

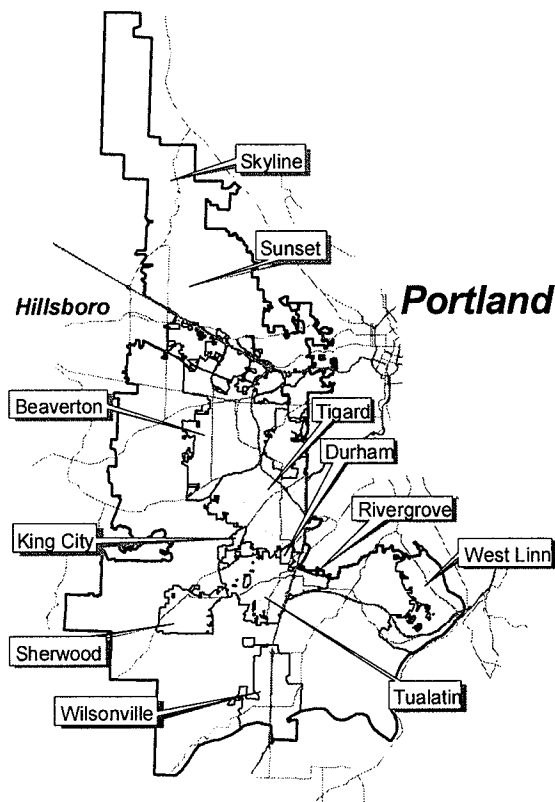
District Overview

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District Overview

TUALATIN VALLEY FIRE & RESCUE

Tualatin Valley Fire & Rescue (The District) operates under Oregon Revised Statutes Chapter 478 as a separate municipal corporation and is managed by a Board of Directors composed of a President and four Directors, who include a Vice-President and a Secretary-Treasurer. The Board hires a Fire Chief/Administrator to manage the day-to-day operations of the District. The governing board appoints members of the community to serve on boards and commissions, which include the Budget Committee and the Civil Service Commission.



The District was **formed in 1989**, through the merger of Washington County Fire Protection District No. 1 and Tualatin Rural Fire Protection District. The District has subsequently expanded its service area through the annexation of the City of Beaverton Fire Department, Valley View Water District, Rosemont Fire District, and the mergers of Multnomah County Fire Protection Districts No. 4 and No. 20. The District's most recent annexation was the City of West Linn, effective July 1, 2004. The City of West Linn's preceding fire protection contract, in place since July 1, 1998, called for the conditional transfer of all fire department employees to the District. Under the prior fire protection contract, the City retained ownership of its assets, including apparatus and facilities, but the District utilized and operated their equipment and facilities. Upon annexation, the title to the equipment and facilities transferred to the District.

The District's total service area is approximately **210 square miles**. It provides services to northeast **Washington County**, northwest **Clackamas County**, and the western edge of **Multnomah County**. Tualatin Valley Fire & Rescue is a **special service district** supported by the property owners within its boundaries, serving an estimated population of **439,856**.

