



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 6/24/13)

Board Clerk Use Only

Meeting Date: 8/29/13
Agenda Item #: R.5
Est. Start Time: 10:10 am
Date Submitted: 8/21/13

Agenda Title: **Authorizing the County to make an Internal Loan from Risk Management Fund to the Library Fund of not more than \$16,000,000 to Provide for Short-Term Cash Flow Requirements**

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested

Meeting Date: August 29, 2013 **Time Needed:** 10 minutes

Department: County Management **Division:** Finance & Risk Managementt

Contact(s): Mark Campbell

Phone: (503) 988-6229 **Ext.** **I/O Address:** 503/531

Presenter

Name(s) & Title(s): Mark Campbell, Chief Financial Officer

General Information

1. What action are you requesting from the Board?

Approval of an internal loan not to exceed \$16 million from the Risk Management Fund to the Library Fund. The purpose of the loan is to provide for a projected cash flow shortfall resulting from the timing of Property Tax collections.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Library Fund will experience a cash flow shortfall until Property Taxes are collected. In previous years, staff has allocated the budgeted General Fund cash transfer in such a way that there would be sufficient cash for the fund to operate prior to collection of Property Taxes. Creation of the Library District has eliminated the General Fund support of the Library.

Oregon Revised Statutes (ORS 294.460) allow the County to loan money from one fund to another fund for any purpose for up to one year. For the current fiscal year, the Library Fund cash flow shortfall is estimated to be up to \$16 million. There is a sufficient cash balance in the Risk Management Fund to make a loan to the Library Fund which will be repaid by the end of November.

3. Explain the fiscal impact (current year and ongoing).

Analysis of interest rate spreads suggested that the cost of an external borrowing would likely exceed any interest earnings we could expect to receive. There is no impact on the Risk Fund since we intend to repay the internal loan upon receipt of Property Tax revenues in November.

4. Explain any legal and/or policy issues involved.

One year inter-fund loans are authorized in Oregon Revised Statutes

5. Explain any citizen and/or other government participation that has or will take place.

N/A

Required Signature

**Elected
Official or
Department
Director:**

/s/ Mark Campbell

Date:

8/21/13

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.