

## AHVA PRESIDENT'S REPORT

### WITH REFERENCE TO SALIENT POINTS OF THE TEAM COMMUNITY MANIFESTO

#### A. FINANCIAL

The year 2022 marked the start of a normalization of the AHVA's financial operations, coinciding with the opening up of the general economy. **Total revenues were posted at Php69.16 Million, an increase of 30% from the Php53.76 Million posted in 2021.** Notably, the 2022 revenues represented a 5% increase vis-a-vis total revenues booked in 2019 of Php66.58 Million, the last pre-Covid year of "normal" operations.

As in the past, the major components of the Association's 2022 revenues consisted of:

1. Vehicle stickers and permits – amounted to almost Php33 Million, and accounted for 48% of total revenues. Sticker revenues grew by a healthy Php10.8 Million over 2021 revenues or 49%, aided by both a sales volume increase of 4,466 stickers and a 25% unit price increase across all sticker types.
2. Water revenues - amounted to Php16.44 Million, and accounted for 24% of total revenues. This represents a slight decline of 6% from the Php17.4 Million in revenues booked in 2021.
3. Association Dues – aided by a 43% rate increase from Php17.50/sqm to Php25/sqm instituted by the previous Board, revenues from association dues were registered at Php14.5 Million vis-à-vis the Php10.6 Million booked in 2021.

Meanwhile, the Association incurred total expenditures of Php78.37 Million, representing an increase of 11% over total expenditures of Php70.83 Million in 2022. The major contributing factors to the higher costs of operations included (i) higher salary and labor costs for both in-house and outsourced personnel (including security personnel) as a result of mandated wage increases; (ii) higher power costs; and (iii) significantly higher fuel costs. Even our expenses for garbage collection were noticeably higher; again as a factor of higher fuel costs.

As a result of the foregoing, the Association recorded a Deficiency of Revenues over Expenses of Php9.0 Million. Net of depreciation and other non-cash items however, AHVA was **operating cash positive for the first time since pre-pandemic 2019**, albeit for just a small amount of Php1.30 Million.

With the depletion of our cash reserves by Php5.59 Million in 2020 and by another Php7.70 Million in 2021 as a result of the severe impact of Covid on both our revenue generation capability and higher operating expenses, it is critical for the AHVA membership to be aware that impending and major capital expenditures of the village, such as water line re-piping and road re-asphalting, will need to be addressed imminently, through a combination of higher membership assessments and fees in the next few years.

#### B. LEGAL

A Legal Committee composed of resident volunteer lawyers was immediately convened to assess current legal issues involving AHVA upon your current Board's assumption of office.

On the MFI case, our counsel, Atty. Raymond Fortun, briefed the Legal Committee on the status of the various cases involving AHVA.

During the last few years, multiple decisions were handed down by the various courts in relation to MFI, and these decisions have already been reported to the general membership in the form of bulletins.

Atty. Fortun briefed the committee and the Board on the history of said previous case decisions.

Our counsel thereafter briefed the Legal Committee and the Board on the current status of the main case pending before the RTC.

A brief of the previous court decisions and the current status of the pending main case was again reported and submitted to the general membership on July 28, 2022.

A total of three hearings were held from May 23 to August 1, 2022 at which MFI presented their witnesses and evidence.

As of today, petitioner (MFI) basically wrapped up the direct presentation of their witnesses and evidence to try to present and prove their various claims against AHVA.

This being the current situation, our counsel, the Legal Committee and the Board, after several discussions, analyses and planning sessions, are confident and satisfied with our current legal standing, regardless of the previous decisions handed down by the various courts.

Without going into specific details, it will now be AHVA's turn, beginning March 13, 2023 (hearing date) to present our various witnesses and documentary evidence (legal and engineering) to challenge and refute the claims of MFI. We are convinced that by presenting these witnesses and various documentary evidence, we will be able to refute the various claims and allegations of the petitioner. At this point, we strongly believe that the petitioners failed to prove their case.

As a matter of transparency and public record, electronic copies of the Transcripts of Stenographic Notes (TSN) of the relevant hearings may be secured from the Administration Office for those who may be interested in these documents.

Lastly, AHVA has no other pending legal case/s not related to the MFI cases. All decisions unrelated to the MFI cases previously handed down by the courts are final and executory. No appeal nor new cases have been filed involving AHVA arising from said previous cases.

### **C. MODERNA VACCINATION PROGRAM**

The Board continued the implementation of the vaccination program initiated by the previous Board once the supply of Moderna vaccines were rolled out with more regularity beginning the last quarter of 2021 and throughout 2022.

We managed to administer 3,090 doses of both primary vaccines and booster shots over 26 vaccination days during the said period, up until the time that the Moderna vaccines expired.

