

RESOLUTION No. 37131

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, 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 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, the Bonded Debt Interest and Sinking Fund collects ad valorem property tax receipts for the payment of debt service on unlimited tax general obligation bonds;

WHEREAS, the FY 2014-15 levy amount for debt service on the general obligation bonds relied on estimates of fund balance and prior year tax collections which were higher than amounts actually realized;

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 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 General Reserve Fund to the Grants Fund in the not-to-exceed amount of \$750,000 with a repayment of principal due by June 30, 2016; and

BE IT FURTHER 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 \$4,000,000 with a repayment of principal due by June 30, 2016; and

BE IT FURTHER RESOLVED, that a temporary, interest-free operating loan is hereby authorized immediately from the General Reserve Fund to the Bonded Debt Interest and Sinking Fund in the not-to-exceed amount of \$200,000 with a repayment of principal due by June 30, 2016; and

BE IT FURTHER RESOLVED, that the primary source of repayment of the loan to the Bonded Debt Interest and Sinking Fund above is FY 2015-16 tax collections; and

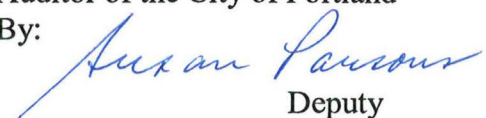
BE IT FURTHER RESOLVED, that the primary source of repayment of the loans to the Grants Fund collectively mentioned above is earned and deferred revenues for reimbursement of eligible grant expenses in FY 2014-15.

Adopted by the Council: JUN 17 2015

Mayor Charlie Hales
Prepared by: Claudio Campuzano
Date Prepared: June 10, 2015

Mary Hull Caballero
Auditor of the City of Portland

By:


Deputy

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<p>INTRODUCED BY Commissioner/Auditor: Mayor Hales</p>	<p>CLERK USE: DATE FILED <u>JUN 12 2015</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - <i>Hales</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: CBO Bureau Head: Andrew Scott <i>[Signature]</i></p> <p>Prepared by: Claudio Campuzano Date Prepared: June 10, 2015</p> <p>Impact 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>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 17, 2015</p>	
<p>ACTION TAKEN:</p>	

AGENDA
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: 5 minutes (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	<i>[Handwritten mark]</i>	
4. Novick	4. Novick	✓	
Hales	Hales	✓	