

Financial Overview

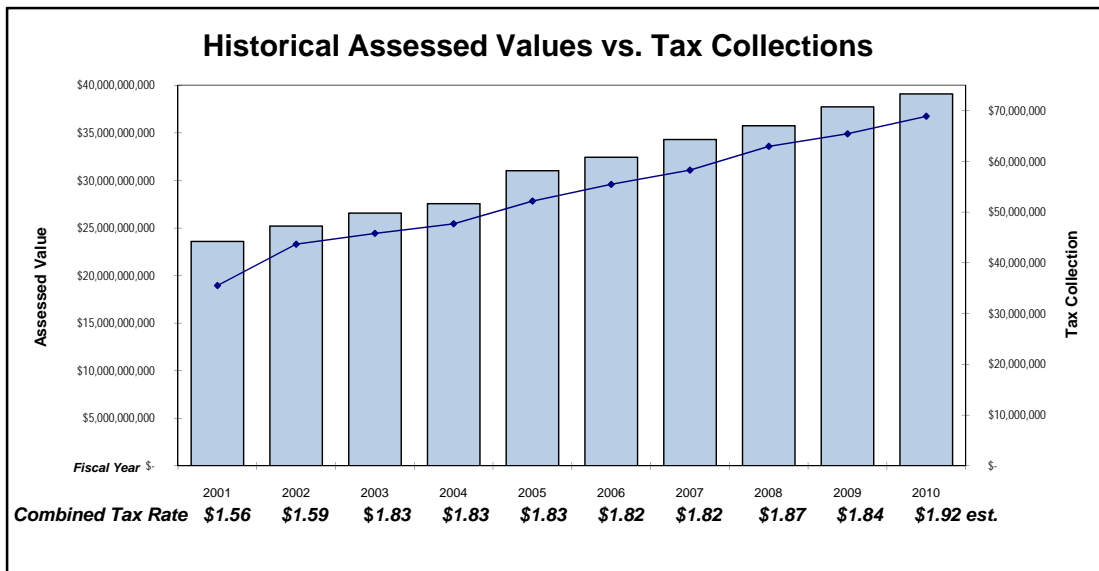
TAX RATES

General Fund – Permanent Rate	General Fund - Local Option Tax Levy	Bonded Debt
Expected Assessed Valuation: \$ 39,090,689,449	Expected Assessed Valuation: \$ 39,090,689,449	Expected Assessed Valuation: \$ 39,090,689,449
General Fund Tax Rate Levied: \$ 1.5252/\$1,000	General Fund Tax Rate Levied: \$ 0.25/\$1,000	Est. Bonded Debt Tax Rate: \$ 0.1227/1,000
Estimated General Fund Total Levy: \$ 59,621,120	Estimated General Fund Total Levy: \$ 9,772,672	Bonded Debt Total Levy: \$ 4,797,724
Expected Collection Rate: 92.0%	Expected Collection Rate: 92.0%	Expected Collection Rate: 92.0%
Expected Collections: \$ 54,851,430	Expected Collections: \$ 8,990,859	Expected Collections: \$ 4,413,906

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2008	\$ 67,886,825	\$ 64,345,840	94.78 %	\$ 1,288,336	\$ 65,634,176	96.68 %
2007	62,860,513	59,799,046	95.13	1,176,222	60,975,268	97.00
2006	59,783,920	56,844,054	95.08	1,339,636	58,183,690	97.32
2005	56,843,613	53,918,038	94.85	1,438,746	55,356,784	97.38
2004	50,483,968	47,697,565	94.48	1,225,232	48,922,797	96.91
2003	48,507,471	45,798,106	94.41	1,292,291	47,090,397	97.08
2002	46,251,187	43,682,532	94.45	1,060,463	44,742,996	96.74
2001	37,636,823	35,530,538	94.40	1,030,065	36,560,603	97.14
2000	34,545,771	32,402,208	93.80	1,007,526	33,409,734	96.71
1999	31,717,895	29,844,244	94.09	898,003	30,742,247	96.92

