

**PORTLAND DEVELOPMENT COMMISSION**  
Portland, Oregon

**RESOLUTION NO. 6867**

**AMEND AUTHORIZATION OF 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 TO INCLUDE FUND 108 IN THE LIST OF SPECIFIED  
FUNDS**

**WHEREAS** the Portland Development Commission (“PDC”) has entered into a Subrecipient Contract with the City of Portland by and through 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, the 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;

Board Resolution No. 6867 – Amend Authorization of Short-Term Interfund Operating Loans

May 11, 2011

**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";

**WHEREAS**, PDC is authorized pursuant to ORS 294.460 to loan money from one of its funds to another of its funds if the loan is authorized by official resolution or ordinance of the governing body;

**WHEREAS**, The PDC Board of Commissioners, through adoption of Resolution No. 6820 on September 24, 2010, authorized interfund loans not to exceed \$1,000,000 in aggregate at any one time to certain recipient funds (the "Recipient Funds");

**WHEREAS**, Resolution No. 6820, adopted on September 24, 2010, identified certain sub-funds of the Enterprise Loans Fund as the funds from which interfund loans may be made;

**WHEREAS**, the available cash in Fund 410 – N/NE Business Assistance Fund and Fund 463 – Business Assistance Fund identified in Resolution No. 6820 will no longer be sufficient to cover the cash flow needs of the Recipient Funds identified in Resolution 6820; and

**WHEREAS**, the PDC Board of Commissioners desires to identify an additional fund from which interfund loans may be made to meet the cash flow needs of the Recipient Funds.

**NOW, THEREFORE, BE IT RESOLVED** that the PDC Board of Commissioners hereby amends the funds from which Interfund loans may be made to include Fund 108 - Grant Offset Fund, a sub-fund of the General Fund;

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

**Adopted by the Portland Development Commission May 11, 2011.**

  
Recording Secretary

# PDC

PORTLAND DEVELOPMENT COMMISSION

## Resolution Number 6867

Title:

AMEND AUTHORIZATION OF SHORT-TERM INTERFUND  
BORROWING

Adopted by the Portland Development Commission on May 11, 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 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"/>	Commissioner Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Consent Agenda		<input checked="" 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.*

  
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Recording Secretary

Date: May 11, 2011