In response to requests for clarification from the membership regarding the specific terms and conditions of the Purchase Contract entered into by AHVA Inc. (as Purchaser), ICTSI Foundaton (as Seller) and Reliance United (as Vaccine Administrator), the Board, through its Treasurer, issued a detailed "forensics study" on 15 June 2022. Among others, the "forensics study" demonstrated

in detail that collections received from the AHVA membership were in fact matched with payment outflows to both the Seller, and the Vaccine Administrator, of the Moderna vaccines.

Under the guidance of the Treasurer, the relevant AHVA Office staff organized a database that tracked each member's orders of the Moderna vaccine and corresponding payments made, Vaccine Administration Fee payments made, and such member's actual usage of the vaccines (either as a primary dose, or as boosters). From such a database, a detailed computation of the amount of: (i) refund due to each member (arising from the exchange rate differential for the cost of the Moderna vaccine) and/or the non-usage of some, or all of the Administration Fees paid to Reliance United); or (ii) AHVA's receivables from some residents (arising from the "shortfall" in administration fees paid when certain residents converted/availed of boosters in lieu of primary doses), were ascertained. All of these were contained in the Report of Final Accounting for Moderna issued to the membership on 29 November 202.

To-date, the refunds have been paid out to the concerned AHVA members, either through outright cash payouts, or via an application to future water bills and/or 2023 Association Dues. With respect to AHVA members with payables to the Association, our collection efforts continue.

#### **D. UTILITIES AND INFRASTRUCTURE**

On the macro level, we believe that AHVA has very good working relationships with the major utility companies servicing our community. Thus, if there are major issues affecting the services being provided by these utility companies, said issues are resolved in the shortest period of time possible.

On the issue of water, quality of water failed upon our initial testing. However, after all of our 3 overhead tanks were cleaned and serviced and we continued to implement our regular program of injecting approved/safe quality-enhancing chemicals into our water supply, the quality of our water improved.

Tests are regularly undertaken to ensure that our water meets our quality standards. Due to factors beyond our control, however, the quality of our water may vary from time to time. When these situations occur, we adjust our chemical additives regimen to address the situations as appropriate.

In terms of water volume, we are still at the same consumption levels as the last few years measured in terms of 'total billed water volume'. Thus, it is safe to conclude that our general water supply is sufficient.

From time to time we may experience periodic low water pressure to no water supply at all. These are isolated incidents and are few and far between. The main causes of these are insufficient supply from our water concessionaire, Maynilad, and unfortunately, human error and/or judgement on our end.

The issues of quality and sufficiency of supply are not limited to AHV. These issues have already been raised by the concerned national government agency in charge of water, and by our local government unit, to the concerned water concessionaire. Measures are already supposedly being undertaken by our concessionaire to address these issues.

In the interest of transparency, a major water concern that we have is the increasing volume of Non-Revenue Water (NRW) which runs anywhere between 20% to 30% of total water volume. This means that we have semi-major leaks in our system. Also, our electricity expense related to water delivery has increased dramatically, by as much as 50% since 2016, which was the last year we increased our water rates. Moreover, our water concessionaire has been granted the right to impose an increase in their water rates starting January 2023. They have also been granted incremental rate increases for the next 5 years.

On the flooding concern, it is safe to say that our current drainage system within the village is adequate, functioning, and operational. Unfortunately, flooding still occurs during constant, heavy, and sudden downpours. These sudden flooding events are traceable to the inability of the DPWH pipe system and the covered creek by Saint Jerome Church in Alabang Town Center to handle the dramatic increases in rainwater volume. With nowhere to go, the rainwaters fill our low-lying streets.

On the issue of safety, our firetruck is in perfect working condition. In fact, our firetruck was the first responder in 7 fire incidents, 4 of which were inside our village and 3 outside involving our neighboring villages.

On the issue of an ambulance, AHVA is still a special member in good standing with Lifeline. As we have been reiterating from the start, please call Lifeline at 16-911 in case of any life-threatening medical emergencies.

StarForce will soon be deploying a brand new **Rapid Response Vehicle** (RRV) to replace their years-old Emergency Vehicle. The RRV is intended to be used for non-life-threatening emergencies. We will soon be issuing rules and regulations governing the use of the RRV.

We believe that our ongoing membership with Lifeline, this StarForce RRV, and, our ongoing AHVA Clinic, will be sufficient and appropriate to respond to all medical emergencies in the village.

We do not recommend having our own ambulance in the village. Even assuming that we would have the funds to purchase our own ambulance, we would have to abide by the strict rules of the DOH regulating the operation of ambulances. All legal ambulances need to be registered with and accredited by the DOH. Furthermore, the cost to operate an ambulance is estimated at P300K/month. This is not an expense that our village would be able to afford.

