

Financial Overview

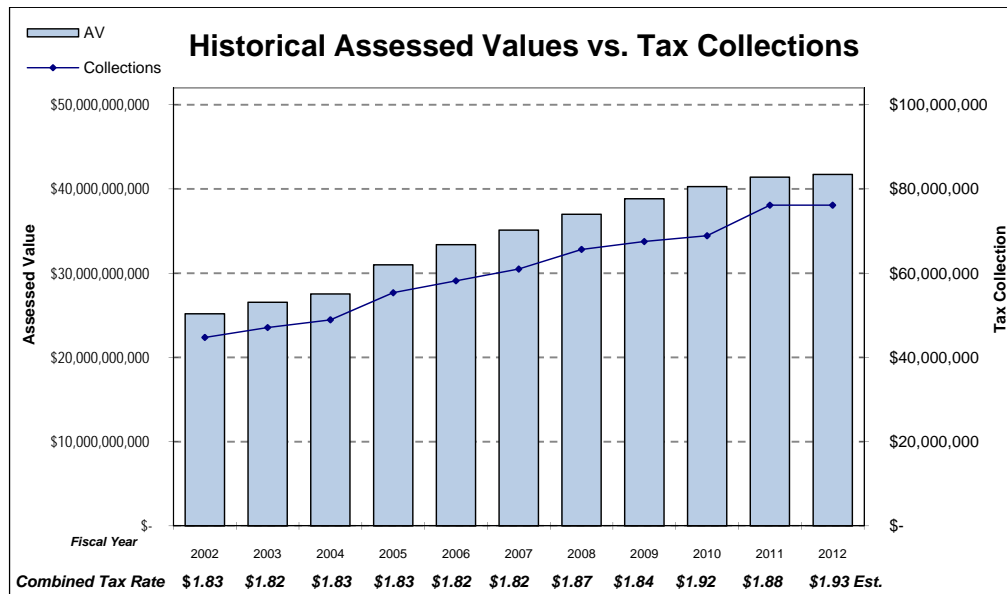
TAX RATES

General Fund – Permanent Rate	General Fund - Local Option Tax Levy	Bonded Debt
Expected Assessed Valuation: \$41,717,886,834	Expected Assessed Valuation: \$42,296,919,566	Expected Assessed Valuation: \$42,296,919,566
General Fund Tax Rate Levied: \$1.5252/\$1,000	General Fund Tax Rate Levied: \$0.25/\$1,000	Est. Bonded Debt Tax Rate: \$0.1553/\$1,000
Estimated General Fund Total Levy: \$63,628,121	Estimated General Fund Total Levy: \$10,574,230	Bonded Debt Total Levy: \$6,567,485
Expected Collection Rate: 94.1%	Expected Collection Rate: 94.1%	Expected Collection Rate: 94.1%
Expected Collections: \$59,874,062	Expected Collections: \$9,950,350	Expected Collections: \$6,180,003

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
2010	\$ 74,622,973	\$ 70,399,625	94.34 %		\$ 72,330,610	96.88 %
2009	70,168,538	66,017,433	94.08	\$ 1,498,114	67,515,547	96.22
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

