

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6888

**AUTHORIZE SHORT-TERM INTERFUND OPERATING LOANS
NOT TO EXCEED \$1,000,000 FROM SPECIFIED FUNDS TO
COMMUNITY DEVELOPMENT BLOCK GRANT-ECONOMIC
OPPORTUNITY INITIATIVE FUND FROM JULY 1, 2011, TO
JUNE 30, 2012.**

WHEREAS the Portland Development Commission (“PDC”) expects to enter into a Subrecipient Contract with the City of Portland by and through the Portland Housing Bureau (“PHB”) and the Office of Management and Finance pursuant to which PDC will receive federal and other funds from the City of Portland for the implementation of the Economic Opportunity Initiative;

WHEREAS, PDC submits monthly billings to PHB for expenditures incurred by PDC in implementation of the Economic Opportunity Initiative 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 Community Development Block Grant-Economic Opportunity Initiative Fund (the “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 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;

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 on a temporary basis, to the CDBG EOI Fund, in accordance with the following loan terms:

- (a) Allowable recipient fund, 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:

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

- (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, 2012.

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, the Executive Director 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 June 22, 2011.



Recording Secretary

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6888

Title:

AUTHORIZE SHORT-TERM INTERFUND OPERATING LOANS NOT TO EXCEED \$1,000,000 FROM SPECIFIED FUNDS TO COMMUNITY DEVELOPMENT BLOCK GRANT-ECONOMIC OPPORTUNITY INITIATIVE FUND FROM JULY 1, 2011, TO JUNE 30, 2012.

Adopted by the Portland Development Commission on June 22, 2011

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 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.


Recording Secretary

Date: June 22, 2011