

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 6948

AUTHORIZING SHORT-TERM INTERFUND OPERATING LOANS NOT TO EXCEED \$1,000,000 FROM SPECIFIED FUNDS TO THE COMMUNITY DEVELOPMENT BLOCK GRANT – ECONOMIC OPPORTUNITY INITIATIVE FUND FROM JULY 1, 2012 TO JUNE 30, 2013

WHEREAS, the Portland Development Commission (“PDC”) anticipates entering into agreements with the Portland Housing Bureau (“PHB”) and the City of Portland (the “City”) for FY 2012-13 pursuant to which PDC will receive federal and other funds from PHB and the City for the implementation of the Economic Opportunity Initiative;

WHEREAS, PDC will submit monthly or other periodic billings to PHB and the City for expenditures incurred by PDC in implementation of the Economic Opportunity Initiative;

WHEREAS, PDC staff submit the monthly billings within approximately two weeks after the end of a billing period in which expenses attributable to that billing period have been recorded on the books of PDC;

WHEREAS, the combination of a two-week billing period and the customary 30-day payment period will result in, absent interfund borrowing, a minimum average cash overdraft position equal to one and one half months of expenditures in the Community Development Block Grant – Economic Opportunity Initiative Fund;

WHEREAS, PDC Management has directed staff, to the extent possible, to suspend further disbursements at the end of the payment due period in the event of non-payment for the prior billing period’s expenditures;

WHEREAS, during the billing and payment periods, PDC will have incurred approximately one additional month of expenditures, resulting in potentially two and one half months of cash overdraft;

WHEREAS, PDC’s financial auditor, Moss Adams, stated in its December 20, 2007, letter to management that “...for both state legal and governmental accounting purposes, overdrawn cash balances represent interfund borrowings...and cash balances should be monitored on a monthly basis to identify individual funds that are at risk for overdrawing their share of the pooled cash and investments. The revised monitoring procedures should include informing the Board of Commissioners of the need for an interfund borrowing timely enough to approve the loan via resolution in advance;” and

WHEREAS, PDC is authorized pursuant to State of Oregon ORS 294.468 to loan money from a fund to another fund of the municipal corporation if the loan is authorized by official resolution or ordinance of the governing body.

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board of Commissioners hereby authorizes, pursuant to ORS 294.468, interfund loans (“Loans”) not to exceed \$1,000,000 in aggregate at any one time, from the lender funds identified below to provide cash, as needed on a temporary basis, to the borrowing fund specified below, in accordance with the following loan terms:

- (a) The following fund shall be permitted to borrow cash on a monthly basis, in multiples of One Thousand Dollars (\$1,000), in an amount sufficient to prevent a cash overdraft:

Fund 213 – CDBG EOI Fund

- (b) Loans may be made by any of the following sub-funds to the extent of available cash, but in an amount not to exceed the maximum amounts specified below:

Fund 108 – Grant Offset Fund	\$700,000
Fund 410 – Small Business Loan Fund	\$700,000
Fund 463 – Business Development Loan Fund	\$400,000

- (c) The Loans are operating loans to be repaid within the first accounting period after reimbursement is received by PDC from the City of Portland but in no event later than the following fiscal year. The Loans shall bear no interest.

- (d) Authorization to extend Interfund loans under this resolution shall commence July 1, 2012 and expire on June 30, 2013;

BE IT FURTHER RESOLVED, that in the event that any interfund loan authorized by this resolution remains outstanding for a period of more than sixty (60) days, PDC staff shall, at the next regularly scheduled meeting of the Board, report to the Board on the status of the loan and its anticipated repayment; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by Portland Development Commission on June 13, 2012



Gina Wiedrick, Recording Secretary

RESOLUTION NO. 6948

RESOLUTION TITLE:

AUTHORIZING SHORT-TERM INTERFUND OPERATING LOANS NOT TO EXCEED \$1,000,000 FROM SPECIFIED FUNDS TO THE COMMUNITY DEVELOPMENT BLOCK GRANT ECONOMIC OPPORTUNITY INITIATIVE FUND FROM JULY 1, 2012 TO JUNE 30, 2013


Adopted by the Portland Development Commission on June 13, 2012

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Acting Chair Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner John Mohlis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Steven Straus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> Regular Agenda				

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.

	Date: July 3, 2012
Gina Wiedrick, Recording Secretary	