ASSESSED VALUES VS. TAX COLLECTIONS

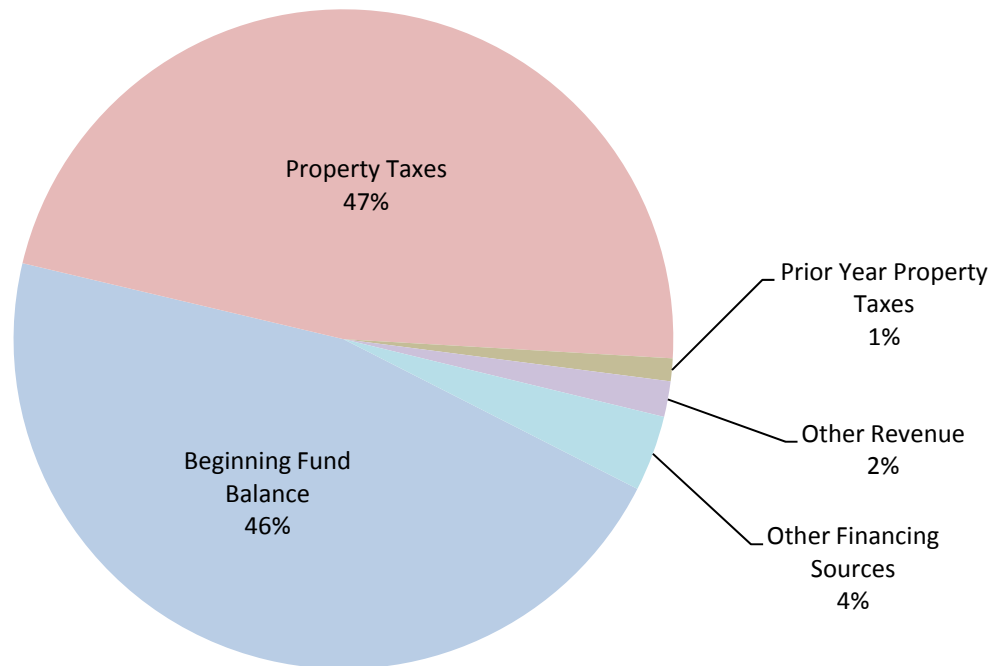


Financial Overview, continued

2011-12 BUDGETED RESOURCES

Resources	Beginning Fund Balance	Property Taxes	Prior Years Property Taxes	Other Revenue	Other Financing Sources	2011-12 Budget
Major Funds						
General	\$32,402,422	\$69,824,412	\$1,691,863	\$1,418,925		\$105,337,622
Capital Projects	26,092,306			160,298		26,252,604
Non-Major Funds						
Apparatus	1,790,991			9,392	\$1,186,737	2,987,120
Capital Improvements	5,507,962			32,187	3,109,354	8,649,503
Emergency Management					53,804	53,804
Grants	90,555			1,103,314	200,000	1,393,869
Retiree Medical Ins. Stipend	173,360			708		174,068
Bonded Debt Service	826,218	6,180,003	109,658	9,352		7,125,231
Insurance	635,340			3,432		638,772
Property and Building	6,077,010			32,826	1,000,000	7,109,836
Pension Trust					377,916	377,916
Volunteer LOSAP	893,995			44,740	53,611	992,346
Total 2011-12 Budgeted Resources	\$74,490,159	\$76,004,415	\$1,801,521	\$2,815,174	\$5,981,422	\$161,092,691
Total 2010-11 Budgeted Resources	\$63,511,543	\$71,614,154	\$1,253,694	\$2,297,280	\$32,256,398	\$170,933,069
Total 2009-10 Actual Resources	\$70,740,137	\$70,735,075	\$1,690,720	\$2,337,083	\$4,681,029	\$150,184,044

2011-12 Budgeted Resources

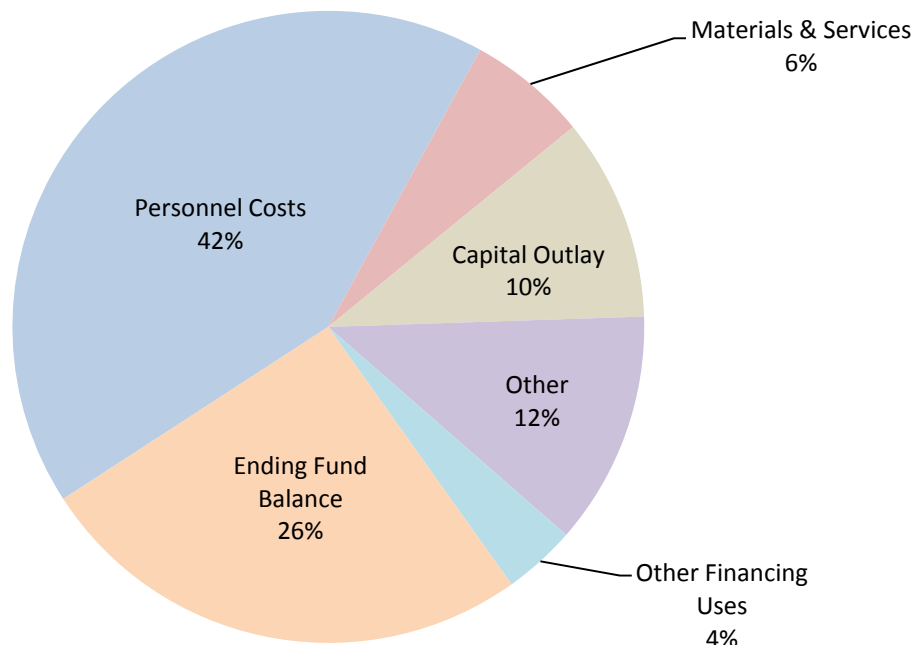


Financial Overview, continued

2011-12 BUDGETED REQUIREMENTS

Requirements	Personnel Services	Materials and Services	Capital Outlay	Other	Other Financing Uses	Ending Fund Balance	2011-12 Budget
Major Funds							
General	\$65,536,669	\$9,233,435		\$5,647,643	\$5,981,422	\$18,938,453	\$105,337,622
Capital Projects			\$13,706,217	1,844,150		10,702,237	26,252,604
Non-Major Funds							
Apparatus				500,000		2,487,120	2,987,120
Capital Improvements			2,628,742	2,683,160		3,337,601	8,649,503
Emergency Management	44,743	9,061					53,804
Grants	1,114,467		32,000	247,402			1,393,869
Retiree Medical Ins. Stipend	74,661					99,407	174,068
Bonded Debt Service				5,915,413		1,209,818	7,125,231
Insurance		638,772					638,772
Property and Building			625,000	1,924,248		4,560,588	7,109,836
Pension Trust	367,916	10,000					377,916
Volunteer LOSAP	992,346						992,346
Total 2011-12 Budgeted Requirements	\$68,130,802	\$9,891,268	\$16,991,959	\$18,762,016	\$5,981,422	\$41,335,224	\$161,092,691
Total 2010-11 Budgeted Requirements	\$68,526,465	\$10,329,757	\$27,346,223	\$25,928,676	\$3,756,398	\$35,045,550	\$170,933,069
Total 2009-10 Actual Requirements	\$57,529,926	\$7,519,854	\$15,074,162	\$3,913,179	\$4,681,029	\$61,465,894	\$150,184,044

2011-12 Budgeted Requirements



Financial Overview, continued

2011-12 FUND BALANCE BUDGETED

Resources	Beginning Fund Balance	Contingency	Ending Fund Balance	Change in Fund Balance	Percent Change in Fund Balance
Major Funds					
General	\$32,402,422	\$5,647,643	\$18,938,453	(\$13,463,969)	-41.6%
Capital Projects	26,092,306	1,844,150	10,702,237	(15,390,069)	-59.0%
Non-Major Funds					
Apparatus	1,790,991	500,000	2,487,120	696,129	38.9%
Capital Improvements	5,507,962	2,683,160	3,337,601	(2,170,361)	-39.4%
Emergency Management					
Grants	90,555	247,402		(90,555)	-100.0%
Retiree Med Ins. Stipend	173,360		99,407	(73,953)	-42.7%
Debt Service	826,218		1,209,818	383,600	46.4%
Insurance	635,340			(635,340)	-100.0%
Property and Building	6,077,010	1,924,248	4,560,588	(1,516,422)	-25.0%
Pension Trust					
Volunteer LOSAP	893,995			(893,995)	-100.0%
Total 2011-12 Budgeted Resources	\$74,490,159	\$12,846,603	\$41,335,224	(\$33,154,935)	-44.5%
Total 2010-11 Budgeted Resources	\$63,511,543	\$21,670,003	\$35,045,550	(\$28,465,993)	-44.8%
Total 2009-10 Actual Resources	\$70,740,137		\$61,465,894	(\$9,274,244)	-13.1%

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. The District budgets for a significant decrease in fund balance in the General Fund, while not expecting the decrease to occur from actual operations. 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 2011-12 and in the future is depicted on the following page. Because of the use of general obligation bonds, the Apparatus Fund is not expected to be significantly utilized in the next three years. The District has budgeted for contingency in the fund, which is expected to be returned to fund balance at the end of fiscal year 2011-12, such that the fund will have an increase in fund balance.

The Capital Improvements Fund's fund balance is expected to increase after unused contingency is returned to fund balance. The Property and Building fund represents a planned funding source for projects not anticipated to be fulfilled through the bond program and is expected to have an increase in actual ending fund balance. The Capital Projects Fund represents the usage of bond proceeds on projects authorized by the voters and is expected to decline as bond proceeds are utilized.

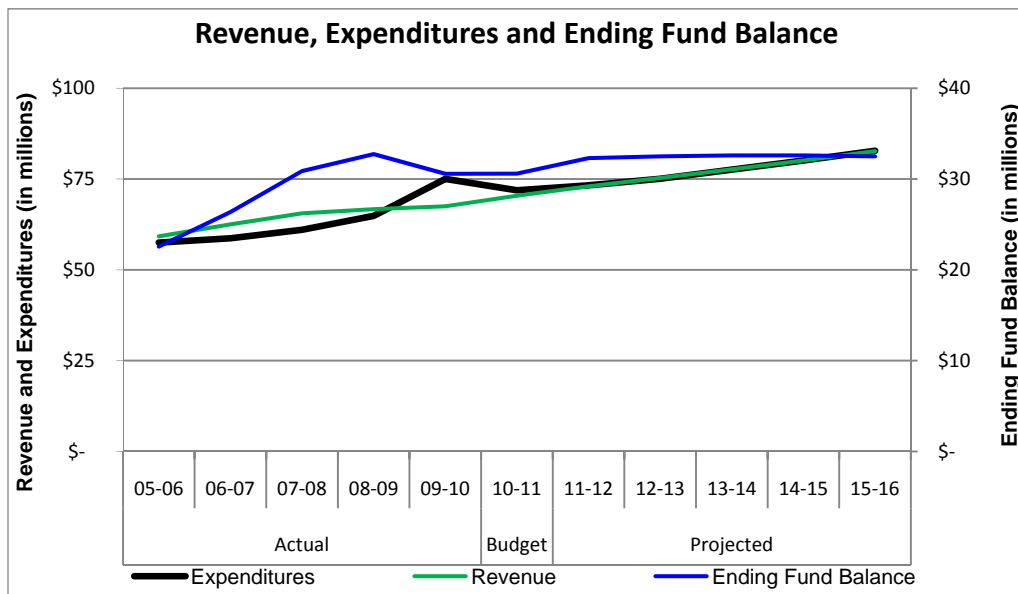
The Insurance Fund is expected to remain level; however, for purposes of budgeting for a disaster, the fund is appropriated to allow for self-insurance needs should such a catastrophic event occur. The Pension Trust Fund is expected to be funded in 2011-12 through General Fund transfers, as all Trust assets are exhausted as anticipated for a number of years. The Retiree Medical Stipend Fund is planned to continue to wind down as this fund meets obligations to past employees. 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 FORECAST – GENERAL FUND

