

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: March 26, 2008

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 08-40
Interfund Loan to Fund Community Development Block Grant Program for \$1,825,000

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6567

ACTION SUMMARY

PDC Board of Commissioners is being asked to authorize an interfund loan pursuant to the provisions of ORS 294.460, which states that:

“It shall be lawful to loan money from any fund to any other fund of the municipal corporation whenever the loan is authorized by official resolution or ordinance of the governing body.”

“Fund 110-Housing and Community Development” (“Fund 110”) currently has a cash deficit of \$1,825,000 due to failure of the City of Portland, Bureau of Housing and Community Development (“BHCD”) to timely remit reimbursement payments to PDC. The PDC/BHCD contract for the Community Development Block Grant (“CDBG”) program for fiscal year 2007-08 was not finalized until the last week of January 2008. PDC submitted seven monthly billings to BHCD at the beginning of February 7, 2008. The billings are still being processed by BHCD. BHCD staff represents that PDC shall receive payment soon. In order to comply with Oregon state law and governmental accounting requirements, PDC staff requests that the Board authorize an interfund borrowing between the “Fund 415-CDBG Program Reserve Fund” (“Fund 415”) to Fund 110 to appropriately reflect the overdrawn cash balance of Fund 110.

PUBLIC BENEFIT

Compliance with Local Budget Law ORS 294.460 which requires Board authorization of an interfund loan to appropriately reflect the overdrawn cash balance of Fund 110.

This action will support the following PDC goals:

- Develop healthy neighborhoods
- Provide access to quality housing
- Help businesses to create and sustain quality jobs
- Support a vibrant Central City (urban core)
- Contribute to a strong regional economy

PUBLIC PARTICIPATION AND FEEDBACK

Given the administrative nature of this action, no efforts to engage public participation have been taken.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

Adoption of this resolution is necessary to comply with Local Budget Law ORS 294.460 and governmental accounting standards.

FINANCIAL IMPACT

There is no anticipated financial impact.

RISK ASSESSMENT

Adoption of this resolution reduces PDC's risk of noncompliance with Local Budget Law ORS 294.460. PDC is required to replenish the fund within the fiscal year or budget the repayment in the following fiscal year.

WORK LOAD IMPACT

Given the administrative nature of this action, there is no anticipated work load impact.

ALTERNATIVE ACTIONS

There is no alternative action available at this time. No action at this time could result in an audit comment regarding unauthorized interfund borrowings.

CONCURRENCE

Given the administrative nature of this action, no concurrence has been sought.

CC: Julie Cody, Director of Central Services Department and Chief Financial Officer
Tony Barnes, Principal Budget Analyst, Central Services Department
M. Baines, General Counsel
J. Jackley, Executive Operations Manager
J. Kingston, Accounting Manager