

RESOLUTION No. 36867

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, the Community Development Block Grant Fund, and the HOME 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 Fund 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 Fund 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 operating loan is hereby authorized immediately from the General Fund to the Grants Fund in the not-to-exceed amount of \$15 million with a repayment schedule of principal and accrued interest due by June 30, 2012;

BE IT FURTHER RESOLVED, that a temporary operating loan is hereby authorized immediately from the Transportation Operating Fund to the Grants Fund in the not-to-exceed amount of \$2.6 million with a repayment schedule of principal and accrued interest due by June 30, 2012; and

BE IT FURTHER RESOLVED, that a temporary operating loan is hereby authorized immediately from the Transportation Reserve Fund to the Grants Fund in the not-to-exceed amount of \$2.5 million with a repayment schedule of principal and accrued interest due by June 30, 2012; and

BE IT FURTHER RESOLVED, that a temporary operating loan is hereby authorized immediately from the General Fund to the Community Development Block Grant Fund in the

not-to-exceed amount of \$2.4 million with a repayment schedule of principal and accrued interest due by June 30, 2012; and

BE IT FURTHER RESOLVED, that a temporary operating loan is hereby authorized immediately from the Housing Investment Fund to the Community Development Block Grant Fund in the not-to-exceed amount of \$2.4 million with a repayment schedule of principal and accrued interest due by June 30, 2012; and

BE IT FURTHER RESOLVED, that a temporary operating loan is hereby authorized immediately from the Water Fund to the Grants Fund in the not-to-exceed amount of \$500,000 with a repayment schedule of principal and accrued interest due by June 30, 2012; and

BE IT FURTHER RESOLVED, that a temporary operating loan is hereby authorized immediately from the Parking Facilities Fund to the Grants Fund in the not-to-exceed amount of \$8.3 million with a repayment schedule of principal and accrued interest due by June 30, 2012; and

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, 2012; and

BE IT FURTHER RESOLVED, that the primary source of repayment of the Loan is earned and deferred revenues for reimbursement of eligible grant expenses in FY 2010-11.

Adopted by the Council: JUN 22 2011

Mayor Sam Adams
Prepared by: Claudio Campuzano
Date Prepared: June 15, 2011

LaVonne Griffin-Valade
Auditor of the City of Portland

By: 
Deputy

649

140

Agenda No.
RESOLUTION NO.
Title

36867

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

INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED <u>JUN 17 2011</u>
COMMISSIONER APPROVAL	<p>LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <u><i>Susan Parsons</i></u> Deputy</p> <p>ACTION TAKEN:</p>
Mayor—Finance and Administration - Adams	
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
BUREAU APPROVAL	
Bureau: Bureau of Financial Services Bureau Head: Rich Goward, CFO	
Prepared by: Claudio Campuzano Date Prepared: 6/16/11	
Financial Impact & Public Involvement Statement	
Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input type="checkbox"/>	
Council Meeting Date June 22, 2011	
City Attorney Approval	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: _____
Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: 10 minutes (for presentation, testimony and discussion)

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