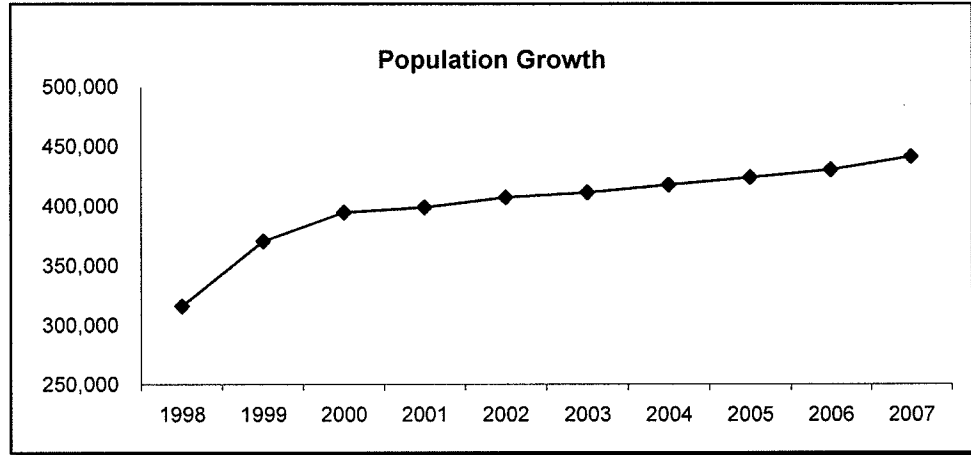
The District will have approximately 426 employees, supplemented by approximately 100 volunteers. Fire and rescue services are provided from 22 career and volunteer fire stations, 32 fire engines, four ladder trucks, four aerial pumps, three hazardous materials response units, five rescue units, seven water tenders, eight brush rigs, and several other pieces of equipment, including, water rescue and technical rescue apparatus, a Mobile Command Unit and a large fleet utilized to supplement response needs.

District Overview, continued

SERVICE AREA

The area served, which includes the **cities of Beaverton, Durham, King City, Sherwood, Tigard, Tualatin, Rivergrove, West Linn, and Wilsonville** lies within one of the fastest growing regions of the state of Oregon. It is an area encompassing densely populated suburbs, rural farmlands, retail and commercial establishments, and growing industrial complexes.

The District lies within one of the fastest growing regions of the state of Oregon.



Fire stations are strategically placed throughout the District to protect high property value and population densities. Two operating division headquarters are also placed strategically in the District so that citizens have a local source for burn permit information and other interactions with their fire marshals and community liaisons for community fire and safety information.

As a result of the high quality of services provided, training standards, equipment, staffing, and related support functions, the District is among the leaders in Oregon in obtaining a favorable insurance classification and carries a rating of **2** out of a scale of 1-10 (1 being the most favorable, according to the standards set forth by the Insurance Services Office). This classification results in very low premium rates for fire insurance to homeowners within the District.

ECONOMY

The District, through its broad geographic base, serves a developing and growing part of Oregon's economic base. The annual growth in the District's assessed valuation and market value of protected property each year is one indication of the growth in both industrial and residential areas. While the recent economic downturn, especially in the area of high-tech industry, had slowed the pace of assessed valuation growth, our service area has and is expected to continue to grow and develop. By law, increases in assessed valuation of existing property are limited to 3% a year. Accordingly, growth beyond three percent in the District's assessed valuation must come from continued development within its service boundaries. Assessed value grew almost 5.2% for the property tax year 2007-08, and is conservatively forecasted to grow at 4.6% for 2008-09.

The District's population is expected to continue to grow over the next decades. We are working proactively and cooperatively with other governments and regional planning groups to ensure continued ability to service this future population. This includes neighborhood and street planning, emergency access, and road construction as well as evaluating and working across jurisdictional boundaries to ensure closest force response to population centers regardless of city and county boundaries. This is one reason the District has begun purchasing land for future fire station sites. However, the question of how local regional governments will pay for the development costs of the necessary infrastructure is of utmost concern. Regional governments are promoting the use of urban renewal financing, which essentially diverts all future property tax revenue from those areas levied for the District that would pay for the service costs to the area and additional station personnel to the urban renewal taxing district. TVF&R is working intensively with other governments in the area to mitigate the impacts of these issues.

Nike, Intel, and IBM, are just a few nationally recognized companies within TVF&R's service area.