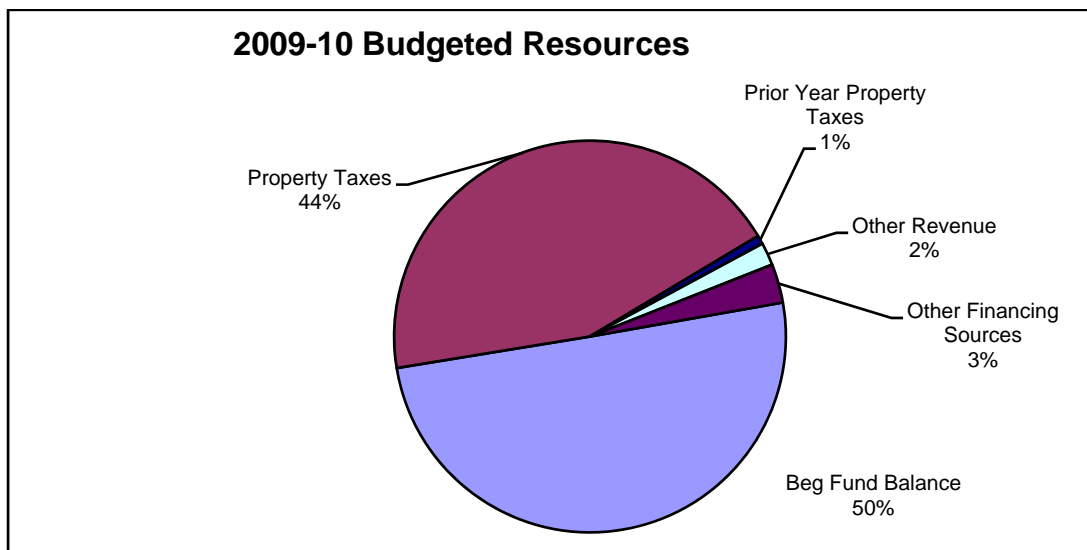
ASSESSED VALUES VS. TAX COLLECTIONS



Financial Overview, continued

2009-10 BUDGETED RESOURCES

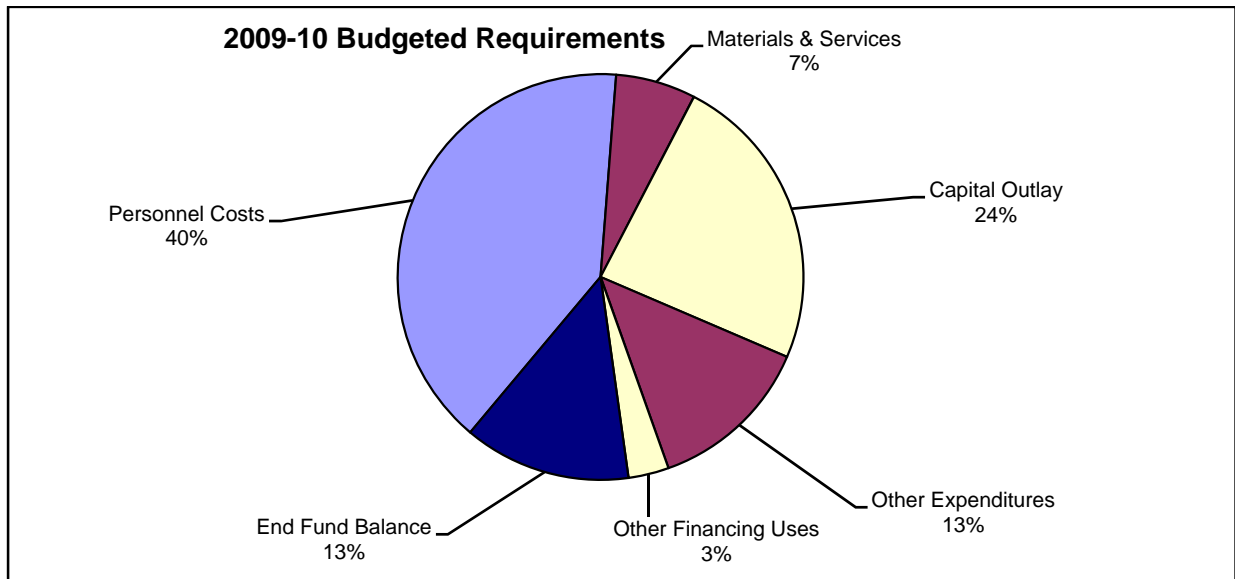
Resources	Beginning Fund Balance	Property Taxes	Prior Years Property Taxes	Other Revenue	Other Financing Sources	2009-10 Budget
Major Funds						
General	\$30,585,092	\$63,842,289	\$1,093,777	\$1,220,542		\$96,741,700
Capital Projects	31,087,308			87,500		31,174,808
Non Major Funds						
Apparatus	1,140,179			18,002	\$500,000	1,658,181
Capital Improvements	6,400,338			105,656	2,672,209	9,178,203
Emergency Management					55,248	55,248
Grants				1,380,000	320,000	1,700,000
Retiree Medical Ins. Stipend	201,275			2,716	83,285	287,276
Bonded Debt Service	319,734	4,413,906	34,178	14,700		4,782,518
Insurance	678,520			26,482		705,002
Property and Building	7,209,414			90,118	1,350,000	8,649,532
Pension Trust	353,455			351		353,806
Volunteer LOSAP	674,318			674	39,274	714,266
Total 2009-10 Budgeted Resources	\$78,649,633	\$68,256,195	\$1,127,955	\$2,946,741	\$5,020,016	\$156,000,540
Total 2008-09 Budgeted Resources	\$56,783,151	\$65,437,782	\$1,045,685	\$2,423,900	\$34,231,038	\$159,921,556
Total 2007-08 Actual Resources	\$57,441,384	\$64,627,070	\$1,057,190	\$4,513,190	\$2,764,125	\$130,402,959



