



THE PRESIDENT'S REPORT
12 November 2023
By: Atty. James Benedict F. Panopio

To my fellow governors, fellow officers, fellow homeowners, ladies and gentlemen, a pleasant morning to all of you.

It is with great honor, pride, and deep appreciation that I stand before you today if only to share our Association's story for this year 2023, or as I would like to call it, our journey of struggles and also of hope.

As you all know, even managing a single household can be quite challenging and what more a community of households with varied interests from different walks of life.

While the affairs of our Association have indeed covered multitude of happenstances in which it would be virtually impossible for me to relay and share all that transpired in a single meeting, allow me to share to of all of you to the best of my ability some highlights that I thought boosted the stock of our Association, not necessarily all on tangible things but more importantly in terms of professionalism, efficiency, productivity, and all other unquantifiable intangibles that make our Association great.

Prior to 2023, or even before the proverbial passing of the torch that commenced in January 2023, let me share with great pride that our Board has immediately buckled to work if only to address certain issues that may be brought about by transition, particularly as to fiscal management and other operational matters.

To avoid a repeat of what happened in the past, our Board made sure that proper safeguards are already in place when it comes to financial transactions even before the start of the year so as to avert any lull or vacuum on operational matters by designating right away new signatories to the bank accounts of the Association, which was jointly approved by outgoing and incoming members of the Board.

Similarly, unlike in the past and just in the first couple of months, our Board held several meetings in the form of planning sessions so that the allocation of resources can be planned all at once at the beginning of the year, instead of approving budgets only when the need arises or on per transaction basis. In that way, we were able to efficiently plan what we want to do for the entire year.

Still on fiscal management, even at the nascent of the calendar year, our financial team led by our Treasurer Gina Barcelon and our Accountant William Lim have projected that it would be a challenging year financially due to the effects of inflation and rising costs. From a cash position of PhP79 Million in the end of 2022, it has been suggested early on that there may be a need to increase Association dues if only for our Association to maintain a healthy balance sheet.

Candidly, upon learning of the same, I cannot help but comment "I told you so" and agree even without anyone telling me to do so. Why? This is because when I first assumed to be a Governor back in 2021 and had the opportunity to take a glance at the books of the Association, I was extremely shocked to find out that our annual collection of Association Dues from all homeowners and lot owners are not even enough to cover or answer for our Security Services Contract for one year. While our total collections from Association dues amounts to around PhP11 Million every year, our security contract expenses for one year is already at PhP17-18 Million!

As such, at the beginning of the year and so as not to add problems to our already financially challenged homeowners, we have already deliberated and adopted fiscal management measures to cover any potential shortfall. These include forfeiting construction bonds that remained unclaimed for at least ten (10) years and thus already statutorily prescribed giving the Association additional cash resources of almost PhP3.5 Million, imposing strict parameters on the refund of construction bonds by limiting it generally to two (2) years from the completion of construction as supported by an undertaking from the homeowner concerned, and subsequently forfeiting unverified bonds in the books of the Association in the amount of almost PhP1.5 Million.

In the same way, as an all year round exercise and utilizing the efficient and equitable measure to collect the Association Dues of delinquent homeowners and lot owners with the help of the Finance team led by Treasurer Gina Barcelon, we have consistently implemented collection mechanisms that resulted to additional cash collection to the Association of more than PhP6 Million, of which PhP2.78 Million are in the form of interests. This was made through painstaking dialogues with delinquent homeowners as well as through our firm invocation of existing jurisprudential rules such as the leading case of *Ferndale Homes' Association, Inc. v. Spouses Abayon (G.R. No. 230426, 28 April 2021)* if only to enlighten homeowners/lot owners as to their obligation to pay Association dues.

It must be noted though that our start is not only about financial measures as we dealt early on at the beginning of the year a lot of issues on compliance with the Data Privacy Law as espoused by the National Privacy Commission, consistent enforcement of the prohibition on the holding of caravans within our Subdivision by entities engaged in purely commercial activities that would disrupt the peace of our neighbors, and reinforcement of understanding with various stakeholders of our community by having meetings with the leaders of our adjacent subdivisions, the barangay captains of the two barangays covering Filinvest Homes II Subdivision, and even the officers of Filtodas / Filtaxda, which all aided in the efficient management of our subdivision.

