterprises operation and management and may issue office/administrative/executive order for the smooth, effective and efficient implementation of this Code. The Municipal Mayor may also delegate some of these functions which are routinely in nature to the Municipal Administrator and/or the Department Head – Economic Enterprise Manager.

**SECTION VIII. TRANSITORY PROVISION** – Upon approval, a detailed schedule will be crafted by the designated project management team to include all tasks and deliverables. A part of the pre-operation process before the Dumalinao Feed Mill Economic Enterprise shall be fully operational, and the management shall undertake the following activities, to wit:

1. Procurement of basic office supplies and equipment;
2. Orientation of the persons concerned who will be directly involved in the actual operations; and
3. Formulation of pertinent rules, policies, systems and regulations to all aspects of the operations.

**SECTION IX. APPLICABILITY CLAUSE** – Any resolutions, regulations order, and ordinances consistent herewith shall be valid and forming a part and supplementary to this ordinance.

**SECTION X. REPEALING CLAUSE** – All existing ordinances, laws, and orders prior to the enactment of which found inconsistent herewith are hereby repealed or modified accordingly.

**SECTION XI. SEPARABILITY CLAUSE** – Should any part or provisions of this ordinance be declared unconstitutional or invalid, the provisions hereof which are not affected thereby shall continue to be in full force and effect of law.

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**SECTION XII. EFFECTIVITY CLAUSE** – This ordinance shall take effect immediately upon review and approval by the Sangguniang Panlalawigan of Zamboanga del Sur.

**ENACTED** this 14<sup>th</sup> day of NOVEMBER 2022, at Dumalinao, Zamboanga del Sur, Philippines.

**I HEREBY CERTIFY** to the correctness of the foregoing ordinance.

  
**ATTY. MAYUS RYAN D. ANDO**  
SB Secretary

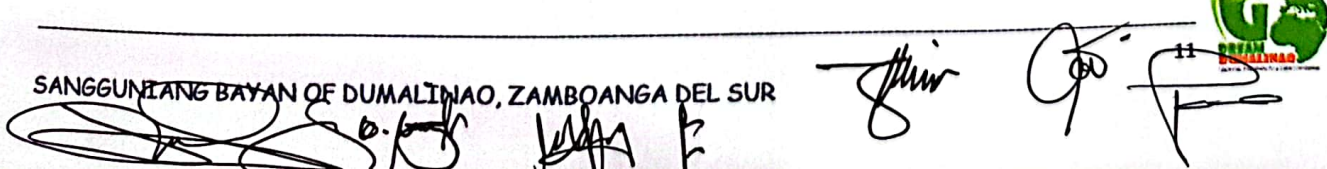
Attested by:

  
**LORENZO S. ALCANTARA**  
Municipal Vice Mayor-Presiding Officer

Approved by:

  
**JUNAFLORE S. CERILLES, RMT, MAGD**  
Municipal Mayor

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