Financial Overview, continued

2009-10 BUDGETED REQUIREMENTS

Requirements	Personnel Costs	Materials and Services	Capital Outlay	Other	Other Financing Uses	Ending Fund Balance	2009-10 Budget
Major Funds							
General	\$60,974,778	\$9,060,114		\$5,845,071	\$5,020,016	\$15,841,721	\$96,741,700
Capital Projects			\$31,100,000	74,808			31,174,808
Non Major Funds							
Apparatus				500,000		1,158,181	1,658,181
Capital Improvements			3,547,639	3,415,528		2,215,036	9,178,203
Emergency Management	46,179	9,069					55,248
Grants		100,000	1,600,000				1,700,000
Retiree Medical Ins. Stipend	110,103					177,173	287,276
Bonded Debt Service				3,913,181		869,337	4,782,518
Insurance		705,002					705,002
Property and Building			699,300	7,950,232			8,649,532
Pension Trust	348,806	5,000					353,806
Volunteer LOSAP	714,266						714,266
Total 2009-10 Budgeted Requirements	\$62,194,132	\$9,879,185	\$36,946,939	\$21,698,820	\$5,020,016	\$20,261,448	\$156,000,540
Total 2008-09 Budgeted Requirements	\$59,040,793	\$10,823,673	\$43,127,478	\$16,416,227	\$4,631,038	\$21,882,347	\$159,921,556
Total 2008-07 Actual Requirements	\$51,464,649	\$7,345,508	\$8,163,030	\$3,306,892	\$2,764,125	\$57,358,755	\$130,402,959



Financial Overview, continued

2009-10 FUND BALANCE BUDGETED

Resources	Beginning Fund Balance	Ending Fund Balance	Change in Fund Balance	Percent Change in Fund Balance
Major Funds				
General	\$30,585,092	\$15,841,721	\$(14,743,371)	-48.2%
Capital Projects	31,087,308	0	(31,087,308)	-100.0%
Non Major Funds				
Apparatus	1,140,179	1,158,181	18,002	1.6%
Capital Improvements	6,400,338	2,215,036	(4,185,302)	-65.4%
Emergency Management	0	0	0	0
Grants	0	0	0	0
Retiree Medical Ins. Stipend	201,275	177,173	(24,102)	-12.0%
Bonded Debt Service	319,734	869,337	549,603	171.9%
Insurance	678,520	0	(678,520)	-100.0%
Property and Building	7,209,414	0	(7,209,414)	-100.0%
Pension Trust	353,455	0	(353,455)	-100.0%
Volunteer LOSAP	674,318	0	(674,318)	-100.0%
Total 2008-09 Budgeted Resources	\$78,649,633	\$20,261,448	\$(58,388,185)	-74.2%

The District budgets for a significant decrease in fund balance in the General Fund, while not expecting the decrease to occur from actual operations. The District budgets for a sizeable contingency in several funds that will revert to ending fund balance if not used. This is consistent with TVF&R's emergency preparedness philosophy because ending fund balance is not available for appropriation, but contingency is allowed to be appropriated with Board of Director approval. The District expects to return to fund balance the majority of any contingency budgeted, unless it were to experience a catastrophic, emergency event. Because the District has budgeted to expend all bond proceeds, the Capital Projects fund reflects \$31,087,308 of the \$58 million fund balance decrease. Within the General Fund, actual personnel services are expected to be 5-7% less than budgeted, materials and services to be 12-18% under budget, and ending fund balance to increase commensurately with the District's goal of carrying five months of operational costs in ending fund balance. The forecasted result of General Fund operations for 2009-10 and in the future is depicted on page 16. Because of the sale of \$29,000,000 in general obligation bonds in fiscal year 2009, the Apparatus Fund and the Property and Building Fund are not expected to be significantly utilized in the next few years, except as advance funding in between bond sales that can be reimbursed after the next bond sale. The District has budgeted for contingency in each of these funds, which is expected to be returned to fund balance at the end of fiscal year 2009-10, such that both funds will have no decrease in fund balance. The Capital Improvements Fund's fund balance had been building to fund sizeable purchases and is expected to decline as the District purchases turnouts, PC and laptop replacements, and funds the ERP software as it is phased in. The Capital Projects Fund represents the usage of bond proceeds on projects authorized by the voters and is expected to be utilized in full through the next 24 months. After usage of the first \$59 million of bond proceeds, the District expects to issue additional bonds under the remaining \$28.5 million bond authority granted by the voters in November 2006.

The Insurance Fund is expected to remain level; however, for purposes of budgeting for a disaster, the fund is appropriated to allow for self-insurance needs should such a catastrophic event occur. The Pension Trust Fund and Retiree Medical Stipend Fund are planned to continue to wind down as these funds meet their obligations. The Volunteer LOSAP fund is appropriated to be able to meet the obligations of cashing out pension benefits, should the District experience higher than normal retirements, which is not expected to occur.

Financial Overview, continued

FINANCIAL FORECAST – GENERAL FUND

	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Fund Balance	\$30,800,000	\$28,500,000	\$25,300,000	\$22,200,000	\$20,400,000
Property Tax Revenue	64,900,000	67,200,000	69,700,000	74,400,000	78,000,000
Investment and Interest Income	800,000	700,000	1,100,000	1,400,000	1,400,000
Charges for Services	1,000,000	1,000,000	1,000,000	1,100,000	1,200,000
Insurance Refunds	200,000	300,000	300,000	300,000	300,000
Miscellaneous	100,000	100,000	100,000	100,000	100,000
Total Revenues	\$97,800,000	\$97,800,000	\$97,500,000	\$99,500,000	\$101,400,000
Personnel Costs	\$57,900,000	\$60,900,000	\$63,300,000	66,400,000	69,400,000
Materials and Services	8,000,000	8,100,000	8,400,000	8,900,000	9,400,000
Transfers Out	3,400,000	3,500,000	3,600,000	3,800,000	4,100,000
Total Expenditures	69,300,000	72,500,000	75,300,000	79,100,000	82,900,000
Ending Fund Balance	\$28,500,000	\$25,300,000	\$22,200,000	\$20,400,000	\$18,500,000
Months of Fund Balance	5.2	4.4	3.7	3.2	2.8

