

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Jonas Biery JB		2. Telephone No. x3-4222	3. Bureau/Office/Dept. Financial Services/Public Finance & Treasury
4a. To be filed (date): 5/17/2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: 5/17/2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Authorize a borrowing in an amount sufficient to produce not more than \$25,211,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for fiscal year 2012-13 (Ordinance)

2) Purpose of the Proposed Legislation:

The proposed ordinance will authorize the City to issue tax anticipation notes to finance the cash flow deficit of the Fire and Police Disability and Retirement Fund until property tax revenues for FY 2012-13 are received.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- City-wide/Regional Northeast Northwest North
 Central Northeast Southeast Southwest East
 Central City
 Internal City Government Services

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The proposed Ordinance does not create a material impact on current or future revenue coming to the City.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution

or match required. If there is a project estimate, please identify the **level of confidence**.)

The City will repay principal plus interest on the notes through maturity, which will be no later than June 30, 2013. Based on current market conditions, the principal and interest at maturity is not expected to exceed \$25.265 million. Principal and interest will be repaid with FPD&R Fund revenues.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)

No position changes are anticipated.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No position changes are anticipated.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)

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

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES: Please proceed to Question #9.
 NO: Please, explain why below; and proceed to Question #10.

This is an administrative action taken to provide funding to meet the cash flow deficit of the Fire and Police Disability and Retirement Fund until property taxes for FY 2012-13 are collected beginning in November 2012.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?


c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No. Once issued, the City will pay debt service on the Tax Anticipation Notes through maturity in June 2013.

Richard F. Goward Jr., CFO 

BUREAU DIRECTOR (Typed name and signature)



CITY OF PORTLAND
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185372

DATE: May 8, 2012
TO: Mayor Sam Adams
FROM: Jonas Biery, Debt Manager JB

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

RE: Authorize a borrowing in an amount sufficient to produce not more than \$25,211,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for fiscal year 2012-2013 (Ordinance)

- 1. **INTENDED THURSDAY FILING DATE:** May 17, 2011
- 2. **REQUESTED COUNCIL AGENDA DATE:** May 23, 2011
- 3. **CONTACT NAME & NUMBER:** Jonas Biery, Debt Manager, x3-4222
- 4. **PLACE ON:** ___ CONSENT X REGULAR
- 5. **BUDGET IMPACT STATEMENT ATTACHED:** X Y ___ N ___ N/A
- 6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ___ Yes ___ No ✓ N/A

7. BACKGROUND/ANALYSIS

Introduction and History – The attached Ordinance authorizes the City to issue Tax Anticipation Notes or other obligations in an amount sufficient to produce not more than \$25,211,000 of proceeds to fund the projected operating deficit in the Fire and Police Disability and Retirement Fund for fiscal year 2012-13. A total of up to \$26 million of notes are authorized in order to cover costs of issuance.

The Ordinance delegates to the Debt Manager the authority to determine the type of financing to be used and the method of sale, to establish terms of the borrowing, and to execute documents.

Legal Issues – Oregon Revised Statutes, Chapter 287A.180, authorizes the City to issue notes in anticipation of taxes and other revenues to be received by the City, and to pledge its anticipated taxes and other revenues to secure the notes, so long as the borrowings mature within 13 months after they are issued and do not exceed 80 percent of the amount the City has budgeted to receive in that fiscal year. If the full \$26 million authorized by the Ordinance is issued, the notes will represent about 23.2 percent of the projected fiscal year 2012-13 tax collections for the Fire and Police Disability and Retirement Fund levy. The City will repay the principal and interest on the notes no later than June 30, 2013.

Link to Current City Policies – If authorized by the City Council, this issue will be done in conformance with the City's Debt Management Policy.

Controversial Issues – None

Citizen Participation – Not Applicable

Other Government Participation – Staff at the Fire and Police Disability and Retirement (FPDR) Fund are working with the Office of Management and Finance to complete this financing.

8. FINANCIAL IMPACT

The City will issue tax anticipation notes in a principal amount not to exceed \$26.0 million. Based on current market conditions, the expected principal and interest at maturity is expected to be approximately \$25.265 million. Principal and interest will be repaid with FPDR Fund revenues.

9. RECOMMENDATION/ACTION REQUESTED

In order to ensure that the cash flow needs of the Fire and Police Disability and Retirement Fund can be met prior to receipt of FY 2012-13 taxes, it is recommended that the City Council adopt this Ordinance.