This area serves as the home to internationally recognized companies such as Nike, Mentor Graphics, InFocus, Tektronix, and Planar Systems. We are also home to several growing companies such as Digimarc, Pixelworks, and Jana's Classics. Top metropolitan area employers include Intel, Fred Meyer, Quest Communications International, Portland General Electric, IBM, Kaiser Permanente, Providence Health System, U.S. Bank, Freightliner, Tektronix, Nike, and Maxim Integrated Products. The area has attracted significant retail and wholesale marketers such as Costco Wholesale Clubs, Dayton-Hudson Stores, and Rite-Aid Drug Stores, and companies, such as Pacific Realty Associates, LP, have continued development of acres of land adjacent to the Sunset Highway. Nike's world headquarters complex houses thousands of employees in office buildings bordering a seven-acre man-made lake and five acres of wetlands. Intel has continued to invest in multi-million dollar facility expansions to manufacture state-of-the-art computer chips, largely in the neighboring City of Hillsboro.

MULTI-SERVICE DISTRICT

Tualatin Valley Fire & Rescue is a multi-service district with services and programs tailored to meet the needs of the community. The District provides services in:

- Fire suppression
- Emergency medical services
- Fire prevention
- Fire education
- Hazardous materials
- Water rescue
- High angle rescue
- Heavy rescue

The District also serves as a Hazardous Materials Response provider for the state of Oregon, with a service response area ranging from the City of Portland boundary on the east to the Pacific Ocean on the west and from the District's northern boundary in Multnomah County southwest to Marion County.

District Overview, continued

Within the Fire Prevention Division, the District coordinates all of the state mandates concerning the investigation of fires, inspection of commercial and retail occupancies, and education of the citizens within its boundaries. The Deputy Fire Marshals and Inspectors provide code enforcement inspections and manage several proactive programs, such as the Apartment Manager Training program, in order to educate landlords in fire safe building management practices.

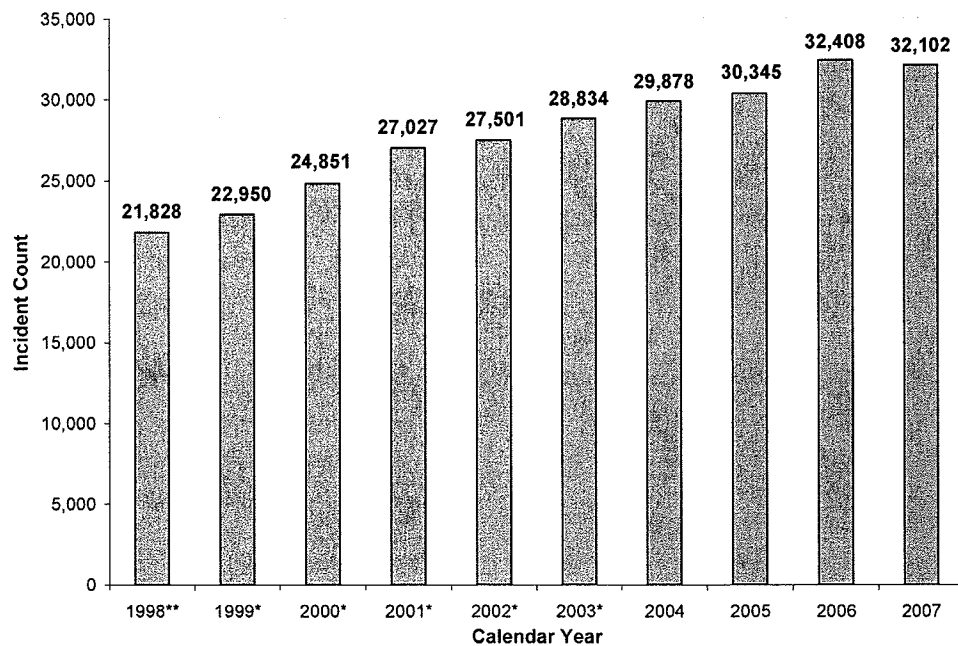
To deal with emergencies, both fire and medical, the District's Emergency Operations division staffs a team of professional firefighters and paramedics 24 hours a day, with skills and equipment necessary to deal with a wide variety of emergencies. Approximately **180** professional firefighters are certified as advanced life support (ALS) paramedics, while 100% of the remaining fire suppression personnel are certified at the basic life support (BLS) level. Under the guidance of physician advisors, emergency medical service personnel (all of whom are firefighters) maintain a highly certified skill level through several specialized programs.