The District prepares financial forecasts on an ongoing basis to provide staff and policymakers the most current projected results of economic variables. The District constantly evaluates projected property tax growth rates, property tax levy collection rates, interest rates, and projected labor inflation rates, as well as the need for enhanced service levels in both emergency responses and support of emergency operations.

Message from the Chief Financial Officer

JUNE 23, 2009

Budget Committee Members and Citizens
Tualatin Valley Fire and Rescue
Washington, Clackamas, and Multnomah Counties, Oregon

DEAR BUDGET COMMITTEE MEMBERS AND CITIZENS:

INTRODUCTION

In compliance with the state of Oregon Local Budget Law and District policies as authorized in Section 3 of the Board Policy Manual, the annual budget for Tualatin Valley Fire and Rescue for the fiscal year 2009-10, beginning July 1, 2009, and ending June 30, 2010, is submitted for your approval. As prepared and submitted, the annual budget is intended to serve as:

- A financial plan for the next fiscal year, outlining the forecasted expenditure requirements and the proposed means for financing these requirements.
- An operational plan for the use and deployment of personnel, materials and services, and other resources during the 2009-10 fiscal year.
- An operations guide to program and department goals and objectives.

BUDGETARY ACCOUNTING BASIS

The budgetary and accounting policies contained in the proposed budget conform to generally accepted accounting principles as established by the Governmental Accounting Standards Board. The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate budgetary and accounting entity. Within the annual budget, the District's various funds are grouped into the fund types and account groups indicated below:

- **Governmental funds**, which include the General Fund (a major fund), the *special revenue fund types*; Apparatus Fund, Capital Improvements Fund, Emergency Management Fund, Grants Fund and the Retiree Medical Insurance Stipend Fund, the Debt Service Fund, and the *capital projects fund types*; Property and Building Fund and Capital Projects Fund.
- **Proprietary fund**, which includes the internal *service fund type*, the Insurance Fund.
- **Fiduciary funds**, which include *trust and agency funds*, cover the Pension Trust Fund, and Volunteer LOSAP Fund.

As previously noted, the proposed budget is prepared on the generally accepted accounting principles basis, with all governmental funds accounted for using the modified accrual basis of accounting, with revenues being recorded when measurable and available and expenditures being recorded when the goods or services are received. The District's internal service funds and trust and agency funds are maintained on the accrual basis of accounting.

Message from the Chief Financial Officer, continued

For pension trust funds, the measurement focus is on the determination of net income and capital maintenance. All fund assets and liabilities, current and non-current, are accounted for within the fund.

These models provide the foundation for communication of our overall budgetary goals to department managers, who develop the budget after preparation and identification of key performance objectives for each department and program. Overall guidance and philosophy are outlined by the Fire Chief and executive staff.

The District prepares a budget for all funds that are subject to the budget requirements of state law, including the legal requirement for a balanced budget, meaning that total beginning fund balance, revenues, and other financing sources are equal to the total of expenditures, other financing uses, contingency, and ending fund balance. The budgeting process includes citizen input through various stages of preparation, public hearings, and approval of the original budget by the Board of Directors.

BUDGET SUMMARY FOR EXPENDITURES

Expenditures	2008-09 Budget	2009-10 Budget	Increase (Decrease)
Personnel Services	\$59,040,793	\$62,194,132	\$3,153,339
Materials and Services	10,823,673	9,879,185	(944,488)
Capital Outlay	47,127,478	36,946,939	(10,180,539)
Debt Service	3,316,575	3,913,181	596,606
Operating Transfers Out	4,631,038	5,020,016	388,978
Operating Contingency	13,099,652	17,785,639	4,685,987
Ending Fund Balance	21,882,347	20,261,448	(1,620,899)
Total Expenditures	\$159,921,556	\$156,000,540	\$3,921,016

The proposed budget requirements for fiscal year 2009-10 for all funds totals \$156,000,540, which is \$3,921,016 lower than the \$159,921,556 in the current year. The largest change relates to the continued construction and capital projects that are in progress from the phased in bond sales that are part of the overall \$77.5 million dollars approved by our voters in 2006, to fund capital projects for the next several years. Comparative data on individual funds may be obtained by reviewing financial summaries presented within individual funds.

2009-10 SIGNIFICANT CHANGES

PERSONNEL SERVICES

Personnel Services increased 5.3%, reflecting a combination of added staffing on emergency response units, addition of staff to support the capital construction project management, and to provide interim staffing to allow existing staff to work on the financial system conversion project as well as adding critically needed positions in Finance and other areas of the business. In addition to the net of these 10.83 additional positions, the District's union personnel will receive a 4.1% raise based on the December 31, 2008 All Cities Annual Average CPI-W, which is a lagging index that averages 12 months of average CPI-W data. The District and the union entered into a new three-year agreement for the period beginning July 1, 2009, which will provide both the District and the union a strong measure of financial predictability and stability during the next three years. The District's non-union personnel were budgeted commensurately.

