

WENCESLAO GREGORIO, FLORENTINO PERUELO, LORENZO CALAMBA, CLARITO ROBLES, GUILLERMO MILLARIN, ET AL. AND INOCENTES TUBIANOSA, PETITIONERS, VS. HON. COURT OF APPEALS, CITY OF LA C...

G.R. Nos. L-45862-64. May 11, 1984

Ponente: ESCOLIN, J.

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ESCOLIN, J.:

This is a petition for review of the decision of the defunct Court of Appeals, affirming the judgment of the then Court of First Instance of Negros Occidental, which upheld petitioners' separation from their respective employments in the city government of La Carlota City.

It appears that on July 20, 1968, the municipal board of La Carlota City unanimously approved Ordinance No. 49, providing for the city's budget for the fiscal year 1968-1969. In said budget the positions of several employees, including those of petitioners, were abolished, resulting in the termination of their employments. Petitioners claim that their separation from the service was done in bad faith and without valid cause.

Brushing aside petitioners' contention, the respondent court found that the abolition of the petitioners' positions in the budget and the subsequent termination of their employment were due to lack of funds and, therefore, done in good faith. It explained why.

"That the City of La Carlota was direly lacking in funds not only for salaries was testified to by the city auditor, who presented documents in Court to that effect. Thus, the city trial balance sheet as of December 21, 1967 (Exh. 8) showed an over-draft of P166,195.45 (Exh. 8-A) shortly before defendant city mayor assumed office on January 1, 1968; a certification (Exh. 23) of the city treasurer showed an over-all financial obligation of the city in the sum of P997,729.19 as of December 31, 1967, including P276,720.40 for unpaid wages and salaries for the months of June, October, November and December, 1967 (Exh. 21), and the cash report of the cashier as of January 2, 1968 (Exh. 30) indicated that the city had an available fund of only P224.01 in cash and P4,858.13 on deposit. It was also shown that a loan of P120,000.00 was sought from the Philippine National Bank to pay wages and salaries of the employees, but the department of finance disapproved the same because the city had yet to pay an outstanding budgetary loan of P150,000.00 due in September, 1967 to the Central Bank. The City also failed to remit to the Government Service Insurance System the sum of P157,475.84, representing payments for life and retirement premiums and salary loan repayments of the city employees for the period from September, 1967, to October, 1968 (Exh. 14). For the period ending June, 1968, as shown by the city trial balance sheet for this period, the city had an overdraft of P89,710.56 (Exhs. 13 and 13-A) for the entire fiscal year 1967-1968; and at the end of the fiscal year 1968-1969, despite the lay-off of 99 city employees as previously stated, the city government still had an overdraft of P48,689.76 (Exh. 29).

"From the above figures indicating the critical financial condition of the city, it cannot be said that the abolition of appellants' positions, and those of the rest of the 99 city employees, in the 1968-1969 budget was

politically motivated or done in bad faith. It appears that of the 18 employees in the office of the city mayor whose positions were also abolished, not one of them was retained or reappointed. In fact, not one of the 99 laid-off employees, including appellants herein, was replaced. The lay-off was in response to the recommendation of the department heads, particularly that of the city auditor, as shown in his letter to the city treasurer dated December 29, 1967 (Exh. 7) and in his letter to the city mayor dated January 8, 1968 (Exh. 9). Up to the present, the abolished positions of the laid-off employees have not been restored or re-created.

"It is important to note that the abolition of the unnecessary positions in the budget for the fiscal year 1968--1969 passed as Ordinance No. 49, is an action which was unanimously approved despite the fact that the members of the municipal board belonging to the faction of the defendant mayor were in the minority, and one of the councilors, Rafael Marino, son of the outgoing mayor, Jaime Marino, even voted for the abolition of unnecessary positions."

We find no cogent reason to disturb the respondent court's conclusions, the same being fully supported by the evidence and in accord with the applicable law and jurisprudence.

ACCORDINGLY, the petition is hereby dismissed. No costs. SO ORDERED.

Makasiar, (Chairman), Aquino, Concepcion, Jr., Guerrero, Abad Santos, and De Castro, JJ., concur.

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