Over half of the District's professional firefighters are certified paramedics.

EMERGENCY INCIDENTS

The District's responses to emergency incidents within its boundaries have increased each year in the past ten years as the service area's population continues to grow.

10 Year Incident History



* Incidents within Oregon City contract area excluded.

** West Linn contract began 7/1/98.

Note: Incident totals also include automatic and mutual aid responses to areas located outside of TVF&R's jurisdictional boundary (e.g., Hillsboro Fire & Rescue, Lake Oswego Fire Department, and Portland Fire & Rescue).

TRAINING

The District's training facilities include a six-story training tower, a burn building for live fire training, a 19-acre Training Center, and a live television studio, which provide personnel with constant training to maintain and improve their skills to the highest level possible. The Training Center, which was constructed in several phases using public funding and private donations, provides advanced training opportunities in flammable liquids and gases with the usage of live props, including a tanker truck, driving courses, propane rail cars, a bridge, and excavation tunnels. The construction of a sophisticated burn structure and tower at the site using local option levy proceeds was completed during the summer of 2002, and allows live fire training in interior attack and other areas of firefighting. The project included extensive foundation work to support the tower, as well as water recycling and reclamation components to support the extensive water usage in firefighting tactics training.

BOARD POLICIES

The District operates under a comprehensive **Board policy manual**, which is adopted, biannually reviewed, and, as required, revised by the Board of Directors. Each section of the Board policy manual provides policy direction concerning the day-to-day operations of the District and specifically addresses the following areas:

- District Board Operations
- Bylaws of the Board
- Budget, Finance, and Business Operations
- Personnel Policy
- Training Division
- Fire Chief Role and Executive Functions
- Emergency Services
- Fire Prevention
- Purchasing
- Maintenance
- Community Services

MISSION STATEMENT

The following **mission statement** was developed to describe clearly the District's purpose.

Tualatin Valley Fire & Rescue...Dedicated to providing exceptional emergency services through cost effective innovation, employee excellence, and customer service.

District Overview, continued

VISION STATEMENTS

Building on the mission statement, the membership was asked to identify vision statements, thus establishing targets of excellence for the future. The following were among the identified **vision statements**:

- *Continually exceeding our customers' expectations*
- *A workforce reflecting the diversity of the community*
- *An innovative environment enhancing the efficient delivery of emergency services*
- *An organization anticipating, influencing, and embracing change*
- *Providing personnel with the necessary skills and tools for safe and effective job performance*

STRATEGIC GOALS AND CRITICAL ISSUES

The District operates under a long-term **Strategic Plan**, which articulates our long-term goals and provides the framework for the performance objectives, which are contained within this budget document. The process by which the Strategic Plan was created required the District to identify collective visions and expectations and to look critically at issues affecting the District into the future. Participation in the development of the Strategic Plan was solicited and received from all levels of the organization, as well as various customers and citizens at large.

CRITICAL ISSUES

Critical issues that may affect the organization are either opportunities or challenges. Among those issues identified were:

- Changing demographics and aging infrastructure
- Federal, state, and local mandates/legislation
- Regionalization
- Funding limitations
- Loss of experience and expertise through attrition and retirements
- Hiring of new employees

CUSTOMER EXPECTATIONS AND PRIORITY OF SERVICE

A key element of the District's organizational philosophy is a high level of **commitment to customers**. When asked to identify their expectations for the Strategic Plan, the Citizens' Review Committee noted competence through training and experience and quick response to emergencies as their highest priorities. Among the other identified expectations were keeping the equipment in good repair, distributing prevention information, and staying involved in the community.

The Citizens' Review Committee was also asked to prioritize a comprehensive list of functions and services provided by the District. The following were ranked as the most **critical services**:

- Fire/EMS Response
- Hazardous Materials Response
- Specialty Rescue Response
- Public Assistance/Non-Emergency Response
- Disaster Response

BUDGET COMMITTEE

Board Members	Term Expiration
Clark I. Balfour, <i>President</i>	June 30, 2009
Robert C. Wyffels, <i>Vice-President</i>	June 30, 2009
Carol A. Gearin, <i>Secretary-Treasurer</i>	June 30, 2011
Larry D. Goff, <i>Member</i>	June 30, 2009
Brian J. Clopton, <i>Member</i>	June 30, 2011
Citizen Members	
Leland H. Ascher, <i>Member</i>	June 30, 2011
Daniel M. Lewis, <i>Member</i>	June 30, 2009
Christopher D. Harris, <i>Member</i>	June 30, 2009
Michael D. Smith, <i>Member</i>	June 30, 2010
Jon R. Walsh, <i>Member</i>	June 30, 2010

DISTRICT STAFF

- **Jeffrey D. Johnson**, Fire Chief/Administrator
- **Kirk A. Hale**, Assistant Chief
- **Paul M. LeSage**, Assistant Chief
- **Debra L. Guzman**, Chief Financial Officer

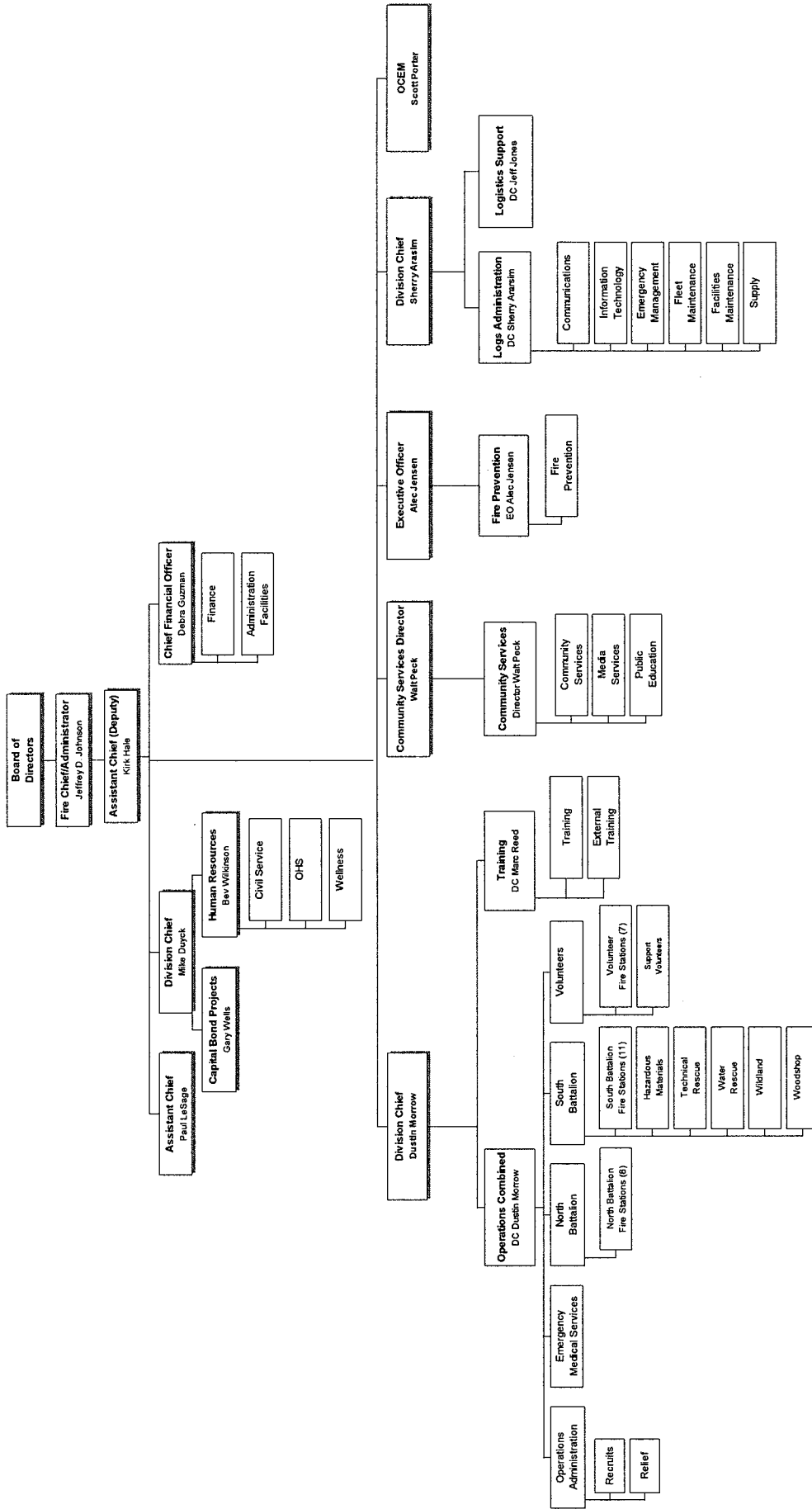
TVF&R is an internationally accredited agency.