Message from the Chief Financial Officer, continued

MATERIALS AND SERVICES

Materials and Services decreased \$929,928 overall. The General Fund reflects an overall decrease of \$398,405. With the volatility of these economic times for our taxpayers, the District took the direction to hold the line or decrease, if possible, discretionary accounts in Materials and Services. Accounts such as Office Supplies, Building Repairs and Maintenance, Consultant Fees, Other Professional Services, Legal Fees, Printing, External Training, Travel and Per Diem, and Dues and Subscriptions all have decreases for 2009-10. The Capital Projects Fund reflects a decrease of \$600,000 as bond issuance expenses were budgeted in 2008-09 and not repeated in 2009-10.

CAPITAL OUTLAY

Capital Outlay decreased \$10,180,539 or approximately 21.6% to a total of \$36,946,939. While the overall capital budget requests in the Capital Improvement Fund's capital outlay decreased \$214,639 to a total of \$3,547,639, there are budgeted significant operating capital items such as firefighter turnout replacements of \$900,000 and District-wide scheduled end-user computer, laptop, and monitor replacements of approximately \$428,000, as well as continued phased-in progress payments on the financial systems conversion project. Capital Outlay in the Property and Building Fund increased by \$469,300 to fund station, Training Center, and Administration renovations. The Capital Projects Fund was decreased \$12,010,000 to \$31,100,000. This is a result of the expenditures of the 2007 bond sale proceeds in 2008-09, which will not be repeated in 2009-10. The Capital Projects Fund will fund Stations 53, 58, and 59 reconstruction, and a Command and Business Operations Center with seismic improvements as well as purchases for future, emergency response apparatus, and other projects.

DEBT SERVICE

Total budgeted debt service expenditures are scheduled to increase by \$596,606 due to the March 2009 bond sale for \$14,000,000 and the June 2009 bond sale for \$15,000,000. The debt service is budgeted in the Debt Service Fund for the repayment of the Series 2007 bonds, the new Series 2009 bonds sold in March of 2009 and the new Series 2009 B bonds sold in June of 2009.

TRANSFERS

Transfers are increased by \$388,978 to \$5,020,016, reflecting transfers to the capital funds for future capital projects. Transfers are made to the Apparatus Fund, the Capital Improvement Fund, the Emergency Management Fund, Grant Fund, Retiree Medical Insurance Stipend Fund, Property and Building Fund, and the Volunteer LOSAP Fund. The Capital Improvements Fund receives \$2,672,209 of transfers from the General Fund and the Property and Building Fund will receive \$1,350,000 from the General Fund.

CONTINGENCIES

Contingencies across all funds are budgeted at \$17,771,079 for 2009-10, up \$4,671,427 from the prior year. The Property and Building Fund's contingency was increased by \$3,688,939. The Capital Projects Fund comprises a decrease of \$549,922 in contingency. The General Fund's contingency remained the same. Under Oregon law, ending fund balance may not be appropriated for use during the year, so the contingency appropriation provides for flexibility in operations should an unexpected major natural disaster occur, a major apparatus fail, or other such event occur that cannot be anticipated. Accordingly, the District budgets contingency at a higher level than anticipated to be utilized.

ENDING FUND BALANCE

The majority of amounts for Ending Fund Balance are related to the General Fund, \$15,841,721; the Apparatus Fund, \$1,158,181; the Capital Improvements Fund, \$2,215,036; the Bonded Debt Service Fund, \$869,337; and the Retiree Medical Insurance Stipend Fund, \$177,173. The District seeks a stable General Fund balance and conservatively forecasts the actual ending fund balance to be approximately \$27,300,000, which equates to an estimated five months of operating funds.

Message from the Chief Financial Officer, continued

DEBT ADMINISTRATION

Debt outstanding consists of Series 2007, Series 2009, and Series 2009B General Obligation Bonds. The District sold \$20,000,000 of Series 2007 bonds in April 2007, and there is \$18,000,000 outstanding. These bonds will mature over a 20 year period. In March 2009, the District sold \$14,000,000 of Series 2009 bonds. These bonds will mature in 2024. The District sold \$15,000,000 of Series 2009B bonds in June 2009. These bonds will mature in 2029.

The District’s legal debt limit is approximately \$790,000,000. We utilize capital planning in conjunction with financial forecasting to determine what level of capital funding we can continue to make while managing our resources under our legal tax base. Our largest future variables will be the siting and possible relocation of several stations. Because station siting and relocation planning are dependent upon factors such as road construction by the State Highway Department, other neighboring jurisdictions’ station siting, and population and development growth, we are continuing to work extensively on a regional basis to ensure the best service to our citizens.

The District has spent considerable staff hours developing and finalizing station location studies, considering neighboring city stations, changing demographics, forecasted population densities, and future traffic and roads. Our goal is to locate stations for the most effective emergency response and allow continued alternative staffing configurations depending on the region’s call types and run volumes. The new bond will be funding continued land purchases for new fire stations, the construction of two new fire stations, and the reconstruction and seismic improvements of several older fire stations.

