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37700

Resolution

Direct the City Administrator to submit a report of all unassigned funds for recent fiscal years

Adopted

Amended by Council

WHEREAS, in recent years, municipalities, including the City of Portland, have received various unassigned grant funds intended for essential community programs and initiatives; and

WHEREAS, these grant funds are vital for supporting a range of services that enhance the well-being and development of our community; and

WHEREAS, under the City's current organizational structure, the City Council holds legislative oversight over the allocation and expenditure of these unassigned grant funds; and

WHEREAS, to promote transparency and foster public trust, it is crucial for the City Council to ensure that all unassigned grant funds, including "opioid funds" (and Grant Funds from the 217 Fund) are meticulously tracked, accurately accounted for, and meet the generally accepted accounting principles (GAAP) and standards for organizing and recording transparency of financial disclosures; and

WHEREAS, the City Council will soon begin receiving regular reports detailing proposed expenditures and transfers from the unassigned grant funds at City Council meetings within 15 days of receipt; and

WHEREAS, conducting a baseline audit of these funds will provide valuable insights to the City Council and the public regarding the current status of the unassigned grant funds and previous financial activity related to them.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Portland, Oregon, directs the City Administrator to submit a written report to the Finance Committee detailing all financial activities related to unassigned grant funds for the current fiscal year to date, as well as the three preceding fiscal years. The City Council further requests that the City Administrator provide these findings no later than April 21, 2025, to inform Council and support its preparation of the FY 2025-26 budget.

Document number

2025-030

Introduced by

[Councilor Loretta Smith](#)

City department

[City Budget Office](#)

Contact

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Requested Agenda Type

Nine-Twelfths

Date and Time Information

Requested Council Date

February 19, 2025

Time Requested

20 minutes

Exhibits and Attachments

 [Resolution as amended - strikethrough / underline version](#) 57.96 KB

Impact Statement

Purpose of Proposed Legislation and Background Information

The Mayor's recent announcement of his intent to direct funding to add 50 beds to the Bybee Lakes Hope Center illustrated a procedural gap in City Council's oversight responsibilities. These funds -- part of the Unassigned Funds -- were tacitly approved by the past Council.

The previous council had confirmed such allocations in past budgets and adjustments. Due to the nature of this fund, both the Mayor and the City Administrator have some flexibility in dispensing money from it, provided the expenditures align with the grant fund's description.

Under our new form of government, the city council has control over financial expenditures, requiring that all funds be presented to the council before being disbursed. Regardless of any Councilor's position on the issue, Council as a whole deserves the opportunity to confirm actual appropriations before the funds are spent.

FIN-3.14 - Grants Fund – Fund 217 Statement of Purpose: The Grants Fund serves as the central account for all federal, state, and private financial assistance the City receives – including grants, contracts, and cooperative agreements. All other grant revenues and expenses are tracked within the Grants Fund.

A key term here is "cooperative agreement," as a settlement falls under this definition. City Council has allocated these funds generally, and the Mayor has the authority to spend them specifically, as long as funds are used "appropriately." We believe City Council is the branch of city government responsible for assessing whether these funds are actually used appropriately.

In the previous government structure, the mayor had primary authority over these types of funds, with the city council reviewing the appropriateness of expenditures afterward and having the power to reverse decisions. However, we now operate under a different governmental structure, where the council holds control over finances; thus, no money can be disbursed without some form of legislative approval.

The main purpose of this audit is to ensure that all "unassigned funds" are documented appropriately to Council before being spent, thus enhancing public transparency and accountability.

Financial and Budgetary Impacts

Not applicable.

Economic and Real Estate Development Impacts

Not applicable.

Community Impacts and Community Involvement

Increases public awareness and transparency about these funds.

100% Renewable Goal

Not applicable.

Document History

Document number: 2025-030

Agenda	Council action
<div><div>February 19, 2025</div><div>Nine-Twelfths Agenda</div><div>City Council</div></div>	<div><div>Adopted As Amended</div><div>Motion to amend the resolution to replace the Resolved section with “NOW, THEREFORE, BE IT RESOLVED that the City Council of Portland, Oregon, directs the City Administrator to submit a written report to the Finance Committee detailing all financial activities related to unassigned grant funds for the current fiscal year to date, as well as the three preceding fiscal years. The City Council further requests that the City Administrator provide these findings no later than April 21, 2025, to inform Council and support its preparation of the FY 2025-26 budget.” and to amend the title to strike “Request City Auditor perform a special audit” and with replace with “Direct the City Administrator to submit a report” Moved by Smith and seconded by Dunphy. (Aye (12): Avalos, Dunphy, Smith, Kanal, Ryan, Koyama Lane, Morillo, Novick, Clark, Green, Zimmerman, Pirtle-Guiney).</div><div>Aye (12): Avalos, Dunphy, Smith, Kanal, Ryan, Koyama Lane, Morillo, Novick, Clark, Green, Zimmerman, Pirtle-Guiney</div></div>