Interestingly, I cannot go on without also mentioning that our Board was able to solve the issue involving a business enterprise in Phase G, a subcontractor of telecommunication companies, that is being complained by several homeowners for disturbing the peace in our subdivision by actively engaging in commercial activities. The issue had been a problem for the past years without being solved I was told and we were able to swiftly end it by sending a Cease and Desist letter with threat of fines and legal action to the homeowner concerned who immediately complied with our order.

Another notable case is when one homeowner wrote the Association asking that she be allowed to dispose her subdivision lot so that it can be converted into an Iglesia Ni Cristo Church that will be built along Don Vicente St. of our Village. Certainly, recognizing that the purpose and/or use of each property in our Village is purely for residential purposes, the same was immediately rejected not only by myself personally but by the entire Board as being contrary to our Deed of Restrictions despite the signature campaign drive of the proponent comprised mainly of Spring Country residents.

Going back to the planning sessions that the Board conducted early on, it was very clear at the onset that the Board and/or the governors' priorities focused on elevating Filinvest II to its rightful place as lofty executive private subdivision while at the same time having sound capital expenditures that could result to gains or returns along the way. The Board thus decided to focus on the following projects, to wit: the rehabilitation of the swimming pool, the rehabilitation of the main basketball court,

the rehabilitation of the badminton court, the opening of the various community support stalls at the Clubhouse, the installation of an Automated Telling Machine (“ATM”) in the Clubhouse, the creation of the Association’s website where homeowners’ resources and updates can easily be accessed, the revision/updating of the FHA II Homeowners’ Manual and Village Rules and Regulations, the approval of a Data Privacy Policy and related materials as required by the National Privacy Commission (“NPC”), the re-registration of FHA II’s corporate charter with the Department of Social Housing and Urban Development (“DSHUD”), and the improving / completion of all the basic and necessary facilities of our Subdivision such as perimeter walls, sidewalks, and drainages.

These are the projects that we took into our hearts despite recognizing the limited resources that the Association has at its disposal. Nonetheless, instead of being discouraged, I am proud to say that the men and women who sat with me in that boardroom for every second Saturday of the month for this year, even excluding the several special meetings that we had, were nothing but truly magnificent. Yes, nobody is perfect and neither can there be a perfect Board but I can say that these breed of ladies and gentlemen did act to the best of their ability at all times, and second to none.

Similar to the usual community support activities of the Association that went on for the entire year, the Association continuously improved on extending a helping hand to our various homeowners by arranging various activities at the FHA II Clubhouse such as the Local Government of Quezon City Treasurer’s Office off-site payment of Real Property Taxes that yielded tax collections for the local government in the amount of almost PhP2.5 Million, the pet spaying and neutering by civic groups, the E LTO Patrol Services for homeowners vehicles, SSS registrations, Philsys issuance of National ID, Free ECG for the homeowners, Flu vaccination courtesy of our barangays, and even the recent holding of Barangay and SK elections.

I, together with VP Elynn Gorra, also had the opportunity to participate and attend a forum by the Quezon City Local Government for private subdivisions where it was emphasized that the local government can actually develop parks and open spaces even in private subdivisions so long as the same have already been properly turned over by the developer in accordance with law, specifically by donating them to the local government. This impelled the Board that indeed there must be a way for our Association to finally patch things up and bury the hatchet with our own very developer.

I similarly had the chance to participate as the Vice Chair of the Station Advisory Group for Police Transformation and Development (“SAGPTD”) of the Batasan Police Station 6 where I emphasized to the Police Station Commander the need to make their investigation / reporting processes simpler, especially for Subdivisions that are instituting complaints. Took note of the usual technicalities being raised by investigating police officers in my experience as a lawyer such as requiring board resolution even if none is required since crimes are usually public offenses and stating the complaint be made in the barangay first, which was acceded by the Batasan Police Station Commander. As such, in one incident involving our very own security agency, Utopia, which is reporting a crime and was not initially accommodated based on technicality, a call that I made to the Station Commander made the filing of the complaint more expedient if only to protect and preserve the right of the Association.