BUDGET SUMMARY FOR REVENUES

Total revenues for all funds for the current budget year and the ensuing fiscal year are shown below:

Revenues	2008-09 Budget	2009-10 Budget	Increase (Decrease)
Beginning Fund Balance	\$56,783,151	\$78,649,633	\$21,866,482
Property Tax, Current Year	65,437,782	68,256,195	2,818,413
Property Tax, Prior Year	1,016,230	1,124,883	108,653
Other Taxes and Interest on Tax	57,128	44,477	(12,651)
Interest on Investments	1,697,407	889,999	(807,408)
Program Revenue	137,550	137,000	(550)
Service Contracts	287,900	270,000	(17,900)
Regional Hazardous Response	5,500	5,500	0
Accounting Service Revenues	37,660	45,440	7,780
Training Center Revenues	81,560	54,897	(26,663)
Rental Income	83,950	91,500	7,550
Donations and Grants	25,200	1,380,000	1,354,800
Transfers from Other Funds	4,631,038	5,020,016	388,978
Proceeds from Debt Issuances	29,600,000	0	(29,600,000)
Other Revenues	39,500	31,000	(8,500)
Total Revenues	\$159,921,556	\$156,000,540	(\$3,921,016)

Message from the Chief Financial Officer, continued

BEGINNING FUND BALANCE

Beginning Fund Balance has increased over 38.5% to \$78,649,633 for all funds. The General Fund's budgeted beginning fund balance was increased by \$4,203,392, reflecting that we had been able to meet our goal of increasing fund balance prior to hiring additional staff. Our General Fund has a targeted goal to provide at least five months of operating funds before we receive our tax collections. The beginning fund balance in the Apparatus Fund increased by \$541,679, as we did not have to utilize this fund as we had sold general obligation bonds. In the Capital Improvements Fund, the beginning fund balance increased by \$1,003,471, as several significant projects budgeted were carried forward. The increase in the Capital Project fund reflects the proceeds from the \$14,000,000 March 2009 bond sale and \$15,000,000 from the June 2009 bond sale.

LOCAL OPTION LEVY

Our local option levy was renewed at the November 2008 election with 61% voter approval. This will continue funding through June 30, 2015.

PROPERTY TAXES - CURRENT YEAR

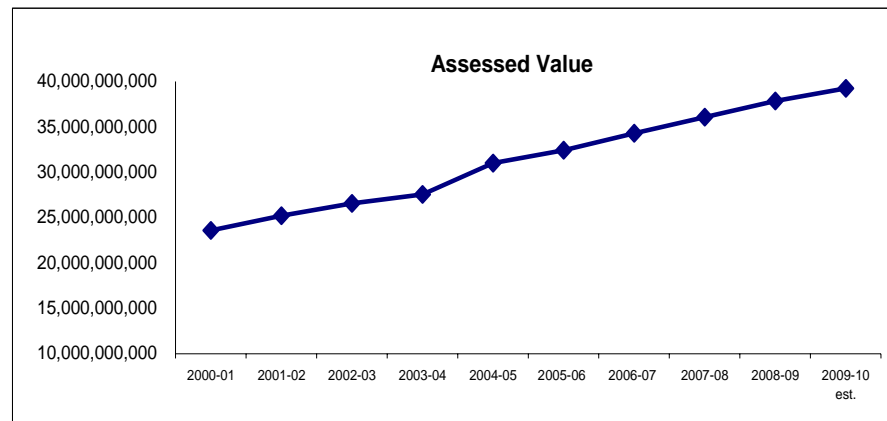
General operating property taxes are based upon the District's assigned "permanent tax rate" of \$1.5252, multiplied by the assessed valuation within the District and supplemented by a local option levy. The local option levy was renewed by voters in November 2008, and will be levied annually through 2014-15, at the approved rate of \$0.25 per \$1,000 of assessed valuation. Under current law, assessed value is generally significantly less than market value and is based upon the relationship of other similar properties as well. For 2007-08, the Washington County Assessor estimated the Average Maximum Assessed Value was 57.7% of Average Real Market Value for residential property¹. For purposes of our budget, we assumed a 3.3% assessed valuation increase for property in our service area based on data from Washington County as well as our own analysis of the local economy, and the impact on assessed value. A collection rate of 92.0% was assumed. Tax levies for general obligation bonds are exempt from the property tax limitation measures and accordingly, the District levies the total dollar amount necessary for payment of the general obligation bonds.

How does TVF&R get their money?

*Permanent tax rate of
\$1.5252/\$1,000 AV.*

*Voter optional Local
Option Levy of
\$.25/\$1,000 AV.*

*GO Bond Repayment
Levy of \$.12/\$1,000 AV.*



Taxes levied at \$1.5252 for general operations against an estimated \$39.1 billion in assessed valuation are expected to provide approximately \$54,841,430 in collections. The local option levy of \$.25 per thousand dollars of assessed valuation is expected to provide collections of \$8,990,859. We will also levy \$4,782,518 for our general obligation bonds. This bond levy is expected to result in a levy rate of 12 cents per thousand dollars of assessed valuation and approximately \$4,413,906 in collections.