	2011-12	2012-13	2013-14	2014-15	2015-16
Beginning Fund Balance	\$32,600,000	\$32,300,000	\$32,500,000	\$32,600,000	\$32,600,000
Property Tax Revenue	71,900,000	74,200,000	76,600,000	79,000,000	81,500,000
Investment and Interest Income	200,000	200,000	200,000	200,000	200,000
Charges for Services	600,000	600,000	600,000	600,000	700,000
Insurance Refunds	200,000	200,000	200,000	200,000	200,000
Miscellaneous	100,000	100,000	100,000	100,000	100,000
Total Revenues	\$105,600,000	\$107,600,000	\$110,200,000	\$112,700,000	\$115,300,000
Personnel Costs	\$61,600,000	\$63,000,000	\$65,100,000	\$67,300,000	\$69,500,000
Materials and Services	7,800,000	8,100,000	8,400,000	8,700,000	9,100,000
Transfers Out	3,900,000	4,000,000	4,100,000	4,100,000	4,200,000
Total Expenditures	73,300,000	75,100,000	77,600,000	80,100,000	82,800,000
Ending Fund Balance	\$32,300,000	\$32,500,000	\$32,600,000	\$32,600,000	\$32,500,000
Months of Fund Balance	5.3	5.2	5.0	4.9	4.7

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, PERS rate increases, medical insurance cost projections, as well as the need for enhanced service levels in both emergency responses and support of Integrated Operations.

The District views the forecasts, prepared with conservative revenue forecasts, and possible expenditure increases as information to avoid the scenario forecast. By being aware of what potential cost increases could occur and what the outcome would be, the District’s management will seek to avoid those negative scenarios ahead. The above forecast represents what “could happen” without strong operational and fiscal management in the years ahead.



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Message from the Chief Financial Officer

JUNE 28, 2011

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 2011-12, beginning July 1, 2011 and ending June 30, 2012, 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 2011-12 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 (GASB) with the exception of GASB statement 54. For generally accepted accounting principles basis reporting, the General Fund combines with the Apparatus Fund, Capital Improvements Fund, Emergency Management Fund and the Retiree Medical Insurance Stipend Fund. 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.

Excluding the exception above, 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. 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.

Message from the Chief Financial Officer, continued

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	2010-11 Budget	2011-12 Budget	Increase (Decrease)
Personnel Services	\$68,526,465	\$68,130,802	(\$395,663)
Materials and Services	10,329,757	9,891,268	(438,489)
Capital Outlay	27,346,223	16,991,959	(10,354,264)
Debt Service	4,258,673	5,915,413	1,656,740
Operating Transfers Out	3,756,398	5,981,422	2,225,024
Operating Contingency	21,670,003	12,846,603	(8,823,400)
Ending Fund Balance	35,045,550	41,335,224	6,289,674
Total Expenditures	\$170,933,069	\$161,092,691	(\$9,840,378)

The proposed budget requirements for fiscal year 2011-12 for all funds totals \$161,092,691, which is \$9,840,378 lower than the \$170,933,069 in the current year. The largest change relates to the changes in planned construction projects in the Capital Projects fund, and the budgeted ending fund balance increase in that fund after an anticipated late 2010-11 fiscal year general obligation bond issuance. Comparative data on individual funds may be obtained by reviewing financial summaries presented within individual funds.

2011-12 SIGNIFICANT CHANGES

PERSONNEL SERVICES

Personnel Services decreased 0.58% over all funds or \$395,663 across all funds. The majority of the change in personnel services results from the General Fund, which decreased 0.73% or \$484,279, and the Grants Fund, which decreased 8.59% or \$104,754 offset in part by increases in Personnel Services in the Volunteer LOSAP Fund of \$227,947. The General Fund's decrease is attributable to reduction in recruit academy FTE costs for two academies in the prior year to one plus a remaining month in the current year. The reduction in the Recruit budget of \$551,239 and nonrecurrence of \$617,875 of 2010-2011 lump sum payments to Union personnel, in accordance with the labor contract, were offset in part by a scheduled 2.1% CPI-W based increase budgeted for 2011-12. The Grant Fund in 2010-11 anticipated grant funding of 11 people. The actual grant awarded and budgeted for in 2011-12 covers nine firefighting personnel.

MATERIALS AND SERVICES

Materials and Services decreased \$438,489 overall. The General Fund reflects a decrease of \$137,620. While there were increases in areas such as EMS Supplies (5320), Dispatch (5420), and Maintenance and Repairs (5361); other reductions in accounts offset these increases for an overall reduction. Other Professional Services (5414) and Temporary Services (5417) were reduced due to the completion of the ERP project and the decrease in its associated temporary backfill support. Other accounts were reduced in order to meet budgetary goals. The Capital Projects Fund reflects a decrease of \$250,000 as bond issuance expenses budgeted in 2010-11 are not repeated in the 2011-12 budget.

