

IMPACT STATEMENT

Legislation title: *Authorize a temporary interfund loan not to exceed \$22 million from Portland Parks & Recreation System Development Charge Fund to the 2020 Parks Local Option Levy Fund to provide interim financing for park operations (Ordinance)

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Presenter name: Brigid O'Callaghan, City Treasurer (x33104)
Matt Gierach, Debt Manager (x36822)

Purpose of proposed legislation and background information:

The purpose of this legislation is to provide temporary funding to the 2020 Parks Local Option Levy Fund.

At the November 3, 2020 general election, Portland voters approved Ballot Measure 26-213, to impose a local option levy for Parks operations over five fiscal years beginning in fiscal year 2021-22. The local option levy will be imposed at a rate of \$0.80 per \$1,000 of assessed value and accounted for in the 2020 Parks Local Option Levy Fund to be overseen by Portland Parks and Recreation ("PP&R").

The initial tax receipts are not expected to begin until November 2021. This legislation will allow the City of Portland to accelerate the timing of staffing and material acquisition to prepare for service delivery in FY 2021-22 by providing temporary funding via an interfund loan in the current fiscal year.

PP&R has identified its System Development Charge Fund has a viable source of interim funding and would like to initiate an interfund loan to the 2020 Parks Local Option Levy Fund. The loan would be repaid by January 31, 2022.

Financial and budgetary impacts:

- *Financial Impact:* The interfund loan to the 2020 Parks Local Option Levy Fund will accrue interest at the City's Investment Fund earnings rate, compounded monthly and payable at maturity to the System Development Charge Fund, resulting in a neutral economic impact to the System Development Charge Fund. Draws on the interfund loan will be made on an as-needed basis. It's anticipated that approximately \$9 million and \$13 million of draws will be made during fiscal years 2020-21 and 2021-22, respectively.

- **Budgetary Impact:** In accordance with State of Oregon budget law, PP&R will bring forth a budget request to record the interfund loan and related expenditures during fiscal year 2020-21. Draws and expenditures to be made in fiscal year 2021-22 will be included in the fiscal year 2020-21 requested budget.

Community impacts and community involvement:

No direct community impact or involvement is anticipated.

100% Renewable Goal:

Not applicable.

Budgetary Impact Worksheet**Does this action change appropriations?**

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount