

Financial Overview

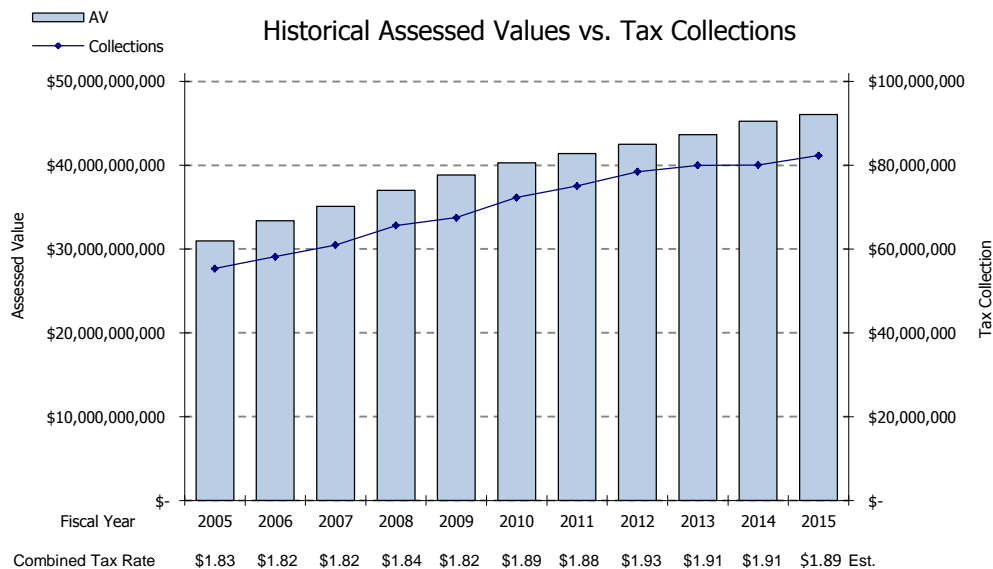
Tax Rates

General Fund – Permanent Rate		General Fund - Local Option Tax Levy		Bonded Debt	
Expected Assessed Valuation:	\$ 46,040,799,183	Expected Assessed Valuation:	\$ 46,658,265,828	Expected Assessed Valuation:	\$ 46,658,265,828
General Fund Tax Rate Levied:	\$ 1.5252/\$1,000	General Fund Tax Rate Levied:	\$ 0.25/\$1,000	Est. Bonded Debt Tax Rate:	\$ 0.1170/\$1,000
Estimated General Fund Total Levy:	\$ 70,221,427	Estimated Net Local Option Levy after M5 Compression:	\$ 11,513,107	Bonded Debt Total Levy:	\$ 5,457,426
Expected Collection Rate:	94.4%	Expected Collection Rate:	94.4%	Expected Collection Rate:	94.4%
Expected Collections:	\$ 66,289,027	Expected Collections:	\$ 10,868,373	Expected Collections	\$ 5,151,810

Property Tax Levies and Collections Last Ten Fiscal Years

	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2013	\$ 82,413,293	\$ 78,548,654	95.31%	\$ 1,446,400	\$ 79,995,054	97.07%
2012	81,106,617	76,988,839	94.92	1,481,752	78,470,591	96.75
2011	76,954,903	72,714,192	94.49	2,365,805	75,079,997	97.56
2010	74,662,973	70,399,625	94.29	1,930,985	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