The Association never stopped coordinating towing operations on publicly accessible subdivision roads for several times for the entire year, specifically along Don Vicente St. This was made possible of course through the untiring efforts of Phase H Governor, Atty. Julia Bacay-Abad as well as our indefatigable coordination with various law

enforcement agencies. While it is indeed challenging to preserve the order and tranquility of our own private roads when it is openly accessible to the public, these small steps have conveyed stern message to the frequent violators.

The issue with Meralco's access to our electric facilities was likewise settled early this year through the crafting of a Memorandum of Agreement with Meralco's legal team, but without compromising the rights of the Association. The said agreement embodied the payment of regulatory fees to the Association for every new pole erected by Meralco in our Subdivision, which as of date already accounts to almost half a million in pesos in revenues, and expedited requests of various homeowners for the upgrade of their electrical poles. More importantly, Meralco in itself has conducted an all year activity of replacing old poles in our Subdivision with new / modern ones apart from improving our power interruption measures by connecting our Subdivision with the same circuit as the House of Representatives.

After several meetings, the issue with Converge / Seven E as the primary installer of Converge internet in the Village was likewise resolved. Notably, the past administrators of our Association previously entered into a contract with Converge / Seven E wherein the Association will receive a commission for every account subscribed by Filinvest II homeowners.

Similarly, the Board received several proposals from various telecommunication companies such as DITO, Smart, etc. for the erection of cellular sites in our Village making it an enticing location and consideration of payment of significant rentals that could aid the financial resources of the Association. The Board remained open to such proposal subject to a careful study on its effect on the health of our neighbors in which no evidence of any adverse effect has yet to be ascertained as of the moment.

In April 2023, the Board acted on the recommendation on the Finance Committee led by Treasurer Gina Barcelon to amend the restructuring rules for payment of Association dues under the Homeowners' Manual as it breeds non-payment by delinquent homeowners. Thus, lump sum payment of accrued dues will not anymore automatically result to a waiver of interest. At the same time, the Board affirmed the imposition not only of 12% interest for non-payment of Association dues but likewise of a penalty of 6% per annum pursuant to the Supreme Court's ruling in *Ferndale Homes' Association, Inc. v. Spouses Abayon* (G.R. No. 230426, 28 April 2021), a jurisprudence that has aided the Association in its collection efforts against delinquent homeowners.

Still in the first half of the year, "The Clubhouse" at Filinvest II signage has been installed. It is a neon designed light that would be turned on prominently at night. It corresponds also to the opening of some of the Stalls in the Clubhouse. The first two (2) renters of the new and improved Clubhouse Stalls for community support services consummated its lease arrangement with the Association. This led to the opening of a coffee shop and pet food store as the first ones to offer services to our neighbors which was warmly received.

The Filinvest II Clubhouse stalls now boast of modern designs and facilities likened to the boutiques found in leading malls but at way more reasonable rental costs. As of date, The Shops at Filinvest II as we call it now have around ten (10) Shops, which offers various products and services for community support to our homeowners and residents such as mini grocery, dog grooming, ramen house, yogurt store, and even a Paras Alter Station for your clothing resizing needs.

At about the same time, a new ATM machine was finally installed by RCBC at the Filinvest II Clubhouse. This will enable our homeowners the easy access to cash sources without anymore going outside of our Subdivision. This was made possible after we are able to have a favorable deal with RCBC wherein, not only the ATM in Gate 1 of our Village was retained, but the Association was likewise not subjected to high average daily balance of deposit in which other banks require at least PhP25-30 Million deposit before one can maintain one ATM machine.

In June 2023, the newly renovated or rehabilitated swimming pool of the Filinvest II Clubhouse was finally opened to the homeowners. Not only does the swimming pool improved in terms of aesthetics but even as to facilities. Moreover, the pool now has new pumps made by one of the leading pool pump manufacturers in the world. The same immediately attracted patrons from our Village.

In the subsequent months, the main basketball court at the Filinvest II Clubhouse followed suit and was finally opened after a total rehabilitation that includes complete replacement of the roofing, repaving of the hardcourt, and even the procurement of world class basketball hoops from Dreamcourt. It was followed by the total rehabilitation of the Badminton Court that required installation of new floors, exhausts, walls, and other facilities.

Summer sports clinics were then revived and/or resurrected in the different facilities of our Subdivision through partnerships with various reputable sports programs, particularly that for swimming, taekwondo, and basketball. The same were made available to the children of various homeowners and residents at favorable rates.