Commission on
**Fire Accreditation
International**

District Overview, continued

ORGANIZATIONAL CHART



Message from the Fire Chief

JUNE 24, 2008

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

DEAR BUDGET COMMITTEE MEMBERS AND CITIZENS:

I am pleased to transmit to you the 2008-09 proposed budget for Tualatin Valley Fire and Rescue, a Rural Fire Protection District (District), for your review at the legally required public budget hearing. Consistent with the District's mission statement and strategic plan, we have prepared this budget with priorities and resources directed toward the continuing accomplishment of our eight strategic goals and outcomes:

COMMUNITY GOALS & OUTCOMES

- I. Reduce the number and severity of emergency incidents.
- II. Enhance preparedness for catastrophic and unforeseen events.
- III. Increase citizens' participation in their safety and preparedness, and knowledge of the District's services.

ORGANIZATIONAL GOALS & OUTCOMES

- IV. Ensure the health and safety of all members.
- V. Develop and enhance a diverse workforce that honors and respects our individual and group differences and reflects the community we serve.
- VI. Promote craftsmanship, innovation, and excellence throughout the organization.
- VII. Leverage use of existing resources for the greatest community good.
- VIII. Ensure ongoing financial stability and predictability.

Message from the Fire Chief, continued

These goals drive our process of resource allocation and balancing of needs during every budget process. Every budget year brings unique challenges as we strive to provide the most effective firefighting, emergency medical service, rescue, and prevention programs to our citizens, while maintaining fiscal efficiencies in order to serve our duty as our taxpayers' government.

BUDGET OVERVIEW

The proposed 2008-09 budget is our best estimate of our operating ability to respond efficiently and effectively to the challenges of the upcoming fiscal year. As an organization whose funding is almost completely dependent upon property taxes, the District relies upon continued support of a five year local option levy of 25 cents per thousand, which supplements our permanent levy rate of \$1.5252 per thousand dollars of assessed value. This levy, first approved by our voters for fiscal year 2001-02, and recently renewed through fiscal year 2009-10, allows us to maintain a fourth firefighter on our urban response engines and deploy six additional firefighters, two on peak activity units. The local option levy also funds six firefighting support staff. In addition, the District's property tax revenues through its permanent tax base have provided for growth in critically needed positions since 2006-07. Continued growth in assessed value and the PERS actuarial results released in January 2007, which resulted in a drop in our PERS rates on July 1, 2007, allowed us to add firefighter positions and other needed support positions within our current combined tax rate. The proposed budget for 2008-09 reflects the addition of nine firefighters, which will be utilized in the relief pool, a group of up to 45 firefighters, engineers, and officers who provide coverage for vacation, sick, and other time off for assigned shift personnel, and one Duty Chief in Emergency Operations. One and one-half positions would be added in the Finance function to provide needed backfill staffing to enable current personnel to focus on the replacement of numerous separate financial systems throughout the District as part of the District-wide implementation of integrated financial, work order, inventory, and facility management software systems. Because of staffing levels and projected retirements this year, there is one recruit academy budgeted rather than the two as in the prior year, and accordingly, we have a reduction of four positions used to account for the temporary firefighter positions budgeted in the recruit firefighter program budget.