Assessed Values vs. Tax Collections

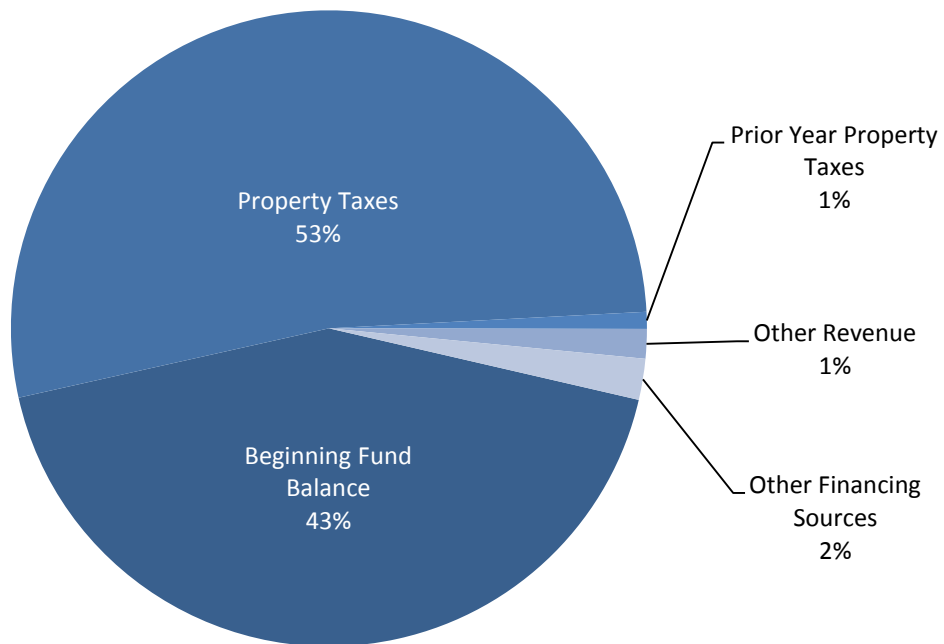


Financial Overview, continued

2014-15 Budgeted Resources

Resources	Beginning Fund Balance	Property Taxes	Prior Years Property Taxes	Other Revenue	Other Financing Sources	2014-15 Budget
Major Funds						
General	\$ 33,259,733	\$ 77,157,400	\$ 1,269,061	\$ 1,863,171		\$ 113,549,365
Capital Projects	10,294,656			31,473		10,326,129
Non-Major Funds						
Apparatus	3,711,112			16,575		3,727,687
Capital Improvements	8,190,337			36,500	\$ 1,725,000	9,951,837
Emergency Management				219,864	30,000	249,864
Grants				95,229		95,229
Retiree Medical Ins. Stipend	41,125			225		41,350
Bonded Debt Service	1,505,543	5,151,810	75,000	16,875		6,749,228
Insurance	630,925			3,250		634,175
Property and Building	9,081,664			45,408	1,153,922	10,280,994
Pension Trust					347,637	347,637
Volunteer LOSAP	310,225			12,559		322,784
Total 2014-15 Budgeted Resources	\$ 67,025,320	\$ 82,309,210	\$ 1,344,061	\$ 2,341,129	\$ 3,256,559	\$ 156,276,279
Total 2013-14 Budgeted Resources	\$ 68,520,911	\$ 79,010,798	\$ 1,196,684	\$ 1,918,642	\$ 2,829,647	\$ 153,476,682
Total 2012-13 Actual Resources	\$ 74,831,721	\$ 78,823,588	\$ 1,175,349	\$ 4,556,570	\$ 3,400,120	\$ 162,787,348

