



**TOURISM
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MEMORANDUM FOR THE CHIEF OPERATING OFFICER

FROM : ASSETS MANAGEMENT SECTOR

**SUBJECT : UPGRADING OF THE CEBU FIELD OFFICE TO
A DIVISION OFFICE**

We are respectfully submitting our request to upgrade the Cebu Field Office (CFO) from its current status as a single unit with only one (1) plantilla item, to a Division Office level supported by a full personnel complement.

Background

The CFO used to be an entity with a full personnel complement carrying out tasks in accounting, cashiering, administrative and property monitoring. It also played a major role in supporting the Regional Operations Department (ROD) of Visayas. The Authority used to have three RODs; one each for Luzon, Visayas and Mindanao prior to its dissolution.

In the 2013 GCG-approved TIEZA Re-Organization, the CFO was down-sized into a single unit with only a Tourism Coordinator plantilla, assigned to it. Servicing of its accounting, financial and administrative requirements were transferred here at the Central Office.

We have six (6) assets in Cebu generating needed revenues for TIEZA which in **2019 alone amounted to P 10.815 Million (gross)**. These six properties are as follows:

Asset	Area	Description/ Activities	Plans
1) Hyperbaric Chamber	50 sqm. within TIEZA office building	A medical chamber that primarily services scuba divers involved in accidents in the entire Visayas area (Regions 6,7,and8). Recent medical studies reveal that the Chamber is also helpful in treating other diseases.	Market its presence and availability to Doctors for use of their patients in treating other medical cases proven effective.

		Generated P1.224M revenues in 2019.	
2) Kang Irag	96 has.	Formerly a golf course and emerging as an eco-tourism destination featuring attractive flower gardens.	For Development of Kang-Irag Garden Resort
3) Maomawan	85 has.	Cut flower industry thrives here. Cebu Tech University (CTU) College Annex added.	For Masterplanning for an Ecotourism Park
4) Moalboal	70 has.	One of Visayas preferred dive destinations. Lessees are engaged in dive shop operations and accommodations. Revenue P3.849M (2019): Under developed and therefore not maximizing its revenue potential	For Masterplanning to develop a tourism complex with a boardwalk, resorts, arcade/shops, pier, hotels and road network to generate more revenues.
5) Argao Beach Club & Airstrip	12 has.	Formerly one of the best beach club in Cebu prior to its sequestration. Non operational after a labor dispute in 1994. Revenue: 600k in lease rental from portions of the airstrip.	ABC Corporation for formal dissolution with SEC c/o Legal. Acctg. Books not closed. Titling in process. Open for JV partnership
6) Dalaguete Beach Park	2.2 has.	Popular public beach park with cabanas and picnic sheds and tables. Gross revenue P5.715M (2019)	In the pipeline are plans to develop accommodation facilities and related amenities.

Justifications

Our recommendation is based on current circumstances, as follows:

- a) *Herculean responsibility. No corresponding authority.*- Presently we only have one (1) plantilla employee, the Tourism Coordinator, given the enormous task of managing, monitoring, developing and overseeing the six (6) aforementioned assets. The office was downsized to a small unit

but its responsibility and Cebu development has even increased in recent years.

- b) *We need to improve revenue generations* – The Cebu properties are valuable assets with high potential for high-ticket, low volume development projects. Current revenues from use of the Hyperbaric Chambers has the potential to increase exponentially given the benefits and healing properties it provides to patients with other sickness. Other assets need investment to be developed.
- c) *We need to maximize revenue generating potential* - In the same breadth, we need to maximize potential revenues from the other five assets through market research and analysis, and solid investment.
- d) *We need a Point Person* - We need to have a person capable of dealing with our potential JV Partners and investors at the point of contact.
- e) *We need a Marketing Person* – We have products to sell but we do not have a marketing person in Cebu who can focus on promoting/selling our products and services. We also need a Sales person to create and handle special events and festivals.
- f) *We need to improve check and balance* - There are cash transactions handled on a regular basis ranging from payment of Lease Rentals to emergency disbursements when the need arises. Control procedures in handling of cash receipts and disbursement needs to be established in compliance with COA rules and regulations.
- g) *We need to improve our monitoring system* - Proper and timely monitoring and reporting of properties, funds and lease payments is needed.
- h) *We need to have established liaison* - Ease of communicating with the LGUs and other agencies to address concerns and issues pertaining to these properties is needed.
- i) *We need to protect our assets* - Focused effort is needed in protecting our properties from illegal settlers.

