

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**RESOLUTION NO. 7061**

**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, 2014, TO JUNE 30, 2015**

**WHEREAS**, the Portland Development Commission (“PDC”) anticipates entering into agreements with the Portland Housing Bureau (“PHB”) and the City of Portland (the “City”) for fiscal year (“FY”) 2014-15 pursuant to which PDC will receive federal and other funds from PHB and the City for the implementation of the Economic Opportunity Initiative (“EOI”);

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

**WHEREAS**, PDC staff will 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 by 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 (“CDBG”) – EOI 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 Oregon Revised Statutes (“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 funds 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 funds are received from the City 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, 2014, and expire on June 30, 2015; and

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

**Adopted by Portland Development Commission on June 25, 2014**



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Gina Wiedrick, Recording Secretary

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**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, 2014, TO JUNE 30, 2015


Adopted by the Portland Development Commission on June 25, 2014

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair 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 checked="" type="checkbox"/>	Commissioner Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Charles Wilhoite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> <b>Consent Agenda</b> <span style="margin-left: 200px;"><input type="checkbox"/> <b>Regular Agenda</b></span>				

**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.*

	<p><b>Date:</b></p> <p style="text-align: center;">July 9, 2014</p>
<p><b>Gina Wiedrick, Recording Secretary</b></p>	