2014-15 Budgeted Resources

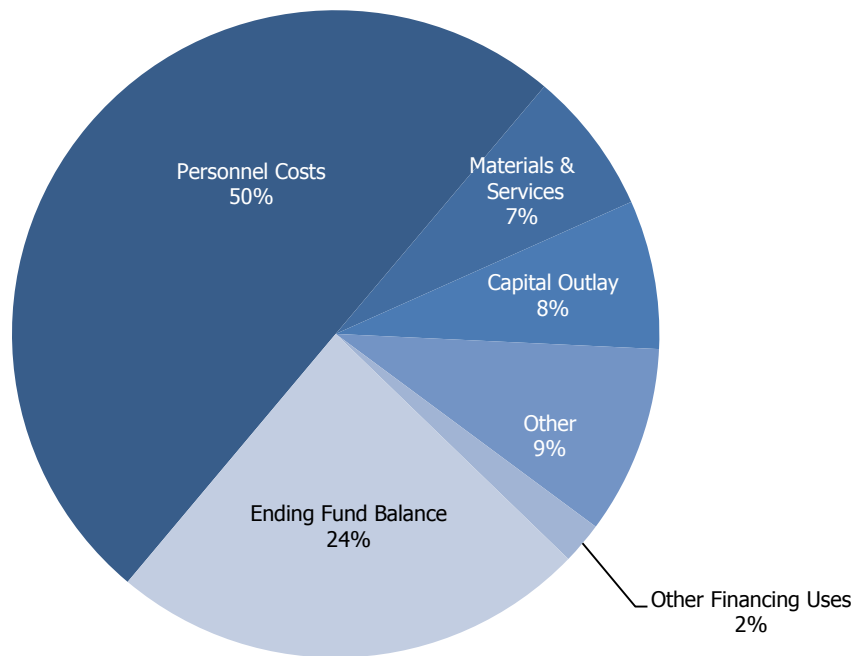


Financial Overview, continued

2014-15 Budgeted Requirements

Requirements	Personnel Services	Materials and Services	Capital Outlay	Other	Other Financing Uses	Ending Fund Balance	2014-15 Budget
Major Funds							
General	\$ 77,476,261	\$ 10,491,112		\$ 3,224,325	\$ 3,256,559	\$ 19,101,108	\$ 113,549,365
Capital Projects			\$ 8,820,700	1,505,429			10,326,129
Non-Major Funds							
Apparatus				500,000		3,227,687	3,727,687
Capital Improvements			2,056,407	1,513,870		6,381,560	9,951,837
Emergency Management	208,806	30,500		10,000		558	249,864
Grants	26,229	39,000	30,000				95,229
Retiree Med. Ins. Stipend	31,485					9,865	41,350
Bonded Debt Service				5,696,285		1,052,943	6,749,228
Insurance		634,175					634,175
Property and Building			707,630	2,250,000		7,323,364	10,280,994
Pension Trust	347,637						347,637
Volunteer LOSAP	109,300					213,484	322,784
Total 2014-15 Budgeted Requirements							
	\$ 78,199,718	\$ 11,194,787	\$ 11,614,737	\$ 14,699,909	\$ 3,256,559	\$ 37,310,569	\$ 156,276,279
Total 2013-14 Budgeted Requirements							
	\$ 74,012,410	\$ 10,496,072	\$ 14,906,550	\$ 17,162,861	\$ 2,829,647	\$ 34,069,142	\$ 153,476,682
Total 2012-13 Actual Requirements							
	\$ 65,289,883	\$ 7,968,026	\$ 8,099,082	\$ 5,839,635	\$ 3,400,120	\$ 72,190,602	\$ 162,787,348

2014-15 Budgeted Requirements



Financial Overview, continued

2014-15 Fund Balance Budgeted

Funds	Beginning Fund Balance	Contingency	Ending Fund Balance	Change in Fund Balance	Change in Fund Balance
Major Funds					
General	\$ 33,259,733	\$ 3,224,325	\$ 19,101,108	(\$ 14,158,625)	-42.6%
Capital Projects	10,294,656	1,505,429		(10,294,656)	-100.0%
Non-Major Funds					
Apparatus	3,711,112	500,000	3,227,687	(483,425)	-13.0%
Capital Improvements	8,190,337	1,513,870	6,381,560	(1,808,777)	-22.1%
Emergency Management		10,000	558	558	100.0%
Grants					0.0%
Retiree Med Ins. Stipend	41,125		9,865	(31,260)	-76.0%
Debt Service	1,505,543		1,052,943	(452,600)	-30.1%
Insurance	630,925			(630,925)	-100.0%
Property and Building	9,081,664	2,250,000	7,323,364	(1,758,300)	-19.4%
Pension Trust					0.0%
Volunteer LOSAP	310,225		213,484	(96,741)	-31.2%
Total 2014-15 Budgeted	\$ 67,025,320	\$ 9,003,624	\$ 37,310,569	(\$ 29,714,751)	-44.3%
Total 2013-14 Budgeted	\$ 68,520,911	\$ 11,397,025	\$ 34,069,142	(\$ 34,451,769)	-50.3%
Total 2012-13 Actual	\$ 74,831,721		\$ 72,190,602	(\$ 2,641,119)	-3.5%

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 legally 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 slightly decline under the District's goal of carrying five months of operational costs in ending fund balance. The forecasted result of General Fund operations for 2014-15 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 few 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 2014-15, such that the fund will have little change in fund balance.

The Capital Improvements Fund's fund balance is expected to decrease slightly after unused contingency is returned to fund balance. The Property and Building Fund represents a planned funding source for station construction and future station siting requirements not anticipated to be fulfilled through the bond program and is expected to have an increase in actual ending fund balance after return of contingency. 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 and until the final \$5,000,000 of bond issuance authority is exercised to coincide with planned projects.

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 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 paying pension benefits of prior plans, as well as continue funding of future benefits payable.

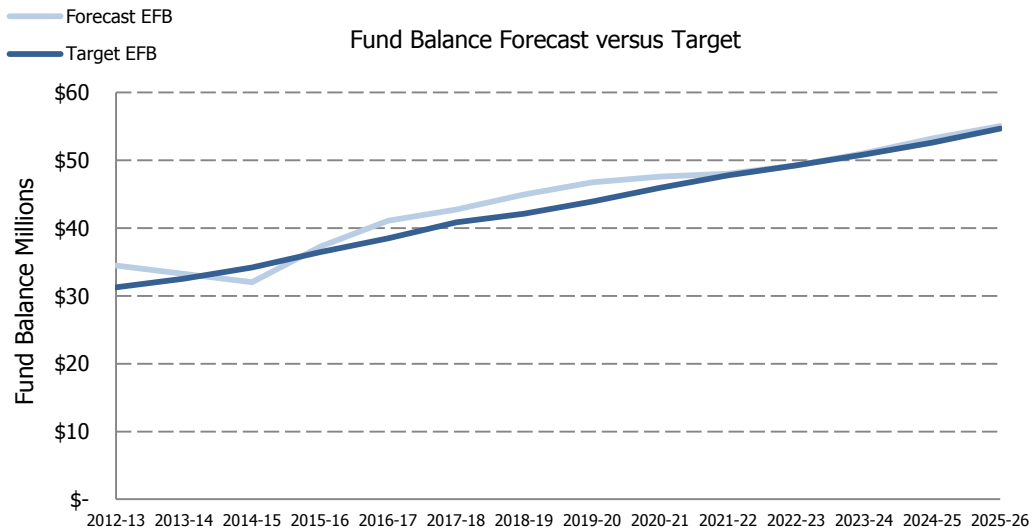
Financial Forecast – General Fund

	2014-15	2015-16	2016-17	2017-18	2018-19
Beginning Fund Balance	\$ 33,300,000	\$ 32,000,000	\$ 37,300,000	\$ 41,100,000	\$ 42,800,000
Property Tax Revenue	78,500,000	90,300,000	93,700,000	97,200,000	100,800,000
Investment & Interest	200,000	200,000	200,000	200,000	200,000
Charges for Services	1,600,000	1,700,000	1,700,000	1,700,000	1,700,000
Insurance Refunds	300,000	300,000	300,000	300,000	300,000
Miscellaneous	200,000	300,000	200,000	300,000	300,000
Total Revenues	\$ 114,100,000	\$ 124,800,000	\$ 133,400,000	\$ 140,800,000	\$ 146,100,000
Personnel Costs	\$ 71,100,000	\$ 72,800,000	\$ 76,900,000	\$ 82,200,000	\$ 85,400,000
Materials & Services	8,100,000	8,200,000	8,400,000	8,600,000	8,900,000
Transfers Out	2,900,000	6,500,000	7,000,000	7,200,000	6,800,000
Total Expenditures	82,100,000	87,500,000	92,300,000	98,000,000	101,100,000
Ending Fund Balance	\$ 32,000,000	\$ 37,300,000	\$ 41,100,000	\$ 42,800,000	\$ 45,000,000
Months of Fund Balance	4.7	5.1	5.3	5.2	5.3

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 its projected property tax growth rates, property tax levy collection rates, interest rates, projected labor inflation rates, PERS rate increases, medical insurance cost projections, and the need for enhanced service levels in both emergency responses and support of Integrated Operations. The District has included the May 2014 local option levy request in order to retain the nine firefighters previously funded through the SAFER grant and to fund additional units to improve response time goals in the District among other items.

The model above shows the scenario whereby additional firefighter’s response units are added to address response needs of the community a year before the replacement levy begins to be collected.

Fund Balance Projected Against Target







Message from the Chief Financial Officer

June 25, 2014

Budget Committee Members and Citizens
Tualatin Valley Fire & 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 Tualatin Valley Fire & Rescue (District) policies as authorized in Section 3 of the Board Policy Manual, the annual budget for Tualatin Valley Fire & Rescue for the fiscal year 2014-15, beginning July 1, 2014 and ending June 30, 2015, 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 2014-15 fiscal year.
- An operations guide for 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 (a major 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 fund 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 funds.

Message from the Chief Financial Officer, continued

Strategic goals and ongoing financial 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 their 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	2013-14 Budget	2014-15 Budget	Increase (Decrease)
Personnel Services	\$ 74,012,410	\$ 78,199,718	\$ 4,187,308
Materials and Services	10,496,072	11,194,787	698,715
Capital Outlay	14,906,550	11,614,737	(3,291,813)
Debt Service	5,765,836	5,696,285	(69,551)
Operating Transfers Out	2,829,647	3,256,559	426,912
Operating Contingency	11,397,025	9,003,624	(2,252,599)
Ending Fund Balance	34,069,142	37,310,569	3,241,427
Total Expenditures	\$ 153,476,682	\$ 156,276,279	\$ 2,799,597

The proposed budget requirements for fiscal year 2014-15 for all funds totals \$156,276,279, which is \$2,799,597 higher than the \$153,476,682 in the current year. The largest change relates to increases in the number of employees as well as wages and benefits of employees, which were offset by reductions in capital outlay due to the timing of Capital Bond expenditures and a reduction in budgeted transfers out to capital reserve funds and offsetting increases in budgeted Ending Fund Balance. Comparative data on individual funds may be obtained by reviewing financial summaries presented within individual funds.

