



Risk Management Committee
Minutes of the Meeting
31 January 2024
Annex Building Conference Room and via Zoom

Attendance

Present:

Ms. Nikki Junia	President
Mr. Jose Victor Gaité	VP-Administration
Mr. Jaime Laya	Chairman
Ms. Marivic del Pilar	Trustee - Chairperson
Atty. Lorna Kapunan	Trustee

Also Present:

Atty. Krischelle Matas	DM III – HRMD
Atty. Hency Tanbengco	Attorney V -Legal Division
Atty. Francis Allen Paligan Jr.	Attorney IV -Legal Division
Engr. Debbie Ponteras	DC III - MESD
Ms. Teresa De Guzman	OIC-Budget Division
Mr. Clifford Colubio	OIC-Treasury
Ms. Maria Criselda Fegalquin	Secretariat Member

I. Call to Order

Ms. Marivic del Pilar, the Chairperson of the Committee, called the meeting to order at 4:02 PM. She opened the discussions with the presentation of the items to be discussed.

II. Topics Discussed

Lease Contracts	<p>Ms. del Pilar said that there are 16 lessees identified that will be affected by the Philippine International Exhibition Center (PIEC) Project.</p> <p>The lessees’ contracts are until December 2024 and the financial impact related to this is estimated to be P4MM.</p> <p>Identified Risks by the Management:</p> <ol style="list-style-type: none"> a. If they will not leave the premises b. If they will sue the CCP <p>Mr. Gaité said that CCP already issued letters to the lessees informing them that the lease will be pre-terminated and they were given 60</p>
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	<p>days to vacate their leased areas. He added, that another letter will be issued indicating that they can stay until May.</p> <p>Atty. Kapunan suggested to send letters to the lessees to conform with the pre-termination concerns. Ms. del Pilar added that aside from the letters, the management will have to talk the lessees as a gesture of respect to them.</p> <p>Action Item: For the Administrative and Services Department to send letters to the lessees extending their stay until May of this year and for the Legal Division to send letter indicating that they agree/conform with the pre-termination of their contracts.</p>
Lease Agreements with Meedson Properties Corp.	<p>The issue raised was the risk of not being renewed because of failed negotiation with the terms and conditions of the lease agreement. Based on the report, it was estimated that the rent coming from this lessee is more than P4MM every month.</p> <p>Atty. Tanbengco informed the Committee that the Meedson Properties Corp. is the direct lessee of the CCP (Liwasang Agyu or the Harbor Square) which sublease the properties to different tenants.</p> <p>Atty. Kapunan suggested to ask from the team of Ms. Rances on this issue.</p> <p>Action Item: For the Asset Division to have a firm study on this matter including a consolidator and submit a recommendation to the Risk Management Committee.</p>
Lessees in the CCP Bay Terminal (represented by Mr. Justin Po)	<p>The issue was on disagreements and undesirable behavior on dealing with CCP personnel.</p> <p>Ms. del Pilar narrated that the management is incline (<i>based on the risk summary report</i>) not to renew the lease agreement with Mr. Po and lease them out to other lessees.</p> <p>She is also supporting the action to be taken by the management not to renew their contract due to the disturbances and harassment that the lessee is doing to the CCP personnel.</p> <p>Atty. Paligan narrated some of the unpleasant behaviours displayed by the lessee.</p> <p>Mr. Laya suggested if the management can conduct a hearing so that if the CCP will be approached by a congressman in the future we can say that we adapted due process.</p>

III. Other Matters

<p>Climate Change and its effects to the Development of the Complex</p>	<p>Atty. Kapunan shared information that the location of the CCP being close to Manila Bay is susceptible to tsunami.</p> <p>Mr. Laya added that in Metro Manila there are three fault lines- Marikina West Valley, Marikina East Valley and Manila Bay. He said that when the Manila Bay fault moves, there will be a tsunami that would devastate the city of Manila.</p> <p>Mr. Laya said that the initial focus will be on records, to have back up or move it into a safe place for safekeeping. He also added that another area our valuable things like paintings and costumes to store them somewhere else.</p> <p>Atty. Kapunan suggested to recommend to the management to create a climate change committee.</p> <p>Ms. del Pilar asked Atty. Matas to assist in the creation of the said committee. She added that the committee has to draw a continuity plan for disasters like that.</p> <p>Action Item: For the management to create a climate change committee to look into this issue and submit before the March strategic planning.</p>
<p>Negative Slippage on the Rehabilitation (1st Phase)</p>	<p>Mr. Gaité discussed risks identified with the CCP main building rehabilitation specifically on negative slippage.</p> <p>He said, there was a letter sent to the contractor regarding this issue indicating that there will be repercussions (<i>collection of liquidation damages or not awarding the 2nd phase of the rehabilitation</i>) if this will not be addressed immediately.</p> <p>Ms. Junia informed the body that she already requested a meeting with the Vista Green. She said that the contractor is not knowledgeable of the present situation.</p> <p>Atty. Kapunan said to document all the contractor's violations. Meanwhile, Ms. del Pilar suggested to review the contracts to check the grounds for termination.</p>
<p>Financial impact of CCP Complex Development</p>	<p>Mr. Gaité presented the estimated decrease in the operating revenue relative to the implementation of the CCP Complex Development.</p> <p>Mr. Colubio discussed that the total income in 2023 is P166M while the revised projection as of January 30, 2024 is P85.6MM resulting to potential loss of P94.7MM or 53% (from DBM proposed budget).</p>

	<p>Regarding PIEC, Mr. Gaité said that the initial figure affected based on the submitted report from the administrative team is about P56MM.</p> <p>Ms. del Pilar commented based on this, that the PIEC project has to at least provide P280MM annually or P23MM a month in revenue.</p> <p>Action Item: For VP Gaité to take charge a feasibility study or simulation of the figures relative to the PIEC project.</p>
Notes and Other Information	The next meeting will be held on February 28, 2024 at 4 PM.

IV. Adjournment

The meeting adjourned at 4:57 PM.

Prepared by:



Maria Criselda Fegalquin
Secretariat Member

Approved by:

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Marivic del Pilar
Chairperson
Risk Management Committee

Date: 06 February 2024