

**ORDINANCE No. 189808**

\* Create the Citywide Obligations Reserve Fund (Ordinance; add Code Section 5.04.590)

The City of Portland ordains:

Section 1. The Council finds:

1. Periodically, the City identifies obligations that result from legal liabilities and other significant but infrequent costs;
2. Planning and setting aside resources for known obligations is a recommended financial best practice. Establishing a reserve fund for Citywide obligations will improve the City's ability to plan, finance, and set aside funds to best address the obligations;
3. Establishing a citywide reserve fund will support the goals of the City's comprehensive financial management policies to guide decision making, support long-term planning, maintain assets and infrastructure, minimize financial risk, ensure internal controls, optimize the effectiveness of service delivery, institute balanced revenue strategies, maintain financial stability, promote sound financial management, maintain credit ratings, ensure the legal use of resources, and promote collaboration;

NOW, THEREFORE, the Council directs:

- a. Effective July 1, 2019, the Citywide Obligations Reserve (Fund 231) is created. The purpose of the fund is to create a reserve for known Citywide obligations and allow the City to better plan for these costs. The Bureau of Revenue and Financial Services manages the fund, with expenses and revenues approved by Council and monitored through the City's budget process. The revenue sources for the fund include budgeted transfers from various bureaus, and General Fund discretionary resources, year-end savings and carryover, subject to appropriation by City Council.

For budget basis reporting under the State of Oregon's Local Budget Law, the Citywide Obligations Reserve Fund will be designated as a "Special Revenue Fund". This designation provides a specific and transparent budget monitoring opportunity. However, the Citywide Obligations Reserve Fund does not qualify as a Special Revenue Fund under generally accepted accounting principles (GAAP). Therefore, the fund will be combined with the General Fund for GAAP basis financial reporting in the Comprehensive Annual Financial Report.

- b. City Code Chapter 5.04 is amended by adding a new section as follows:

**5.04.590 Citywide Obligations Reserve Fund**

The Citywide Obligations Reserve Fund is hereby created to create a reserve for known Citywide obligations and allow the City to better plan for these costs.

Section 2. The Council declares that an emergency exists because it is necessary to create the fund in order to properly prepare financial statements and budget accordingly; therefore, this ordinance shall be in full force and effect upon passage.

Passed by the Council: DEC 18 2019

Mayor Ted Wheeler  
Prepared by: Ryan Kinsella/Josh Harwood  
Date Prepared: November 22, 2019

**Mary Hull Caballero**

Auditor of the City of Portland

By



Deputy

Agenda No. **189808**  
**ORDINANCE NO.**  
 Title

\* Create the Citywide Obligations Reserve Fund. (Ordinance)

<p><b>INTRODUCED BY</b>                  Commissioner/Auditor:  <b>Mayor Ted Wheeler</b></p>	CLERK USE: DATE FILED <u>DEC 10 2019</u>
<p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Wheeler </p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Hardesty</p> <p>Position 4/Safety - Eudaly</p>	<p>Mary Hull Caballero                  Auditor of the City of Portland</p> <p>By:  _____                  Deputy</p>
<p><b>BUREAU APPROVAL</b></p> <p>Bureau: City Budget Office                  Bureau Head: Jessica Kinard</p>	<p><b>ACTION TAKEN:</b></p> <p>DEC 18 2019      <b>Continued to December 18, 2019 at 2:45 p.m.</b></p>
<p>Prepared by: Josh Harwood                  Date: November 22, 2019</p>	
<p>Financial Impact &amp; Public Involvement Statement                  Completed <input checked="" type="checkbox"/>      Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document                  If "Yes" requires City Policy paragraph stated in document.                  Yes <input type="checkbox"/>      No <input checked="" type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b>                  required for Code Ordinances</p>	
<p><b>City Attorney Approval:</b>                  required for contract, code, easement, franchise, comp plan, charter</p>	
<p>Council Meeting Date December 18, 2019</p>	

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____                  (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input checked="" type="checkbox"/>      <b>15</b></p> <p>Total amount of time needed: <b>20min</b>                  (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	_____	
3. Hardesty	3. Hardesty	✓	
4. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	