All the said projects pushed through simultaneously with other asset related undertakings such as road and hump repairs, drainage unclogging, creek clean up, gate improvement, and the like. The Board is extremely grateful to all the efforts of VP Ascencion Fonte, Jr., who spearheaded all asset related projects of the Association.

Nonetheless, it is worth mentioning that despite what has been said and done, it is still a fact that our Village still lacks certain facilities that were not completed in the first place by the developer. In order to address missing and/or incomplete facilities in our Subdivision, particularly as to perimeter walls, sidewalks, drainages, and/or lacking gate, the Board decided to hold Filinvest Land, Inc. ("FLI"), our developer, accountable for said undelivered facilities and for the proper turn-over of both subdivision records and open spaces / roads.

While the Board is aware of the past agreement executed by former officers waiving the Association's rights on said facilities in consideration of payment of a certain amount sometime in the late 1980s, we have maintained and insisted that such is nonetheless void ab initio for being contrary to law. Also, although the Board is aware of the history that the Association has with FLI that involves conflict reaching personal levels, we have decided to act based on what it deems is for the best interest of the Association.

Fortunately, after some meetings, FLI recognized the posture of the Association subject to the execution of the appropriate agreement in due course which could save the Association tens, if not hundreds, of millions of fiscal resources. The members of the Board were thus advised to provide their inputs as to the facilities in their respective Phases that were either not delivered or left incomplete by FLI.

Apart from saving tens, if not millions, of resources for the construction of said facilities such as perimeter walls, sidewalks, drainages, and the likes, it is very

important for me to emphatically stress that a proper turnover by FLI of open spaces/roads would accord the Association a number of benefits such as local government subsidy for the development of open spaces /parks, asphalt overlay of our roads, and even subsidy on electric charges on Meralco lamp posts which is costing the Association a gargantuan amount of around PhP3 Million per year.

As a gesture of good faith, FLI has began providing the Association with certain records that it lack such as the updated consolidated plan of Filinvest II, the list of open spaces in our Subdivision, including copies of its titles, an updated map of our Village containing areas per lot which is very helpful in assessing issues related to Association dues, and just recently, a complete and updated map of Filinvest II involving all the Phases with complete areas and street names.

The Association likewise received news that the criminal case that it has filed against Kurts Boquiren was already elevated to the court wherein Mr. Boquiren was indicted. Unfortunately, Mr. Boquiren remained at large. Nonetheless, it must be noted that said case only includes the first half of that committed by Mr. Boquiren and that the Association remains steadfast in filing another criminal complaint against Mr. Boquiren in due course with the assistance of Former Treasurer Nolid De Pedro and Atty. Manguera.

At around the same time, the Board once again tackled the possibility of increasing the Association dues, both homeowner and lot, considering the common observation that it is relatively low and may pull down our cash position at a later date. Comparative studies were made with other private subdivisions where it was found out that indeed a monthly dues of PhP600.00 is very low and that standard Association dues for comparable villages already starts at no less than PhP1,300.00 per month per homeowner. The Board agreed to subject the same to more careful study and consultations on the phase level.

Meantime, the Board decided after proper consultation to increase the toll fees for delivery vehicles after finding that the same is not anymore attune to the present times apart from the fact the toll fees paid are not even enough to cover all the road maintenance expenses of the Association. Similarly, as another fiscal measure, the construction bond was also increased by 25% that would effectively result to a corresponding increase on admin fees related to construction.

On the matter of security, in order to deter burglaries in the Village, our security provider, Utopia, likewise adopted certain measures to catch disguised criminals by sending roving guards in civilian clothes. This will enable them to rove our Village without alerting any ill intent criminals. Nonetheless, to ensure the safety of the homeowners, all guards in civilian clothes are required to carry proper identification which they are required to show when ask by any homeowner.

Consistent with current trends in other private subdivisions, the Board explored the possibility of securing the services of a property management company, which will be the one to administer our Village, instead of the sitting Governors, who are theoretically speaking should only be limited to policy making matters. However, to our surprise and shock, one property management company quoted management fee at the rate of PhP6 per sqm, which is even higher than the rate of Association dues in our Village.

If at all, this only exemplifies that the Association dues in our Subdivision are indeed already low by any standards.