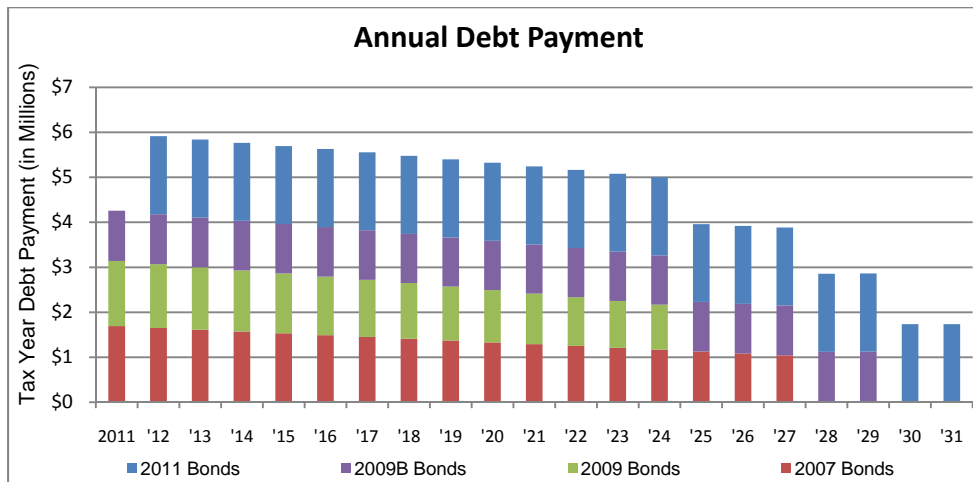
Message from the Chief Financial Officer, continued

CAPITAL OUTLAY

Capital Outlay decreased \$10,354,264 or approximately 37.9% to a total of \$16,991,959. Overall capital budget requests in the Capital Improvement Fund decreased \$2,145,299 to a total of \$2,628,742 reflecting that major budgeted expenditures for 2010-11 (self-contained breathing apparatus (SCBA), Command Center furnishings, four-cell multi-use burn prop, and ERP software purchase) were not repeated. Significant purchases in the Capital Improvements Fund include the scheduled replacement of mobile computers, additional SCBA bottles and equipment not purchased in the prior year and a Confined Fire Behavior Training (CFBT) prop project rebudgeted in 2012 as it was not complete in 2011. The Capital Projects Fund decreased \$8,026,510 to a total of \$13,706,217. The prior year's budget was significantly higher due to the budgeted purchase of the Command and Business Operations Center building. Each year of the Capital Bond construction program includes the budget for the station construction planned and land purchases expected to be made. The 2011-12 budget includes the expected construction costs of \$12,621,217 toward station construction projects for Stations 65 and 68, a combined Station 56 and South Operating Center, and \$1,095,000 toward fire apparatus including one tender, one light brush rig, and one heavy rescue unit down payment.

DEBT SERVICE

Total budgeted debt service expenditures are scheduled to increase by \$1,724,328 to meet estimated principal and interest obligations associated with general obligation debt outstanding. The debt service is budgeted in the Debt Service Fund for the repayment of the Series 2007 bonds, the Series 2009 bonds sold in March of 2009, the Series 2009 B bonds sold in June of 2009, and the amounts for Series 2011 bonds sold on May 17, 2011.



TRANSFERS

Transfers are increased by \$2,225,024 to \$5,981,422, reflecting planned transfers to capital funds and fiduciary funds. Transfers are made to the Apparatus Fund, Capital Improvement Fund, Emergency Management Fund, Grant Fund, Property and Building Fund, Pension Trust Fund, and the Volunteer LOSAP Fund. The Apparatus Fund is budgeted to receive \$1,186,737 for future apparatus replacements; the Capital Improvements Fund receives \$3,109,354 of transfers from the General Fund; the Grant Fund has budgeted \$200,000 of matching funds if needed for grant administration, and the Pension Trust Fund will receive up to \$377,916 from the General Fund to meet pension obligations for pre-1973 and 1976 retirees. As expected, plan assets for the pension plan have been exhausted, and thus, the District will transfer sufficient funds each payroll to meet monthly pension obligations.

Message from the Chief Financial Officer, continued

CONTINGENCIES

Contingencies across all funds are budgeted at \$12,846,603 for 2011-12, a decrease of \$8,823,400 from the prior year. The Capital Projects Fund comprises a decrease of \$8,026,510 in contingency as project timing and costs for stations are defined and budgeted. The General Fund's contingency remained approximately 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. All unused contingency reverts to Ending Fund Balance.

ENDING FUND BALANCE

The majority of amounts for Ending Fund Balance are related to the General Fund, \$18,938,453; the Apparatus Fund, \$2,487,120; the Capital Improvements Fund, \$3,337,601; the Bonded Debt Service Fund, \$1,209,818; the Retiree Medical Insurance Stipend Fund, \$99,407; the Property and Building Fund at \$4,560,588; and the Capital Projects Fund at \$10,702,237. The District seeks a stable General Fund balance and conservatively forecasts the actual ending fund balance to be approximately \$32,300,000, which equates to an estimated five months of operating funds.

