

RESOLUTION No. 37022

Authorize temporary operating loans between various funds to provide interim funding to cover lags in federal, state and other grant reimbursements (Resolution)

WHEREAS, the grants funds, including the Grants Fund and the Community Development Block Grant Fund are reimbursement funds such that all expenses in the fund are expected to be reimbursed by entities outside of the City of Portland (the City);

WHEREAS, the City accounts for grant reimbursement on a modified accrual basis, per the requirements of Generally Accepted Accounting Principles (GAAP);

WHEREAS, under the modified accrual basis of accounting, expenses are incurred at the time services are delivered or goods are provided and revenues are recognized when reimbursement is received;

WHEREAS, the lag between expenses and revenues in the grants funds can result in temporary negative fund balance;

WHEREAS, Oregon State Local Budget Law requires that fund balances not be negative at the end of a fiscal year;

WHEREAS, GAAP requires that governmental funds not end the year with negative cash assets;

WHEREAS, the reimbursement nature of the grants funds results in the funds frequently carrying negative cash balances;

WHEREAS, interfund loans to the grants funds are necessary to comply with Local Budget Law and GAAP and such loans must be approved by City Council;

NOW, THEREFORE, BE IT RESOLVED, that a temporary, interest-free operating loan is hereby authorized immediately from the General Reserve Fund to the Grants Fund in the not-to-exceed amount of \$8,557,000 with a repayment of principal due by June 30, 2014; and

BE IT FURTHER RESOLVED, that a temporary, interest-free operating loan is hereby authorized immediately from the General Reserve Fund to the Community Development Block Grant Fund in the not-to-exceed amount of \$1,250,000 with a repayment of principal due by June 30, 2014; and

BE IT FURTHER RESOLVED, that a temporary, interest-free operating loan is hereby authorized immediately from the Sewer System Operating Fund to the Grants Fund in the not-to-exceed amount of \$365,000 with a repayment of principal due by June 30, 2014; and

BE IT FURTHER RESOLVED, that a temporary, interest-free operating loan is hereby authorized immediately from the Facilities Services Operating Fund to the Grants Fund in the not-to-exceed amount of \$1,159,000 with a repayment of principal due by June 30, 2014; and

BE IT FURTHER RESOLVED, that a temporary, interest-free operating loan is hereby authorized immediately from the Transportation Reserve Fund to the Grants Fund in the not-to-exceed amount of \$2,500,000 with a repayment of principal due by June 30, 2014; and

BE IT FURTHER RESOLVED, that a temporary, interest-free operating loan is hereby authorized immediately from the Parking Facilities Fund to the Grants Fund in the not-to-exceed amount of \$5,445,000 with a repayment of principal due by June 30, 2014; and

BE IT FURTHER RESOLVED, that a temporary, interest-free operating loan is hereby authorized immediately from the Water Fund to the Grants Fund in the not-to-exceed amount of \$700,000 with a repayment of principal due by June 30, 2014; and

BE IT FURTHER RESOLVED, that the primary source of repayment of the loans collectively mentioned above is earned and deferred revenues for reimbursement of eligible grant expenses in FY 2013-14.

Adopted by the Council: JUN 19 2013

Mayor Charlie Hales
Prepared by: Claudio Campuzano
Date Prepared: June 13, 2013

LaVonne Griffin-Valade
Auditor of the City of Portland

By:


Deputy

V140
PDF

582
Agenda No.
RESOLUTION NO. 37022
Title

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<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Mayor Hales</p>	<p>CLERK USE: DATE FILED <u>JUN 14 2013</u></p>
<p style="text-align: center;">COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales <i>[Signature]</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p>
<p style="text-align: center;">BUREAU APPROVAL</p> <p>Bureau: City Budget Office Bureau Head: Andrew Scott <i>[Signature]</i></p> <p>Prepared by: Claudio Campuzano Date Prepared: June 12, 2013</p>	<p>ACTION TAKEN:</p>
<p>Financial Impact & Public Involvement Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan</p>	
<p>Council Meeting Date June 19, 2013</p>	

AGENDA
<p>TIME CERTAIN <input checked="" type="checkbox"/> Start time: 9:30 (2 of 2)</p> <p>Total amount of time needed: 15 minutes (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	