In order not to overburden our homeowners and so as to most equitably adjust the Association dues of our Village by having much needed revenue, the Board recently deliberated and discussed the possibility of rationalizing the Association dues, instead of increasing it. This means that the current rates per square meter of the Association dues, both homeowner and lot, will be retained at PhP2.50 and PhP1.90 per sqm and that only the ceiling of PhP600 and/or PhP450 will be altered to PhP1,000 and PhP800, respectively.

In that way, the collection of dues in our Village will be rationalized and made consistent with other private subdivisions where it is based on the size of the property. The said measure for the rationalization of Association dues will provide us with additional annual receipts or revenues of around PhP4 Million per year though admittedly still falling short of the expected shortfall for the following year as estimated by our Finance team due to the unprecedented consecutive wage increases in our country. This resolution to rationalize Association dues was finally passed in October 2023 after a series of meetings, both regular and special, which is to be made effective starting 01 January 2024.

In late October 2023, the Association was also able to hold one of its most memorable and anticipated festivities, that is, the Halloween Trick or Treat Party at the FHA II Clubhouse. I was personally surprised at the eager anticipation that our homeowners showed in such event, which was participated by more than 400 people and no less than 30 households for trick or treating around our Village. To say that the event was a massive success would actually be an understatement. Indeed, it is truly the time of the year for our Association and even before the yuletide season.

Finally, it is with my great pleasure to announce that just very recently, the Board has finally approved the revised FHA II Homeowners Manual, which will henceforth be branded as “FHA II Homeowners Manual and Village Rules and Regulations.” The same is a product of several sit-down meetings and revisions in the current year which even required us to hold a number of special meetings if only to get it done. It now incorporates all board resolutions passed up to date apart from the introduction of new principles on vision, mission, and even core values of the Association.

The FHA II Homeowners Manual and Village Rules and Regulations shall be considered as a “living document” that will be digitally posted on the FHA II Website, which is incidentally simultaneously being launched today. As such, even the incoming officers of our Association will have the benefit of incorporating the resolutions that they will pass on said document in the years to come.

At the same time, as if we are not done, the Board has similarly approved the Data Privacy Policy and Manual of the Association in compliance with the requirements of the National Privacy Commission. Similar to the FHA II Homeowners Manual and Village Rules and Regulations, the same took almost a year to conceptualize, draft, and finish.

Needless to state, these literatures would not have been possible if not for the for the distinguished competence and steady resolve of the Association’s Secretary, Ms. Pilar Maria D. Baltazar and her team. Our Association has truly benefitted from Ms. Baltazar’s expertise in the private corporate world for which we will forever be indebted to her.

Honestly, I have much more stories to tell, both good and bad, but our time would not be enough. In this imperfect world, there will always be struggles. I do hope however that what I have shared with you will be an inspiration for all of us that something good

can be done if we will all work together. The Board is not perfect, I say this again, but I can also say that its members are perfectly blended for each other.

Allow me the opportunity to thank each of them: Vice Bong, for being the most proactive manager and engineer I have ever seen; Vice Elynn, for being the most professional and graceful lady whether in victory or defeat; Sec. Pilar, for being most selfless in sharing what she knows even without any consideration; Treas. Gina, for being the most brutally frank yet level headed fiscal manager I have encountered; Auditor RV, for always keeping the fire of youth burning; and to all the governors who I have worked with, for always keeping the interest of the Association in their hearts in tackling whatever issues they have to deal with.

Let me also thank my wife, Sherry, and my kids, Zach, Xavier, and Cc for their abounding patience and understanding especially in times when I am unable to join them on some of their activities due to my commitments to the Association.

To the incoming governors and officers, let me stress that we will never take offense for you to aim to exceed whatever we or past officers may have accomplished so long as you promise and keep the interest of the Association the primordial one. After all, that is what progression is all about and we will always be supporting for what is best for the Association in the years to come since we all have personal stakes here.

As I close, allow me to quote the first black American President, Barack Obama, who once said and clinged on hope in spite of all his struggles, similar to the mounting challenges constantly besetting our Association, thus: *“the audacity of hope. In the end, that is God’s greatest gift to us, the bedrock of this nation; the belief in things not seen; the belief that there are better days ahead.”*

Indeed, we and the Association will always have challenges, but we must believe that there will be better days ahead. Thank you for listening and God bless us all.

JBFP