2014-15 Significant Changes

Personnel Services

Personnel Services increased 5.7% over all funds or \$4,187,308. The increase is due to the General Fund's increase in full-time employee (FTE) equivalent positions in 2014-15, as well as scheduled wage and benefit increases and projected medical cost increases.

Materials and Services

Materials and Services increased \$698,715 overall. The General Fund reflects an overall increase of \$773,572 and the Grant Fund reflects a decrease of \$50,900.

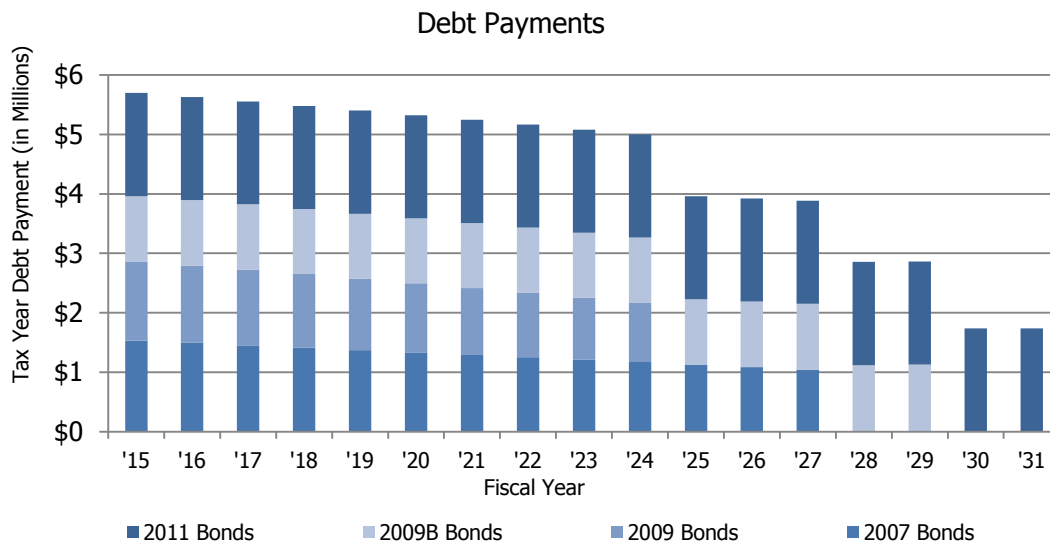
Message from the Chief Financial Officer, continued

Capital Outlay

Capital Outlay decreased \$3,291,813 or approximately 22.1%, to a total of \$11,614,737. Capital budget requests in the Capital Improvement Fund increased \$419,057, to a total of \$2,056,407, reflecting the ongoing capital replacements of operating equipment. Budgeted Capital Outlay in the Property and Building Fund increased \$482,430. The Capital Projects Fund decreased \$4,223,300, to a total of \$8,820,700, reflecting timing of construction and expected station site and apparatus purchases. Each year of the Capital Bond construction program includes the budget for the station construction planned and land purchases expected to be made. The 2014-15 budget includes the expected construction costs to complete Station 68 after land use issues were resolved; seismic upgrade and remodeling of Stations 51, and 52; construction of a new Station 70, and \$1,113,900 toward emergency response apparatus, including six medic units.

Debt Service

Total budgeted debt service expenditures are scheduled to decrease by \$69,551 to a total of \$5,696,285 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, and the amounts for Series 2011 bonds dated June 2011.



Transfers

Transfers are increased by \$426,912, to \$3,256,559. Transfers are made to the Capital Improvements Fund, Emergency Management Fund, Property and Building Fund, and the Pension Trust Fund. The Capital Improvements Fund receives \$1,725,000 of transfers from the General Fund. The Emergency Management Fund will receive \$30,000 for the District's cost share of the program, and the Property and Building Fund will receive \$1,153,922 for future capital needs, and the Pension Trust Fund will receive \$347,637 from the General Fund to meet pension obligations for pre-1973 and 1976 retirees. Plan assets for the pension plan have been exhausted, and the District continues to transfer sufficient funds each payroll to meet monthly pension obligations for these closed plans.