## **E. ADMINISTRATION**

From the very start of our term, we significantly improved communications between the Board and yourselves --the members of the Association-- through frequent and thorough Official Bulletins released through the Alabang Hills Community Viber group (923 members) and, from time to time, through hard copies delivered to your homes. A total of 127 bulletins covering a wide range of subjects were issued from the time we assumed office in mid-March 2022 to the date of this writing.

Also from the start of our term, we have practiced transparency and responsiveness to your urgent and critical village needs. We will continue with our frequent, open, transparent, and responsive communications with you through to the end of our term.

Shortly after we assumed office, we relaunched the Administration Office with an improved layout and streamlined operations to enhance service effectiveness and efficiency.

Further, we introduced an online reservation system for our sports facilities and pavilions through the AHVA portal.

In 2022, we also implemented a more streamlined and efficient Vehicle Sticker Application & Processing Program via the introduction of an online/website application system that we ran in parallel with the traditional offline system. A new, simpler, and more distinguishing set of sticker designs was also adopted.

We heavily advertised and promoted "Yes" votes for the extension of AHVA's life into perpetuity in the lead up to the special referendum held to decide on this subject on July 17 and 24, 2022. Happily, we achieved our goal with a unanimous 565 in favor of perpetuity against only 3 not in favor. The extension into perpetuity was subsequently approved and granted by the DHSUD on October 18, 2022. The logistics of implementing the 'snap' referendum were managed without any issues.

We brought back the much desired Saturday Market which to this day continues to be well patronized by residents.

We developed a happy, healthy, and mutually cooperative relationship with the AHV Seniors Club, supporting each other in the achievement of our goals and programs.

We continued to provide external village services for the convenience of residents, notably car registration with the LTO, BF vehicle sticker processing, and pet anti-rabies vaccinations and micro chipping.

The Admin group worked hand in hand with other functions and departments to ensure that all Board programs and activities would be well planned, advertised/promoted, and executed, such as the Fire Prevention Seminar, Moderna Vaccination events, Halloween festivities, Christmas Bazaar & Bingo, and the soon to be held Fun Run.

Importantly, Administration worked closely with Security & Safety to develop clear and thorough Rotunda Driving Regulations and Road Signs, as well as general traffic regulations.

Together with Security & Safety, Admin will also be launching a digital/electronic cellphone-based platform by which you would be able to send instructions/requests/messages to our Security personnel without needing to call any of the landline numbers.

Lastly, we will be launching a unique and innovative AHVA Privilege & Membership Card program for all bona fide village residents. This will be a first in the history of subdivisions in the Muntinlupa area and perhaps in all of Metro Manila, if not the country.

All of the above future programs are currently in beta-testing stage and details will be released in due course.

## **F. FINANCE**

Shortly after assuming office, the Board, through the Treasurer, undertook a thorough review of the Finance and Accounting processes of the Association to determine avenues for rendering our operations more efficient, transparent, and in adherence to a necessary system of checks and balances, credit authorities, and the like. As a result, it was ascertained that the Association is in need of a structured manual of operating procedures for the guidance of this Board and future generations of Boards of Directors of AHVA Inc. Thus, an audit, management and consulting firm was engaged to assist the Association in establishing a codified manual of operating, accounting and audit procedures. We expect the establishment of such a manual to be available in the next few months.

In the area of cash management and banking processes, the Board has resolved to reduce the physical cash handling of collections and paper-based payment processes. To this end, AHVA has enlisted the support of its banks at the forefront of electronic and mobile banking apps, namely UnionBank, RCBC and Security Bank. Over the last two weeks, we have piloted and are currently beta testing a QRPH collection facility which eliminates cash handling at the AHVA office in favor of electronic payments via certain banks and eWallets already enrolled in Bancnet's QRPH payment platform, thus offering our AHVA members and non-resident customers a convenient and secure means of paying their liabilities to the Association. Watch out for the commercial launch of this facility in the next few weeks!

Similarly, we are working with our banks to launch a payment gateway that will be made available at our AHVA website to provide a convenient and secure electronic payment facility for our AHVA members. On the part of the Association, such electronic collection and payment schemes shall render our finance management processes more efficient with less reconciliation issues, reduce our paper-based finance and accounting operations and allows us to maximize our cash resources more efficiently.

## **G. OTHERS**

We renewed the security contract of Star Force from September 1, 2022 until August 31, 2024. There were two other bidders for the security contract and the Terms of Reference which were developed by the Security Committee and the Procurement & Bids Committees, an ad hoc committee under the Finance Committee.

(SIGNED)

Robert Navarro

President, Alabang Hills Village Association

February 14, 2023