



09 November 2018

MR. ALLAN R. GARCIA
President and CEO
John Hay Management Corporation
John Hay Special Economic Zone
Baguio City



John Hay Management Corporation
a member of the BCDA Group
OPCEO-IN-2018-1781

Dear **President Garcia**:

We are pleased to inform you that on 07 November 2018, the BCDA Board of Directors approved your 2019 budget in the amount of **TWO HUNDRED SIXTY TWO MILLION SEVEN HUNDRED SEVEN ONE THOUSAND PESOS (Php262,771,000.00)** broken down as follows:

Particulars	BCDA Funded	JHMC Funded	Total
Estate Management Fee	90,730,000.00		90,730,000.00
Land Related Cost	166,426,000.00		166,426,000.00
Regulatory and Historical Core		3,665,000.00	3,665,000.00
CUSA		1,950,000.00	1,950,000.00
Total	257,156,000.00	5,615,000.00	262,771,000.00

The approval of the 2019 budget is subject to the following conditions:

1. The BCDA-approved budget should be approved by the JHMC Board prior to its implementation;
2. All expenditures should be disbursed within the approved budget. Supplemental and realignments of budgets within the same expenditure group maybe allowed subject to the provisions of BCDA Financial Policy No. 503-1;
3. Budget for Personal Services should not be realigned to any expense items, and vice-versa. Any change in the organizational structure that has present or future financial impact or increase in compensation package shall require BCDA and GCG's written approval prior to its implementation pursuant to Section 7 of Financial Policy No. 103-2 and Executive Order No. 36 and its implementing guidelines;
4. The approved budget shall be released based on the provisions of the Performance Agreement dated 13 February 2017 and BCDA Financial Policy No. 504-1;
5. Implementation of infrastructure projects shall be subject to the following conditions:

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Project	Amount (Php Million)	Remarks
Asphalt Overlay	62.1	CJHDevCo's confirmation for the project cost to be deducted in the Php1.421 billion escrow account
Corporate Office Building	38	Procurement shall be in accordance with R.A. 9184
Rehabilitation of Bell House	5.5	Approval of the design from the National Historical Commission

6. Payment for outstanding obligations shall be allowed provided the obligations had been previously budgeted, approved for implementation and contracted prior to 2019; and
7. Disbursement of the budget shall be in accordance with the government budgetary, accounting and auditing rules and regulations.

We are enclosing your 2019 approved budget for your reference.

Thank you.

Very truly yours,


VIVENCIO B. DIZON
 President and CEO

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In replying, please refer to this number



CB2018 - 1577

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JOHN HAY MANAGEMENT CORPORATION
SUMMARY
Budget Year 2019

Particulars	BCDA Funded	JHMC Funded	Total
Estate Management Fee	90,730,000		90,730,000
Land Related Cost	166,426,000		166,426,000
Regulatory and Historical Core		3,665,000	3,665,000
CUSA		1,950,000	1,950,000
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