

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**RESOLUTION NO. 6820**

**AUTHORIZE SHORT-TERM INTERFUND OPERATING LOANS NOT TO EXCEED \$1,000,000 FROM SPECIFIED FUNDS TO ECONOMIC OPPORTUNITY INITIATIVE FUND, COMMUNITY DEVELOPMENT BLOCK GRANT-ECONOMIC OPPORTUNITY INITIATIVE FUND, THE PHB SUPPORT SERVICES FUND AND THE URBAN REDEVELOPMENT FUND FROM JULY 1, 2010 TO JUNE 30, 2011**

**WHEREAS** the Portland Development Commission (“PDC”) has entered into a Subrecipient Contract with the City of Portland by and thru the Portland Housing Bureau and the Office of Management and Finance (authorized by Resolution No. 6805 adopted on June 23, 2010) pursuant to which PDC receives federal and other funds from the City of Portland for the implementation of the Economic Opportunity Initiative;

**WHEREAS** PDC has entered into a series of agreements with the City of Portland by and through the Portland Housing Bureau pursuant to which the Portland Housing Bureau (“PHB”) implements a portion of PDC’s urban renewal activities and PDC provides certain services to PHB to support those activities (authorized by Resolution No. 6803 adopted on June 23, 2010);

**WHEREAS**, PDC submits monthly billings to PHB for expenditures incurred by PDC in implementation of the Economic Opportunity Initiative and for delivery of services to support PHB’s implementation of a portion of PDC’s urban renewal activities and those billings are contractually required to be paid to PDC within 30 days of receipt;

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

**WHEREAS**, the combination of a two-week billing period plus a 30 day payment period will result, absent interfund borrowing, in a minimum average cash overdraft position equal to one and one half months of expenditures in the Economic Opportunity Initiative Fund, Community Development Block Grant-Economic Opportunity Initiative Fund, the PHB Support Services Fund and the Urban Redevelopment 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 month’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, absent interfund borrowing;

**WHEREAS**, PDC’s financial auditor, Moss Adams, stated in their December 20, 2007 letter to management that “...for both state legal and governmental accounting purposes, overdrawn cash balances represent inter-fund 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 inter-fund borrowing timely enough to approve the loan via resolution in advance”; and

**WHEREAS**, PDC is authorized pursuant to State of Oregon ORS 294.460 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 interfund loans pursuant to ORS 294.460 (“Loans”) not to exceed \$1,000,000 in aggregate at any one time, to provide cash, as needed, to the funds specified as follows on a temporary basis, in accordance with the following loan terms:

- (a) Allowable recipient funds, which shall be permitted to borrow cash on a monthly basis, in multiples of One Thousand Dollars (\$1,000.00), in an amount sufficient to prevent a cash overdraft, are as follows:

Fund 101 – Urban Redevelopment Fund  
Fund 106 – Economic Opportunity Initiative Fund  
Fund 107 - PHB Support Services Fund  
Fund 213 – CDBG EOI Fund

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

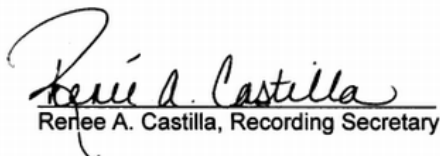
Fund 410 – N/NE Business Assistance	\$700,000
Fund 463 – Business Assistance Loan Fund	\$400,000

- (c) The Loans are operating loans to be repaid within the first accounting period after reimbursement is received by PDC from the City 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 expire on June 30, 2011.

**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 on its anticipated repayment; and

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

**Adopted by the Portland Development Commission on September 24, 2010.**

  
Rerlee A. Castilla, Recording Secretary

# PDC

PORTLAND DEVELOPMENT COMMISSION

## Resolution Number 6820

Title:

AUTHORIZE SHORT-TERM INTERFUND OPERATING LOANS NOT TO EXCEED \$1,000,000 FROM SPECIFIED FUNDS TO ECONOMIC OPPORTUNITY INITIATIVE FUND, COMMUNITY DEVELOPMENT BLOCK GRANT-ECONOMIC OPPORTUNITY INITIATIVE FUND, THE PHB SUPPORT SERVICES FUND AND THE URBAN REDEVELOPMENT FUND FROM JULY 1, 2010 TO JUNE 30, 2011

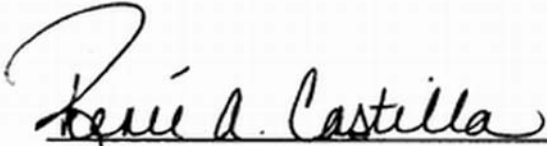
Adopted by the Portland Development Commission on September 24, 2010.

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 type="checkbox"/>	Vacant	<input 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 checked="" type="checkbox"/>	Commissioner Steven Straus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<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 duly recorded in the official minutes of the meeting.*

  
Renee A. Castilla, Recording Secretary

Date: October 26, 2010