¹ "Projected Assessed Values by Tax District for Fiscal Year 2009-10," May 1, 2009, Department of Assessment and Taxation, Washington County, Oregon.

Message from the Chief Financial Officer, continued

PROPERTY TAX-PRIOR YEAR

Total taxes outstanding totaled \$2,473,346 at the fiscal year ended June 30, 2008. At the beginning of the previous fiscal year, that amount totaled \$1,963,902. Of the June 30, 2008 amount, \$1,768,575 was for taxes levied during that fiscal year, while \$704,771 was related to prior years' tax levies. Delinquent tax collections are estimated on an average collection rate based upon the forecasted June 30, 2009 receivables.

INTEREST ON INVESTMENTS

Interest on short-term investments has been budgeted to reflect short-term interest rates projected at an estimated .5-1% versus 2-3% in the prior year. The governmental fund types and capital funds are largely invested in the Oregon Local Government Investment Pool and short-term United States Government Agency securities. Investments are regulated by Board of Director policy, and permitted investment products include the Oregon Local Government Investment Pool, which is a diversified portfolio, commercial paper, bankers' acceptances, and United States Government Treasury and Agency securities, among others. Certain funds are designated for longer term investing by the Board of Directors and may be invested for terms up to 18 months. Oregon law does not allow leveraged investing and the Oregon Local Government Investment Pool does not use derivative securities. The Volunteer LOSAP Fund is managed as separate trust fund and has its own investment policy, including the above investments and additional permissible investments in equity investments appropriate for long-term pension funding. Their investments are actuarially expected to earn between 7% and 8% annually by investment policy. However, due to the turbulent equity market, short-term investment projections for 2009 are lower than the actuarial projections. The Pension Trust fund has been liquidated to cash equivalent type investments, as it is expected to be in its final year of funding from Trust assets.

Transfers into and out of pool accounts are made by telephone prior to 11:00 a.m. on a one day ahead basis. This provides a flexible mode for keeping surplus cash invested and is reinforced by a cash management program with our designated banking institution.

SERVICE CONTRACTS

The Occupational Health Services program is scheduled for \$180,000 in contract revenues with other agencies, and the EMS Division is scheduled to receive \$90,000 of contract fees related to ambulance franchise collaborative agreements.

ACCOUNTING SERVICE FEES

Accounting Service Fees reflects changes to external agreements.

PROGRAM REVENUE

These revenues are primarily from apparatus maintenance (\$72,000) and the Occupational Health Services program (\$65,000). Fees are collected from several governmental agencies for providing preventive and corrective maintenance to firefighting apparatus and automobiles. The Occupational Health Services program for District employees also contracts with other governmental agencies to provide occupational health services, which serves to reduce the District's costs of providing these required services to our own employees.

DONATIONS AND GRANTS

The District has been awarded and applied for several grants in 2005, 2006, and 2007, in the areas of public education, communications, and other areas. The District intends to continue to actively pursue grant funding in future years. The 2009 budget reflects our goal of receiving additional funding for seismic improvements and cardiac media campaigns.

TRANSFERS

A major revenue source for six funds is, correspondingly, also a major requirement for another fund. In the Non-Organizational category section in the General Fund, transfers are listed as a requirement. Monies are transferred from this fund to six funds, where they are listed as a resource. These transfers provide operating resources to the Apparatus

Message from the Chief Financial Officer, continued

Fund, Capital Improvements Fund, the Emergency Management Fund, the Retiree Medical Insurance Stipend Fund, the Property and Building Fund, and the Volunteer LOSAP Fund.

TRAINING CENTER REVENUES

Training Center revenues reflect external training for cost shared programs in hazardous materials training.

RENTAL INCOME

Leases for surplus space are reflected in the revenue in rental income, as well as new leases made on our microwave towers to cellular phone companies for tower leases.

MISCELLANEOUS

Revenues include \$11,000 for unspecified revenues. Insurance refunds were not re-budgeted for 2009-10, as a sizeable refund for the rolling three year retrospective evaluation was made during 2008-09, and may not be repeated.

SUMMARY

The adopted budget for fiscal year 2009-10 continues to afford the District a high level of service to our community, while continuing to meet our long-term performance statements. The year 2009-10 promises to be a year of many challenges to the organization, as we manage our many bond projects, add to our firefighting workforce, and continue to constantly focus on the most effective emergency response service to our citizens.

Recognition is given to all staff members, division heads, and worksite managers who have effectively devoted their time and energy toward the development of the annual budget. Please be assured that the same degree of effort will be devoted to the effective administration of the 2009-10 budget.