Legal Basis

- a) RA 9593 – TIEZA is mandated to *develop, manage, and supervise tourism infrastructure projects* to help local tourism, to provide job opportunities, maximize assets utilization, as well as the socio-economic benefits it provides the LGU and communities therein thorough sustainable tourism.
- b) GCG Mandate – TIEZA Strategy Map and the BSC perspectives of *Social Impact, Financial, Customer/ Stakeholder, Internal Process, and Learning & Growth* require that: All inputs/resources are identified, and made available to address CFO concerns in order for the office to effectively and efficiently perform its functions and achieve its targets of contributing to TIEZA financial coffers by increasing its potential for revenue generation developing personnel competencies and expertise, and the continual improvement of its processes and targets to meet customer's expectations. TIEZA continues to have a social contract with the LGU, communities to provide socio-economic benefits thru its programs, activities, and projects.

Recommendations:

Considering the immense responsibility and potential currently in the Cebu Office, as compared to other new divisions, and to address its manpower deficiencies, we respectfully recommend that :

- a) **The Cebu Field Office Unit be upgraded into a full-size Division-level office; and**
- b) **Additional personnel and support staff be created/provided, as follow:**

Position / Title	Salary Grade	Responsibilities
CFO Manager / Division Manager	SG-24 (83,406/month)	Overall management, business development, investment, marketing, coordination, monitoring of all 6 assets; Authorized representative of TIEZA in govt meetings, and in meeting investors.
Development Officer	SG-18 (P40,637/month)	Study, plan development, identify business opportunities, partnerships of an asset to generate more revenues. Oversee all assets revenue generation.
Marketing Assistant	SG-15 (P30,531/month)	Prepare documents, collaterals for each assets to present and discuss to investors, lessees, JV partners.
SDO / CCO	SG-13 (P25,232/month)	In charge and accountable for all disbursements and budget.
Cashier	SG-13 (P25,232/month)	Accountable for the proper handling of all cash & non-cash receipts and its proper entry into the books.
Accounting	SG-13 (P25,232/month)	Proper accounting and recording of entries of all cash & non-cash transactions and regular reporting.
Administration /Property Custodian	SG-10 (P19,233/month)	Ensures all assets' legal documents, including titling and RPT payments are in order; oversee security of assets from intruders, loss.

Expected Outputs

If our recommendation to upgrade the CFO to a Division Office is approved and key personnel with their defined responsibilities are put in place, it is expected that the aforementioned six (6) assets shall:

- a) Be more efficiently and effectively managed, operated and monitored;
- b) Have increased development activities for improving revenue generations;
- c) Have a more efficient and improved system of check and balance, accounting of funds and management of books; and
- d) More importantly, a more fluid transfer of information on prevailing or emerging trends that shall improve revenue generation.

We are confident that with the upgrading of the CFO into a Division Office, the Authority shall accomplish its role as the tourism development partner of the LGU, communities, and the private sector. Thus be a stimulus in framing a positive social impact in the localities.

Desired Action

Management to approve the upgrading of the Cebu Field Office unit into the **Cebu Division Office** , and its conversion into a fully functioning office with a full manpower complement effective CY2021.


Once approved, subject will be forwarded to the TIEZA Board for approval.

For your consideration and approval, Sir.

MA.EVELYNE A. FRANCISCO
Manager, BUDD

MARIA TERESA C. ALVAREZ
Manager, OPED




JETRO NICOLAS F. LOZADA
Asst. Chief Operating Officer
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APPROVED / DISAPPROVED

POCHOLO J.D. PARAGAS
Chief Operating Officer