DEBT ADMINISTRATION

Debt outstanding consists of Series 2007, Series 2009, Series 2009B and Series 2011 General Obligation Bonds. The District sold \$20,000,000 of Series 2007 bonds in April 2007, and there is \$16,000,000 outstanding. These bonds will mature over a 20 year period. In March 2009, the District sold \$14,000,000 of Series 2009 bonds, of which \$12,480,000 is outstanding. These bonds will mature in 2024. The District sold \$15,000,000 of Series 2009B bonds in June 2009, of which \$13,885,000 remains outstanding as of July 1, 2010, and the bonds will mature in 2029. On May 17, 2011, the District sold \$23,500,000 of bonds which mature in 2031, leaving \$5,000,000 of issuance authority.

The District's legal debt limit is approximately \$730,000,000, with remaining debt capacity of \$663,000,000 after this May issuance. 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 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, earthquake subduction zones, 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 bond will fund continued land purchases for new fire stations, the construction of new fire stations, and the reconstruction and seismic improvements of several older fire stations.

Message from the Chief Financial Officer, continued

BUDGET SUMMARY FOR REVENUES

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

Revenues	2010-11 Budget	2011-12 Budget	Increase (Decrease)
Beginning Fund Balance	\$63,511,543	\$74,490,159	\$10,978,616
Property Tax, Current Year	71,614,154	76,004,415	4,390,261
Property Tax, Prior Year	1,253,694	1,801,521	547,827
Other Taxes and Interest on Tax	47,708	54,110	6,402
Interest on Investments	393,902	363,434	(30,468)
Program Revenue	435,060	922,946	487,886
Regional Hazardous Response	5,500	12,500	7,000
Special Service Charges	50,319	53,450	3,131
Training Center Revenues	28,710	21,502	(7,208)
Rental Income	122,779	118,350	(4,429)
Insurance Refund		68,000	68,000
Donations and Grants	1,185,802	1,103,314	(82,488)
Transfers from Other Funds	3,756,398	5,981,422	2,225,024
Proceeds from Debt Issuance	28,500,000		(28,500,000)
Other Revenues	27,500	97,568	70,068
Total Revenues	\$170,933,069	\$161,092,691	(\$9,840,378)

BEGINNING FUND BALANCE

Beginning Fund Balance has increased 17.29% to \$74,490,159 for all funds. The General Fund's budgeted beginning fund balance was increased by \$312,126, reflecting that we had been able to meet our goal of increasing fund balance each year in order to ensure that we maintain a beginning fund balance of five months of operations. Our General Fund has a targeted goal to provide at least five months of operating funds before we receive our tax collections in late November of each year. The beginning fund balance in the Apparatus Fund increased by \$146,473, as we will not use this fund's savings for fire apparatus until the end of the bond program. The Debt Service Fund decreased \$43,119 to meet debt service payments. The increase in the Capital Project Fund beginning fund balance of \$12,059,339 is a result of the proceeds of the \$23.5 million dollars of general obligation bonds sold in May 2011, offsetting reductions in the prior year beginning fund balance as bond proceeds from 2009 were utilized.

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. For 2010-11, the Washington County Assessor estimated the Average Maximum Assessed Value was 71% of Average Real Market Value for residential property. For purposes of our 2011-12 budget, we assumed a 2.4% 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 current property tax. A collection rate of 94.1% 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.

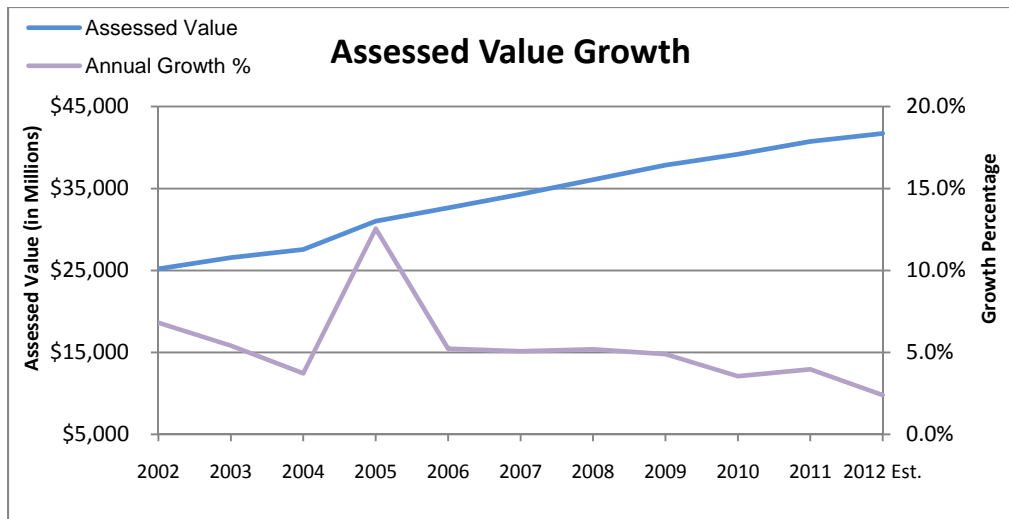
Message from the Chief Financial Officer, continued

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 \$.1553/\$1,000 AV.



Note, the spike in the growth percentage in fiscal 2005 was the result of the West Linn annexation.