Message from the Chief Financial Officer, continued

Contingencies

Contingencies across all funds are budgeted at \$9,003,624 for 2014-15, a decrease of \$2,252,599 from the prior year. The contingency budget in the General Fund was decreased by \$1,585,983, to a total of \$3,224,325. The Capital Bond contingency budget was also decreased \$304,661, as bond proceeds remaining are committed to specific projects identified in the Capital Bond program. 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, \$19,101,108; the Apparatus Fund, \$3,227,687; the Capital Improvements Fund, \$6,381,560; the Bonded Debt Service Fund, \$1,052,943; the Retiree Medical Insurance Stipend Fund, \$9,865; and the Property and Building Fund at \$7,323,364. The District seeks a stable General Fund balance and conservatively forecasts the actual Ending Fund Balance to be approximately \$32,000,000, which equates to approximately 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 \$13,000,000 outstanding. These bonds mature over a 20 year period. In March 2009, the District sold \$14,000,000 of Series 2009 bonds, of which \$9,600,000 is outstanding. These bonds will mature in 2024. The District sold \$15,000,000 of Series 2009B bonds in June 2009, of which \$12,140,000 remains outstanding as of July 1, 2014, and the bonds will mature in 2029. In May 2011, the District sold \$22,635,000 of bonds; \$20,860,000 of these bonds remains outstanding, which mature in 2031, leaving \$5,000,000 of issuance authority.

The District's legal debt limit is approximately \$686,000,000, with remaining debt capacity of \$628,000,000 as of June 30, 2013. 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 land use laws, transportation routes, placement of neighboring jurisdictions' stations, incident count, and population and development growth, we continue to work extensively on a regional basis to ensure the best service to our citizens. 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 replacement local option levy and 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	2013-14 Budget	2014-15 Budget	Increase (Decrease)
Beginning Fund Balance	\$ 68,520,911	\$ 67,025,320	\$ (1,495,591)
Property Tax, Current Year	79,010,798	82,309,210	3,298,412
Property Tax, Prior Year	1,196,684	1,344,061	147,377
Other Taxes and Interest on Tax	30,667	29,813	(854)
Interest on Investments	254,698	282,216	27,518
Program Revenue	1,134,893	1,494,259	359,366
Special Service Charges	2,250	2,250	
Regional Hazardous Response	12,500	30,000	17,500
Accounting Service Revenues	646	450	(196)
Training Center Revenues	40,710	31,510	(9,200)
Rental Income	72,000	84,000	12,000
Insurance Refund	186,731	197,389	10,658
Donations and Grants	97,397	95,229	(2,168)
Transfers from Other Funds	2,829,647	3,256,559	426,912
Surplus Property	2,500	6,910	4,410
Other Revenues	83,650	87,103	3,453
Total Revenues	\$ 153,476,682	\$ 156,276,279	\$ 2,799,597

Beginning Fund Balance

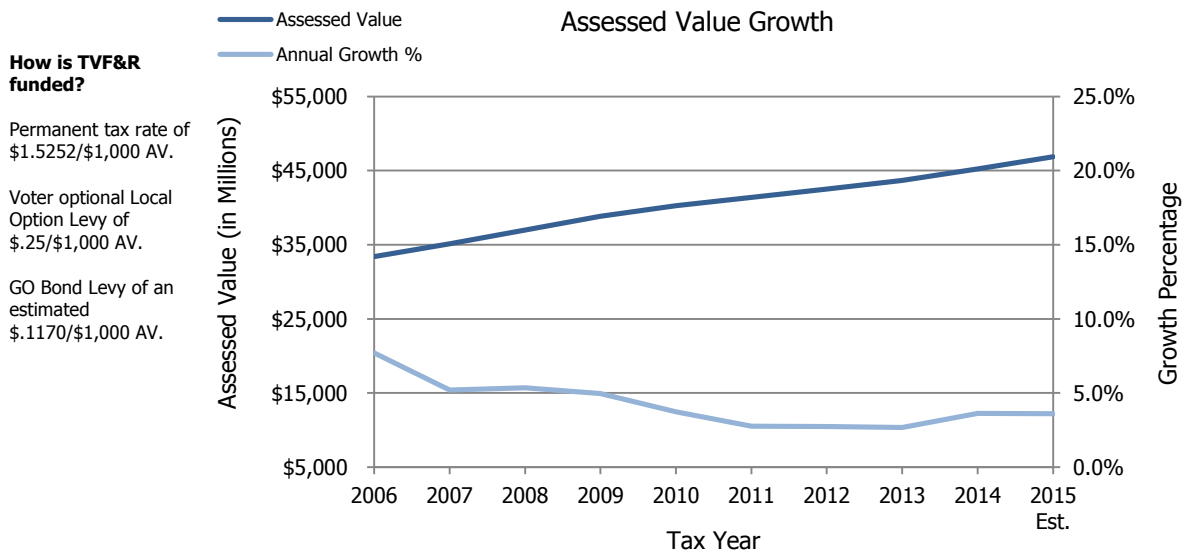
Beginning Fund Balance has decreased 2.18%, to \$67,025,320 for all funds. The General Fund's budgeted beginning fund balance was increased by \$357,674, to \$33,259,733, which is above our benchmark goal. Our General Fund has a targeted goal to provide at least five months of operating funds before we receive our tax collections in late November of each year. The beginning fund balance in the Apparatus Fund increased by \$519,082, as we will not use this fund's savings for fire apparatus until the end of the bond program. The Capital Improvement Fund's budgeted beginning fund balance was increased by \$964,905 to meet future capital replacement projections. The Property and Building Fund's beginning fund balance increased by \$1,742,079, as the District sets aside reserves for additional stations. The decrease in the Capital Project Fund beginning fund balance of \$4,544,134 is a result of the bond proceeds being utilized.