Continued voter support of our local option levies to supplement our permanent tax rate remains an important component of both our short and long-term financial forecasts currently projected through 2016. The local option levy is a critical component of our current and long-term financial stability. We anticipate asking for a renewal of the levy in November 2008, and evaluating the need for a third renewal or an increase in 2012.

Additionally, our long-term forecasts had shown the District would require supplemental funding through a general obligation or other debt issuance to meet our apparatus and infrastructure needs. Accordingly, we asked our voters for approval of general obligation bond authority to fund land for new stations, build two new stations, and make renovations and seismic upgrades of several other fire stations, and fund ongoing emergency response apparatus replacements at the November 2006 election. That strong 68% voter support of the future authority to issue up to \$77.5 million dollars of

Message from the Fire Chief, continued

general obligation bonds provides the ability to fund capital infrastructure needs of the District through approximately 2015-16, through a series of bond issuances matched to project timing. In anticipation, the District recently sought an improvement in its bond rating to reduce costs to the taxpayers. This effort was successful and TVF&R's credit quality rating was upgraded to Aa1 by Moody's Investors Service. Moody confirms that only the top 4-4.5% of issuers in the United States are rated at the Aa1 and higher rating levels, and currently, there are no other fire departments in the United States with such a superior credit rating.

The first \$20,000,000 of general obligation bonds was issued April 2007. The proceeds of the bond sale and the usage on projects are being accounted for in the Capital Projects Fund for current projects.

The largest cost component of our financial forecasts is the cost of personnel. Local 1660 represents all career firefighters, Training and Fire Prevention staff, and our current contract extends through June 30, 2009. The contract tied the July 1, 2008 raise to the CPI-W All Cities Annual for 2007 and as a result, the increase will be a 2.9% wage adjustment. During budget preparation in the prior year, we were in negotiations and amounts for prior year wages and medical benefits were not reflected in the budget; the 2008-09 budget reflects a change in these areas from 2006-07 union contract to 2008-09 union contract costs.

TVF&R'S MISSION AND THE COMMUNITY'S ROLE IN A SAFETY PARTNERSHIP

As a large district serving multiple communities, we recognize the importance of building strong relationships with each community we serve. Fundamentally, these relationships enhance our core mission – the safety of those we serve – but there is a parallel benefit; the better known and understood we are by the public, the more supportive they are apt to be of the services we provide.

We utilize separate operating centers, each serving a different geographic area of the District, organized into North and South divisions, to make our people and services more accessible to the communities they serve. Station captains and their crews are asked to be involved with their local community, just as they would be in a small town setting, through attendance at neighborhood meetings, participation in community events, and through educational outreach. At each opportunity, key safety messages and information about District operations are conveyed. The same educational expectation also applies to the numerous informal contacts District personnel have with the public, such as shopping at the grocery store or drop-by requests for a station tour.

The Community Academy, a 27-hour immersion into the work of the District, is a powerful new tool for encouraging understanding of TVF&R's mission. Through a mix of classroom sessions, hands-on drills, and an overnight stay as a participating member of a station's crew, community leaders gain insights into District operations and experience some of the physical, intellectual, and emotional challenges of life as a firefighter. In addition, TVF&R hosts an Executive Development Series for

Message from the Fire Chief, continued

graduates of the academy. The goal of these seminars is to deepen relationships and share TVF&R skill sets with key business executives and government officials.