Taxes levied at \$1.5252 for general operations against an estimated \$41.7 billion in assessed valuation are expected to provide approximately \$59,874,062 in collections. The local option levy of \$.25 per thousand dollars of assessed valuation of an estimated \$42.3 billion is expected to provide collections of \$9,950,350. Urban renewal creates the difference in assessed value for the permanent rate and Bonded Debt levies versus the Local Option Levy. We will also levy \$6,567,485 for our general obligation bonds. This bond levy is expected to result in a levy rate of 15.53 cents per thousand dollars of assessed valuation and approximately \$6,180,003 in collections.

PROPERTY TAX-PRIOR YEAR

Total taxes outstanding totaled \$3,517,610 at the fiscal year ended June 30, 2010. At the beginning of the previous fiscal year, that amount totaled \$3,252,563. Of the June 30, 2010 amount, \$2,204,674 was for taxes levied during that fiscal year, while \$1,312,936 was related to prior years' tax levies. Delinquent tax collections are estimated on an average collection rate based upon the forecasted June 30, 2011 receivables.

INTEREST ON INVESTMENTS

Interest on short-term investments has been budgeted to reflect short-term interest rates projected at an estimated .15 to .25 percent. The governmental fund types and capital funds are largely invested in the Oregon Local Government Investment Pool to investment limits, a bank Jumbo Money Market account for governments, 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 a 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 2011-12 are lower than the actuarial projections.

Transfers into and out of pool accounts are made by telephone prior to 1:00 p.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.

Message from the Chief Financial Officer, continued

PROGRAM REVENUE

These revenues are primarily from apparatus maintenance contracts (\$653,149) and the EMS/Health/Wellness program (\$269,797). 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. The EMS/Health/Wellness program is scheduled for \$166,797 in contract revenues with other agencies for health services and \$103,000 of contract fees related to ambulance franchise collaborative agreements for a total of \$269,797.

RENTAL INCOME

The District earns rental income from cellular companies siting equipment on District towers.

DONATIONS AND GRANTS

The District has applied for grants for additional firefighters and other projects. The District actively pursues grant funding for projects and equipment and for the first time, for additional staffing.

TRANSFERS FROM OTHER FUNDS

A major revenue source for seven 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 seven funds, where they are listed as a resource. These transfers provide operating resources to the Apparatus Fund, Capital Improvements Fund, the Emergency Management Fund, Grant Fund, the Property and Building Fund, the Pension Trust Fund, and the Volunteer LOSAP Fund.

PROCEEDS FROM DEBT ISSUANCE

On May 17, 2011, the District sold \$23,500,000 of general obligation bonds under the original \$77,500,000 voter approval for bonds to be sold over several phases timed to match construction and expenditure needs. There remains \$5,000,000 of issuance authority to complete the projects.

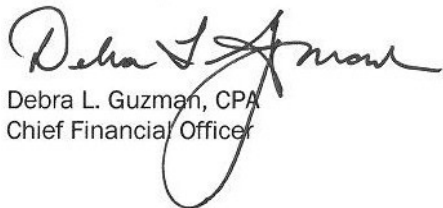
SUMMARY

The adopted budget for fiscal year 2011-12 continues to afford the District a high level of service to our community, while continuing to meet our long-term performance statements. The year 2011-12 promises to be a year of many challenges to the organization, as we manage our many bond projects, adjust to the new Integrated Operations business model, 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 2011-12 budget.

Sincerely,

Tualatin Valley Fire and Rescue



Debra L. Guzman, CPA
Chief Financial Officer

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Resolution to Adopt Budget

RESOLUTION 2011-07

RESOLUTION OF TUALATIN VALLEY FIRE AND RESCUE, A RURAL FIRE PROTECTION DISTRICT TO ADOPT 2011-2012 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, 2011 and ending June 30, 2012, was approved by the District Budget Committee on May 19, 2011;

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 following changes:

WHEREAS, during budget development the study and recommendations for the July 1, 2011 non union salary range increase and non union 401a match program were not concluded, and the final analysis recommended the adoption of the 2.1% CPI-W based range increase for non union personnel commensurate with union range increase and, in addition, it was recommended the 401a program for non union staff be amended to equal the post 1989 hired union personnel plan. These changes affect all General fund department budgets with non union personnel. The increase for workers compensation insurance was also not known until renewal in June 2011, and accordingly personnel services in the General Fund is increased by a total of \$108,157 as a result of these items; and

WHEREAS, storage rental for furniture transferred from CBOC to the new South Integrated Operations center pending the opening of the new Center is an unbudgeted \$1,800 in the South Operating Center; and

WHEREAS, changes in workflow management for emergency repairs and replacement of broken building equipment indicates a change should be made to facilitate financial system workflow approval processes to move funding for General Fund emergency repairs to facilities of \$70,000 out of Facilities Maintenance department budget to \$60,000 in the Integrated Operations budget and \$10,000 in the Logistics Administration Division budget; and move \$36,000 from Facilities Building Equipment account to Logistics (\$6,000) and Integrated Operations (\$30,000) within the Capital Improvements Fund; and

WHEREAS, as certain items within the CBOC facility such as response map hanging systems, reception area completion, and tackable panels for the exercise room were not completed pending continued evaluation of the building and personnel placement, and \$10,000 is added to the Fire Chief's Office budget in account 5361 and \$15,000 in furniture and equipment to complete items in the building and Central Operating Center; and