Message from the Chief Financial Officer, continued

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 rate for 2014-15 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. A replacement levy of \$0.45 per \$1,000 of assessed valuation for the five years from 2015-16 through 2020-21 was approved by voters in the May 20, 2014 election. Under current law, assessed value is generally significantly less than market value and is based upon the relationship of other similar properties. For 2013-14, the Washington County Assessor reported assessed value was 78.5% of District Measure 5 (M5) market value and the Clackamas County Assessor reported a 91.1% ratio of District assessed value to M5 value. For purposes of our 2014-15 budget, we assumed a 3.60% assessed valuation increase for property in our service area, based on data from Clackamas County and our analysis of residential real estate trends, as well as our own analysis of the local economy and current property taxes. A collection rate of 94.4% 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.

Assessed Value Growth



Taxes levied at \$1.5252 for general operations against an estimated \$46.0 billion in assessed valuation are expected to provide approximately \$66.3 million in collections. The local option levy of \$.25 per thousand dollars of assessed valuation on an estimated \$46.7 billion of assessed value is expected to provide collections of \$10.9 million. Urban renewal creates the difference in assessed value that is reported by each county assessor versus the value used to levy the District's permanent tax rate and the assessed value that is used to levy the local option levy and bonded debt levy. We will also levy \$5,457,426 for our general obligation bonds. This bond levy is expected to result in a levy rate of 11.7 cents per thousand dollars of assessed valuation and approximately \$5,151,810 in collections.

Property Tax - Prior Year

Total taxes outstanding totaled \$4,008,423 at the fiscal year ended June 30, 2013. At the beginning of the previous fiscal year, that amount totaled \$4,161,949. Of the June 30, 2013 amount, \$1,854,188 was for taxes levied during that fiscal year, while \$2,155,257 was related to prior years' tax levies. Delinquent tax collections are estimated on an average collection rate based upon the forecasted June 30, 2014 receivables.

Message from the Chief Financial Officer, continued

Interest on Investments

Interest on short-term investments has been budgeted to reflect short-term interest rates projected at an estimated 25 basis points. The governmental fund types and capital funds are invested in the Oregon Local Government Investment Pool to investment limits and a bank Jumbo Money Market account for governments. 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 5% annually by investment policy. However, due to the turbulent equity market, short-term investment projections for 2014-15 are estimated at 4%.

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.

Program Revenue

These revenues are primarily from apparatus maintenance contracts (\$795,415), EMS (\$350,000) and the Occupational Health/Wellness program (\$113,280). 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 program is scheduled for \$350,000 of contract fees related to ambulance franchise agreements.

Rental Income

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

Donations and Grants

The District actively pursues grant funding for projects and equipment and for additional staffing. Donations are sought from community partners to increase safety messaging, community education, and support important programs.

Transfers from Other Funds

A revenue source for five funds is, correspondingly, also a requirement for two other funds. In the Non-Organizational category section in the General Fund, transfers are listed as a requirement of \$3,256,559. Monies are transferred from this fund to four funds, where they are listed as a resource. These transfers provide operating resources to the Capital Improvements Fund, the Emergency Management Fund, the Pension Trust Fund and long term funding for designated projects in the Property and Building Fund.

Message from the Chief Financial Officer, continued

Summary

The adopted budget for fiscal year 2014-15 continues to afford the District a high level of service to our community, while continuing to meet our long-term performance statements. The year 2014-15 promises to be a year of many challenges to the organization, as we manage our many bond projects 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 appropriately 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 2014-15 budget.

Sincerely,

Tualatin Valley Fire and Rescue

A handwritten signature in black ink, appearing to read "Debra L. Guzman". The signature is fluid and cursive, with a large loop at the end of the last name.