Complementing this personal contact with the public is an educational strategy that relies heavily on mass media. We have largely shifted traditional fire education and safety training from one-on-one training in schools and classrooms to mass media avenues: television, print, radio, and transit. We are very appreciative of our corporate sponsors who assist us in leveraging each dollar of taxpayer funds into at least two to three dollars of fire and life safety messages. Analysis of response statistics assists us in identifying timely and appropriate safety messages. Utilizing a calendar of month-by-month safety issues, we secure corporate sponsorships and find underwriters with corporate interests in specific safety issues.

CFAI ACCREDITATION

First awarded in August 2000, Tualatin Valley Fire & Rescue achieved accreditation through the Center for Public Safety Excellence's Commission on Fire Accreditation International (CFAI) for a second time in March of 2006, after an intensive and comprehensive self-assessment exercise and an on-site peer review. The District's commitment to being an accredited organization ensures that our taxpayers are getting the best service possible as determined by national standards. The current five-year accreditation period is effective through August 31, 2010. Less than one percent of the nation's fire departments have received this distinctive designation, which reflects well upon the quality of services provided by our firefighters and employees, and the support of the Board of Directors and their commitment to excellence. Our on-going involvement in the reporting processes for maintaining CFAI certification requires that we annually monitor and assess our actual performance in all aspects of our business, including toward industry and self-defined standards and agency adopted goals. To that end, and to continue to develop a number of staff, we have developed an internal assessment team with responsibility for supporting the requisite review and reporting functions. This team has received training in the accreditation process and select members of the team will become trained to serve as peer assessors on site reviews of accreditation candidate agencies. This exposure will expand our collective knowledge base and provide depth of District experience in this significant effort.

SIGNIFICANT BUDGET ITEMS

Personnel. This budget represents a total of approximately 426.25 personnel, including continuation of local option levy supported firefighter and support staff positions and the proposed additional positions. Union and nonunion ranges were both increased by 2.9%. The nonunion personnel budget practice has been to budget each and every position at the exact medical, salary, and other package of wages and benefits and to budget the union at top step. The budget reflects a change in practice in 2008-09 to align the budget practice of the nonunion personnel to the union personnel budgeting practice.

Apparatus Investment. Support by our voters of our general obligation bond and local option levy has allowed us to decrease the average age of our apparatus to meet our goal of less than 12 years average age. We have budgeted for three fire engines, two medic units, one capital replacement truck, and one additional ladder truck.

Facilities Remodels and Relocation. The budget reflects the continued construction of the new Walnut fire station, continued design and engineering work for many of the stations that will be renovated, mandated environmental improvements to fire station wash areas, and design and engineering work for West Linn's fire stations.

Station Land Purchase. The District has funds set aside to purchase land for station sites expected to be required in the future to meet response time standards.

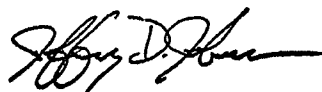
BUDGET SUMMARY

This budget proposes our permanent tax rate of \$1.5252 per \$1,000 of assessed valuation for our operating levy, the local option levy of \$0.25 per \$1,000 of assessed valuation, and a separate levy for debt service for the 1999, 2000, and 2007 General Obligation bonds, estimated to be approximately nine cents per thousand. We anticipate tax receipts of the levies at a 94% collection rate and assessed value growth of 4.6%.

We have proposed a budget that allows us to continue to deliver outstanding fire and rescue services to our citizens. I recommend the 2008-09 fiscal year budget to you for your approval.

Sincerely,

Tualatin Valley Fire and Rescue



Jeffrey D. Johnson
Fire Chief/Administrator

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