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191483

Emergency Ordinance

*Update the Fund Statement of Purpose for the Recreational Cannabis Tax Fund to allow the City Budget Office to establish set aside funds for an operating reserve policy

Passed

Amended by Council

The City of Portland ordains:

Section 1. The Council finds:

1. City Comprehensive Financial Management Policy 2.04 states that each fund in the City shall have a statement of purpose, adopted by ordinance of the City Council, which contains several required elements (outlined in FIN 2.04.01).
2. City Comprehensive Financial Management Policy 2.07 states that "Reserve funds that formally set aside amounts for use in emergency situations or revenue shortfalls are considered 'stabilization arrangements' under Government Accounting Standards Board (GASB) guidance."
3. City Comprehensive Financial Management Policy 2.07 states "Amounts set aside in reserve funds to provide temporary coverage in the event of a cash or revenue shortfall, or a negative fund balance at fiscal year-end, are considered routine in nature, and may be treated as "committed" or "assigned" segments of ending fund balance. The City shall maintain adequate cash reserves in each fund to maintain a positive cash position and ending fund balance at year end."
4. The Recreational Cannabis Tax Fund does not currently have a reserve fund, exposing it to risk associated with revenue shortfalls and negative year-end fund balances.
5. In an Adopted FY 2023-24 Budget Note, Council directed the City Budget Office to develop a reserve policy for the Recreational Cannabis Tax Fund.

NOW, THEREFORE, the Council directs:

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[City Budget Office;](#)
[Management and Finance](#)

Contact

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Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

October 11, 2023

Requested Start Time

3:45 pm

Time Requested

1 hour (2 of 2)

Portland Policy Document

- A. The Fund Statement of Purpose for the Recreational Cannabis Tax Fund (Fund 227) is amended as shown in Exhibit A. The amended Fund Statement of Purpose is binding City policy.

Section 2. The Council declares that an emergency exists in order to have the ordinance as amended be enacted upon the unanimous passage of this ordinance; this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-a-revised-fund-statement-of-purpose-fund-227-recreational-cannabis-tax-fund.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-a-revised-fund-statement-of-purpose-fund-227-recreational-cannabis-tax-fund.pdf) 79.7 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed as amended by Council
October 11, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

In an Adopted FY 2023-24 Budget Note, Council directed the City Budget Office to develop a reserve policy for the Recreational Cannabis Tax Fund. This reserve policy will stabilize ongoing programming funding.

Financial and Budgetary Impacts

This policy will result in a Cannabis Reserve program set at ten percent of the Cannabis Fund resources less beginning fund balance. In the event of a forecasted decline in revenues, this reserve will be reduced prior to reductions to other ongoing programs. Additionally, there will be no new allocations of revenue unless the Cannabis Reserve meets the ten percent threshold. There are no other financial or budgetary impacts.

Community Impacts and Community Involvement

Not applicable.

100% Renewable Goal

Not applicable.

Agenda Items

835 Time Certain in [October 4, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/10/4)
(<https://www.portland.gov/council/agenda/2023/10/4>)

Passed to second reading

Passed to second reading October 11, 2023 at 3:45 p.m. time certain.

866 Time Certain in [October 11, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/10/11)
(<https://www.portland.gov/council/agenda/2023/10/11>)

Passed As Amended

Motion to amend the Ordinance to add an emergency clause in order to have the ordinance as amended be enacted upon the unanimous passage of this ordinance: Moved by Wheeler and seconded by Ryan. (Y-5)

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Mayor Ted Wheeler Yea