Debra L. Guzman, CPA.CITP, CGMA
Chief Financial Officer

Resolution to Adopt Budget

RESOLUTION 2014-03

RESOLUTION OF TUALATIN VALLEY FIRE AND RESCUE,
A RURAL FIRE PROTECTION DISTRICT
TO ADOPT 2014-15 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, 2014 and ending June 30, 2015, was approved by the District Budget Committee on May 15, 2014; and

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; and

NOW THEREFORE BE IT ALSO RESOLVED, the Board of Directors of Tualatin Valley Fire and Rescue hereby adopts total appropriations for the 2014-15 fiscal year in the amount of \$118,965,710, and which is now on file in the Command and Business Operations Center at 11945 SW 70th Ave., Tigard, Oregon; and

BE IT ALSO RESOLVED, that the amounts for the fiscal year beginning July 1, 2014, for the purposes shown are hereby appropriated as follows:

GENERAL FUND

By Fund

Personnel Services	\$ 77,476,261
Materials and Services	10,491,112
Transfers	3,256,559
Contingency	<u>3,224,325</u>
Total	\$ 94,448,257

By Function

Command Division	
Personnel Services	\$ 3,061,569
Materials and Services	<u>1,229,304</u>
Total	\$ 4,290,873

Resolution to Adopt Budget, continued

Integrated Operations Division		
Personnel Services		\$ 65,883,627
Materials and Services		<u>4,131,091</u>
	Total	\$ 70,014,718
Finance Division		
Personnel Services		\$ 1,254,815
Materials and Services		<u>483,506</u>
	Total	\$ 1,738,321
Business Operations Division		
Personnel Services		\$ 7,276,250
Materials and Services		<u>4,647,211</u>
	Total	\$ 11,923,461
District Non-Organizational Transfers		
Contingency		\$ 3,256,559
		<u>3,224,325</u>
	Total	\$ 6,480,884

BONDED DEBT SERVICE FUND

Debt Service - Principal		\$ 3,485,000
Debt Service - Interest		<u>2,211,285</u>
	Total	\$ 5,696,285

APPARATUS FUND

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

CAPITAL IMPROVEMENTS FUND

Capital Outlay		\$ 2,056,407
Contingency		<u>1,513,870</u>
	Total	\$ 3,570,277

Resolution to Adopt Budget, continued

EMERGENCY MANAGEMENT FUND

Personnel Services	\$ 208,806
Materials and Services	30,500
Contingency	<u>10,000</u>
Total	\$ 249,306

GRANTS FUND

Personnel Services	\$ 26,229
Materials and Services	39,000
Capital Outlay	<u>30,000</u>
Total	\$ 95,229

RETIREE MEDICAL INSURANCE STIPEND FUND

Personnel Services	\$ <u>31,485</u>
Total	\$ 31,485

INSURANCE FUND

Materials and Services	\$ <u>634,175</u>
Total	\$ 634,175

CAPITAL PROJECTS FUND

Capital Outlay	\$ 8,820,700
Contingency	<u>1,505,429</u>
Total	\$ 10,326,129

PROPERTY AND BUILDING FUND

Capital Outlay	\$ 707,630
Contingency	<u>2,250,000</u>
Total	\$ 2,957,630

Resolution to Adopt Budget, continued


PENSION TRUST FUND

Personnel Services	\$ <u>347,637</u>
Total	\$ 347,637

VOLUNTEER LOSAP FUND

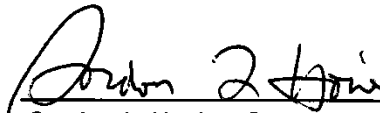
Personnel Services	\$ <u>109,300</u>
Total	\$ 109,300

APPROVED AND ADOPTED, on June 24, 2014



Robert C. Wyffels, President

ATTEST:



Gordon L. Hovies, Secretary-Treasurer

Resolution to Levy Taxes

RESOLUTION 2014-04

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 \$5,457,426 for bonds, and that these taxes are hereby imposed and categorized for tax year 2014-15, 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:

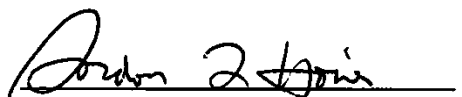
Debt Service Fund Levy	\$ 5,457,426
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NOW THEREFORE BE IT RESOLVED, that the Budget Officer certify the County Clerk or other recording officer, County Assessor or other assessing officer, of Washington, Clackamas, and Multnomah Counties, Oregon, and 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 24, 2014


Robert C. Wyffels, President

ATTEST:


Gordon L. Hovies, Secretary-Treasurer