Sincerely,
Tualatin Valley Fire and Rescue

Debra L. Guzman, CPA
Budget Officer and Chief Financial Officer

Resolution to Adopt Budget

RESOLUTION 2009-03

RESOLUTION OF TUALATIN VALLEY FIRE AND RESCUE, A RURAL FIRE PROTECTION DISTRICT TO ADOPT 2009-2010 BUDGET AND AUTHORIZE APPROPRIATIONS

WHEREAS, the Tualatin Valley Fire and Rescue, A Rural Fire Protection District, (“District”) budget for the fiscal year beginning July 1, 2009 and ending June 30, 2010, was approved by the District Budget Committee on May 21, 2009; and

WHEREAS, there was a request to increase General Fund Contingency and reduce Emergency Operations Materials and Services by \$14,560, and authorize two within-appropriation category account coding changes in the Support Resources Division; and

WHEREAS, the sale of bonds in June calls for a reduction in Debt Service Fund principal and interest from \$4,184,954 to \$3,913,181 to reflect the actual versus estimated debt service schedule for the Series 2009B general obligation bonds and reduce the property tax revenue correspondingly.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of Tualatin Valley Fire and Rescue hereby adopts the budget as approved by the Budget Committee with the corrected total appropriations; and

NOW THEREFORE BE IT ALSO RESOLVED, the Board of Directors of Tualatin Valley Fire and Rescue hereby adopts total appropriations for the 2009-2010 fiscal year in the amount of \$135,739,092, and which is now on file in the Administration Office at 20665 Southwest Blanton Street, Aloha, Oregon; and

BE IT ALSO RESOLVED, that the amounts for the fiscal year beginning July 1, 2009, for the purposes shown are hereby appropriated as follows:

GENERAL FUND

By Fund

Personnel Services	\$60,974,778
Materials and Services	9,060,114
Transfers	5,020,016
Contingency	<u>5,845,071</u>
Total	\$80,899,979

Resolution to Adopt Budget, continued

By Function

Administration Division	
Personnel Services	\$ 1,854,529
Materials and Services	<u>365,090</u>
Total	\$ 2,219,619
District Non-Organizational	
Transfers	\$ 5,020,016
Contingency	<u>5,845,071</u>
Total	\$10,865,087
Emergency Operations Division	
Personnel Services	\$ 47,545,155
Materials and Services	<u>2,823,702</u>
Total	\$ 50,368,857
Finance Division	
Personnel Services	\$ 1,499,346
Materials and Services	<u>921,794</u>
Total	\$ 2,421,140
Support Resources Division	
Personnel Services	\$ 10,075,748
Materials and Services	<u>4,949,528</u>
Total	\$ 15,025,276

BONDED DEBT SERVICE FUND

Debt Service - Principal	\$ 2,115,000
Debt Service - Interest	<u>1,798,181</u>
Total	\$ 3,913,181

APPARATUS FUND

Contingency	<u>\$ 500,000</u>
Total	\$ 500,000

Resolution to Adopt Budget, continued

CAPITAL IMPROVEMENTS FUND

Capital Outlay	\$ 3,547,639
Contingency	<u>3,415,528</u>
Total	\$ 6,963,167

EMERGENCY MANAGEMENT FUND

Personnel Services	\$ 46,179
Materials and Services	<u>9,069</u>
Total	\$ 55,248

GRANTS FUND

Materials and Services	\$ 100,000
Capital Outlay	<u>1,600,000</u>
Total	\$ 1,700,000

RETIREE MEDICAL INSURANCE STIPEND FUND

Personnel Services	\$ <u>110,103</u>
Total	\$ 110,103

INSURANCE FUND

Materials and Services	\$ <u>705,002</u>
Total	\$ 705,002

CAPITAL PROJECTS FUND

Capital Outlay	\$ 31,100,000
Contingency	<u>74,808</u>
Total	\$ 31,174,808

PROPERTY AND BUILDING FUND

Capital Outlay	\$ 699,300
Contingency	<u>7,950,232</u>
Total	\$ 8,649,532

Resolution to Adopt Budget, continued

PENSION TRUST FUND

Personnel Services	\$ 348,806
Materials and Services	<u>5,000</u>
Total	\$ 353,806


VOLUNTEER LOSAP FUND

Personnel Services	\$ <u>714,266</u>
Total	\$ 714,266

APPROVED AND ADOPTED, on June 23, 2009

Robert C. Wyffels, President

ATTEST:



Brian J. Clopton, Secretary - Treasurer

Resolution to Levy Taxes

RESOLUTION 2009-04

RESOLUTION OF TUALATIN VALLEY FIRE AND RESCUE, A RURAL FIRE PROTECTION DISTRICT TO LEVY AND CATEGORIZE TAXES

BE IT RESOLVED, that the Board of Directors of Tualatin Valley Fire & Rescue, a Rural Fire Protection District, hereby levies the taxes provided for in the adopted budget in the rate of \$1.7752 per \$1,000 of assessed value for operations (comprised of \$1.5252 permanent rate and \$.25 local option tax rate) and \$4,797,724 for bonds, and that these taxes are hereby imposed and categorized for tax year 2009-10, upon the assessed value of all taxable property with the District.

Subject to the General Government Limitation:

General Fund Levy:	\$1.5252/\$1,000
Local Option Tax Levy:	\$.25/\$1,000

Excluded from the General Government Limitation:


Debt Service Fund Levy	\$ 4,797,724
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NOW THEREFORE BE IT RESOLVED, that the Budget Officer certify the County Clerk or other recording officer, County Assessor or other assessing officer, of Washington, Clackamas, and Multnomah Counties, Oregon, and the Department of Revenue of the State of Oregon, the tax levy created by the resolution and shall file with them a copy of the adopted budget.

APPROVED AND ADOPTED, on June 23, 2009

Robert C. Wyffels, President

ATTEST:



Brian J. Clopton, Secretary - Treasurer