WHEREAS, a portion of the SCBA equipment budgeted for 2010-11 will not be delivered until 2011-12 and the budget is requested to be reappropriated in 2011-12 budget in the amount of \$34,290; and

WHEREAS, the Confined Fire Behavior Training prop construction budgeted in 2010-11 is not complete and the budget is requested to be reappropriated in 2011-12 in the amount of \$217,550; and

WHEREAS, a budgeted \$10,000 asphalt project was unintentionally budgeted in the Capital Projects fund rather than the Property and Building fund where it is recommended; and

WHEREAS, Contingency is recommended to be adjusted by the increases and decreases of the above budgeted items in the three funds;

NOW THEREFORE BE IT ALSO RESOLVED, the Board of Directors of Tualatin Valley Fire and Rescue hereby adopts total appropriations for the 2011-12 fiscal year in the amount of \$119,757,467, and which is now on file in the Command and Business Operations Center at 11945 SW 70th Ave., Tigard, Oregon; and

Resolution to Adopt Budget, continued

BE IT ALSO RESOLVED, that the amounts for the fiscal year beginning July 1, 2011, for the purposes shown are hereby appropriated as follows:

		<u>GENERAL FUND</u>	
<u>By Fund</u>			
	Personnel Services		\$65,536,669
	Materials and Services		9,223,435
	Transfers		5,981,422
	Contingency		<u>5,647,648</u>
	Total		\$86,399,169
<u>By Function</u>			
Command Division			
	Personnel Services		\$ 2,086,601
	Materials and Services		<u>872,094</u>
	Total		\$ 2,958,695
Integrated Operations Division			
	Personnel Services		\$55,796,618
	Materials and Services		<u>3,797,070</u>
	Total		\$59,593,688
Finance Division			
	Personnel Services		\$ 1,217,409
	Materials and Services		<u>43,828</u>
	Total		\$ 1,661,237
Business Operations Division			
	Personnel Services		\$ 6,436,041
	Materials and Services		<u>4,120,443</u>
	Total		\$10,556,484
District Non-Organizational			
	Transfers		\$ 5,981,422
	Contingency		<u>5,647,643</u>
	Total		\$11,629,065

Resolution to Adopt Budget, continued

BONDED DEBT SERVICE FUND

Debt Service - Principal	\$ 3,395,000
Debt Service - Interest	<u>2,520,413</u>
Total	\$ 5,915,413

APPARATUS FUND

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

CAPITAL IMPROVEMENTS FUND

Capital Outlay	\$ 2,628,742
Contingency	<u>2,683,160</u>
Total	\$ 5,311,902

EMERGENCY MANAGEMENT FUND

Personnel Services	\$ 44,743
Materials and Services	<u>9,061</u>
Total	\$ 53,804

GRANTS FUND

Personnel Services	\$ 1,114,467
Capital Outlay	32,000
Contingency	<u>247,402</u>
Total	\$ 1,393,869

RETIREE MEDICAL INSURANCE STIPEND FUND

Personnel Services	\$ <u>74,661</u>
Total	\$ 74,661

INSURANCE FUND

Materials and Services	\$ <u>638,772</u>
Total	\$ 638,772

CAPITAL PROJECTS FUND


Capital Outlay	\$13,706,217
Contingency	<u>1,844,150</u>
Total	\$15,550,367

Resolution to Adopt Budget, continued

<u>PROPERTY AND BUILDING FUND</u>		
Capital Outlay		\$ 625,000
Contingency		<u>1,924,248</u>
Total		\$ 2,549,248
<u>PENSION TRUST FUND</u>		
Personnel Services		\$ 367,916
Materials and Services		<u>10,000</u>
Total		\$ 377,916
<u>VOLUNTEER LOSAP FUND</u>		
Personnel Services		\$ <u>992,346</u>
Total		\$ 992,346

APPROVED AND ADOPTED, on June 28, 2011

ATTEST:



Brian J. Clopton, Secretary - Treasurer



Robert C. Wyffels, President

RESOLUTION 2011-08

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 \$6,567,485 for bonds, and that these taxes are hereby imposed and categorized for tax year 2011-12, 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	\$ 6,567,485
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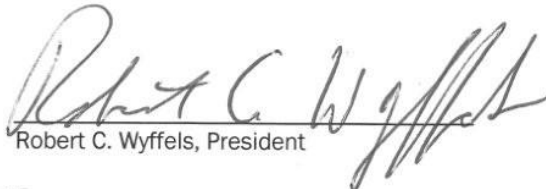
NOW THEREFORE BE IT RESOLVED, that the Budget Officer certify the County Clerk or other recording officer, County Assessor or other assessing officer, of Washington, Clackamas, and Multnomah Counties, Oregon, and the Department of Revenue of the State of Oregon, the tax levy created by the resolution and shall file with them a copy of the adopted budget.

APPROVED AND ADOPTED, on June 28, 2011

ATTEST:



Brian J. Clopton, Secretary - Treasurer



Robert C. Wyffels, President

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