

RESOLUTION No. 37298

Authorize temporary operating loans between various funds to provide interim funding to cover lags in federal, state, and other grant reimbursements and other negative cash and fund balances. (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, the Recreational Marijuana Tax Fund has incurred minor administrative expenses in FY 2016-17 but may not receive its first remittance from the State of Oregon until after June 30, 2017;

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 and other funds can result in temporary negative fund balance;

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

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, interfund loans to the grants funds, and occasionally interfund loans to other 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 Transportation Operating Fund to the Grants Fund in the not-to-exceed amount of \$9,750,000 with a repayment of principal due by June 30, 2018; and

BE IT FURTHER RESOLVED, that the primary source of repayment of the loan to the Grants Fund is earned and deferred revenues for reimbursement of eligible grant expenses in FY 2016-17.

BE IT FURTHER RESOLVED, that a temporary operating loan is hereby authorized immediately from the Arts Education and Access Fund to the Recreational Marijuana Tax Fund in the not-to-exceed amount of \$10,000 with a repayment of principal due by June 30, 2018; and

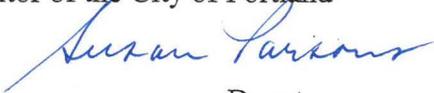
BE IT FURTHER RESOLVED, that the repayment of the loan from the Arts Education and Access Fund to the Recreational Marijuana Tax Fund will include accrued interest at the rate of return on moneys invested in City of Portland's investment pool; and

BE IT FURTHER RESOLVED, that the source of repayment of the loan to the Recreational Marijuana Tax Fund is State recreational marijuana remittances for FY 2016-17.

Adopted by the Council: JUN 21 2017

Mayor Ted Wheeler
Prepared by: Jessica Eden
Date Prepared: June 12, 2017

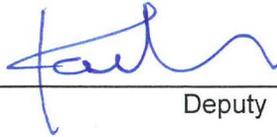
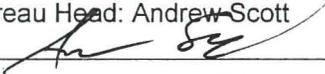
Mary Hull Caballero
Auditor of the City of Portland

By: 
Deputy

Agenda No. **RESOLUTION NO. 37298**

Title

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<p>INTRODUCED BY Commissioner/Auditor: Mayor Wheeler</p>	<p>CLERK USE: DATE FILED <u>JUN 13 2017</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Wheeler KD</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: CBO Bureau Head: Andrew Scott </p> <p>Prepared by: Jessica Eden Date Prepared: June 12, 2017</p>	<p>ACTION TAKEN:</p>
<p>Impact 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.</p> <p>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 21, 2017</p>	

AGENDA
<p>TIME CERTAIN <input checked="" type="checkbox"/></p> <p>Start time: 9:45 am 2 of 2 15</p> <p>Total amount of time needed: 5 minutes (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/></p> <p>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. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	