

## **RESOLUTION No.     3 6 7 6 8**

Authorize a temporary operating loan from the Bancroft Bond Interest and Sinking Fund to the Development Services Operating Fund to provide interim funding (Resolution)

WHEREAS, in Fiscal Year (FY) 1988-89, City Council directed the Bureau of Development Services (BDS) to create a reserve to fund pre-paid work and serve as a countercyclical reserve when the economy was in a downturn; and

WHEREAS, the world-wide economic downturn has negatively impacted the construction industry, and as a result BDS began experiencing a sharp decline in permit and other revenues in the fall of 2008; and

WHEREAS, the bureau took proactive steps to help maintain its fiscal solvency and safeguard the reserve fund while maintaining a high level of customer service, by implementing efficiencies, restructuring the bureau, and laying off approximately 150 BDS employees in the summer and fall of 2009; and

WHEREAS, in FY 2008-09, bureau reserves fell from almost \$13.5 million to \$2.9 million; and

WHEREAS, due to the continuing recession, permit revenues remain low and as of February 28, 2010 the Development Services Operating Fund reserve balance was approximately \$114,000; and

WHEREAS, BDS cut staff positions to balance the budget and now does not have sufficient staff to meet its current workload, negatively impacting bureau customers, development projects, and neighborhood livability; and

WHEREAS, by law BDS must perform certain development-related functions, such as building inspections, plan review, permit issuance, and land use review; and

WHEREAS, it is in the community's best interest to continue services such as inspection of substandard housing, nuisance abatement, noise control, land use review, site development inspections and review; and

WHEREAS, further staff reductions at BDS would thus be disadvantageous to the bureau's customers and the community; and

WHEREAS, there is a need to provide interim financing for BDS;

NOW, THEREFORE, BE IT RESOLVED, that a temporary operating loan is hereby authorized immediately from the Bancroft Bond Interest and Sinking Fund to the Development Services Operating Fund in the not-to-exceed amount of \$1,500,000 with a repayment schedule of principal and accrued interest due by June 30, 2011;


BE IT FURTHER RESOLVED, that any amount borrowed under this authorization will be repaid, with interest calculated at the daily rate earned by the City's investment portfolio on or before June 30, 2011; and

BE IT FURTHER RESOLVED, that the primary source of repayment of the Loan is revenues from BDS fees and charges. If, for any reason, the primary source of repayment of the loan is not sufficient to meet the repayment schedule, the Office of Management and Finance, at the request of BDS, will work to identify alternative repayment sources, including internal financing from other City funds, to ensure that the loan is repaid on schedule.

Adopted by the Council: MAR 10 2010

Commissioner Randy Leonard  
Prepared by: Denise Kleim/mf  
Date Prepared: March 10, 2010

**LaVonne Griffin-Valade**  
Auditor of the City of Portland

By:   
Deputy

347

✓140


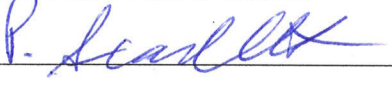
Agenda No.

RESOLUTION NO.

Title

36768

Authorize a temporary operating loan from the Bancroft Bond Interest and Sinking Fund to the Bureau of Development Services Operating Fund to provide interim funding (Resolution)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Commissioner Randy Leonard</b>	CLERK USE: DATE FILED <u>MAR 05 2010</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland  By: <u></u> Deputy
<b>BUREAU APPROVAL</b> Bureau: Bureau of Development Services Bureau Head: Paul L. Scarlett 	<b>ACTION TAKEN:</b>
Prepared by: Leanne Torgerson Date Prepared: 3/4/10	
Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date <b>3/10/10</b>	
City Attorney Approval <u>JUD</u>	

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

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	4. Leonard	<input checked="" type="checkbox"/>	
Adams	Adams	<input checked="" type="checkbox"/>	