



June 24, 2015

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 2015-16, beginning July 1, 2015 and ending June 30, 2016, 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 2015-16 fiscal year.
- An operations guide for program and department goals and objectives.

Budgetary Accounting Basis

All of the funds are budgeted using the modified accrual basis of accounting in accordance with budgetary practices. For generally accepted accounting principles basis reporting, the budgeted General Fund combines with the Apparatus Fund, Capital Improvements Fund, and the Emergency Management Fund under Governmental Accounting Standards Board (GASB), statement 54. 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, and Grants 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.

The 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

Message From The Chief Financial Officer, continued

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.

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 Requirements

Expenditures	2014-15 Budget	2015-16 Budget	Increase (Decrease)
Personnel Services	\$ 78,199,718	\$ 82,241,513	\$ 4,041,795
Materials and Services	11,194,787	12,851,435	1,656,648
Capital Outlay	11,614,737	24,187,673	12,572,936
Debt Service	5,696,285	6,341,112	644,827
Operating Transfers Out	3,256,559	7,957,170	4,700,611
Operating Contingency	9,003,624	9,780,959	777,335
Ending Fund Balance	37,310,569	40,674,682	3,364,113
Total Requirements	\$ 156,276,279	\$ 184,034,544	\$ 27,758,265

The budget requirements for fiscal year 2015-16 for all funds totals \$184,034,544, which is \$27,758,265 higher than the \$156,276,279 in the current year. The largest changes relate to increases in the number of employees as well as wages and benefits of employees, additional capital outlay due to the timing of Capital Bond and Grant expenditures and an increase in budgeted transfers out to capital reserve funds and increases in budgeted Ending Fund Balance. Comparative data on individual funds may be obtained by reviewing financial summaries presented within individual funds.

2015-16 Significant Changes

Personnel Services

Personnel Services increased 5.2% over all funds or \$4,041,795. The increase is due to the General Fund's increase in full-time employee (FTE) equivalent positions of 7.42 positions in 2015-16, as well as scheduled wage and benefit increases and projected medical cost increases.

Materials and Services

Materials and Services increased \$1,656,648 overall, which is due to the General Fund increase of \$1,662,895.

Capital Outlay

Capital Outlay increased \$12,572,936 or approximately 108%, to a total of \$24,187,673. Capital budget requests in the Capital Improvement Fund increased \$147,466, to a total of \$2,203,873, reflecting the ongoing capital replacements of operating equipment. Budgeted Capital Outlay in the Grants Fund increased \$2,458,000, reflecting the planned expenditure of three seismic improvement grants for three fire stations. Property and

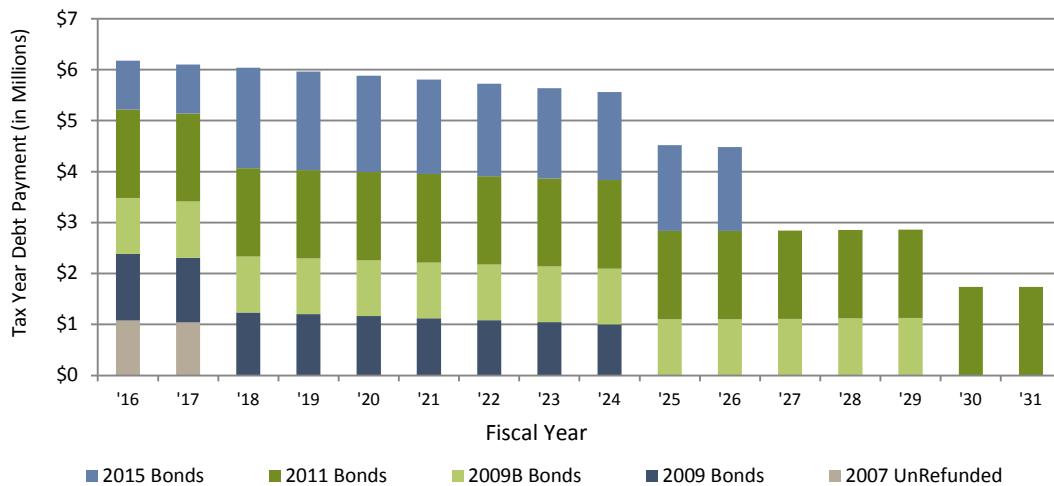
Message from the Chief Financial Officer, continued

Building Fund increased \$4,786,370, reflecting planned land acquisition and station design and permit fees for planned station additions. The Capital Projects Fund increased \$3,740,500, to a total of \$12,561,200, 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 and apparatus to be constructed by the manufacturer.

Debt Service

Total budgeted debt service expenditures are scheduled to increase by \$644,827 to a total of \$6,341,112 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 all outstanding bond issues including the Series 2015 Advance Refunding and New Bonds. The final bond sale in 2015 of the original \$77.5 million authority refunded future 2007 bond payments, providing significant interest savings, and completed the final \$5,000,000 of issuance authority.

Debt Payments



Transfers

Transfers are increased by \$4,700,611, to \$7,957,170. Transfers are made to the Apparatus Fund, Capital Improvements Fund, Emergency Management Fund, Property and Building Fund, and the Pension Trust Fund. The Apparatus Fund will receive \$1,750,000 of transfers from the General Fund and the local option levy. The Capital Improvements Fund will receive \$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 \$4,101,085 for new station sites and stations as part of the local option levy, and the Pension Trust Fund will receive \$351,085 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.

Contingencies

Contingencies across all funds are budgeted at \$9,780,983 for 2015-16, an increase of \$777,359 from the prior year. The contingency budget in the General Fund was increased by \$2,024,175, to a total of \$5,248,500. The Capital Bond contingency budget was also decreased \$1,116,329, 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

Message From The Chief Financial Officer, continued

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, \$22,772,291; the Apparatus Fund, \$3,680,330; the Capital Improvements Fund, \$6,051,037; the Bonded Debt Service Fund, \$1,046,993; and the Property and Building Fund at \$7,124,031. The District seeks a stable General Fund balance and conservatively forecasts the actual Ending Fund Balance to be approximately \$39,500,000, which equates to approximately five months of operating funds.

Debt Administration

Debt outstanding consists of Series 2007, Series 2009, Series 2009B, Series 2011, and Series 2015 Advance Refunding and New General Obligation Bonds.

The District's legal debt limit is approximately \$731,000,000, with remaining debt capacity of \$676,000,000 as of June 30, 2014. 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.

Budget Summary for Revenues

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

Revenues	2014-15 Budget	2015-16 Budget	Increase (Decrease)
Beginning Fund Balance	\$ 67,025,320	\$ 73,360,977	\$ 6,335,657
Property Tax, Current Year	82,309,210	96,501,934	14,192,724
Property Tax, Prior Year	1,344,061	1,545,940	201,879
Other Taxes and Interest on Tax	29,813	29,356	(457)
Interest on Investments	282,216	238,703	(43,513)
Program Revenue	1,494,259	1,088,237	(406,022)
Special Service Charges	2,250	2,250	0
Regional Hazardous Response	30,000	30,000	0
Accounting Service Revenues	450	500	50
Training Center Revenues	31,510	24,300	(7,210)
Rental Income	84,000	75,600	(8,400)
Insurance Refund	197,389	201,000	3,611
Donations and Grants	95,229	2,953,227	2,857,998
Transfers from Other Funds	3,256,559	7,957,170	4,700,611
Surplus Property	6,910	4,500	(2,410)
Other Revenues	87,103	20,850	(66,253)
Total Revenues	\$ 156,276,279	\$ 184,034,544	\$ 27,758,265

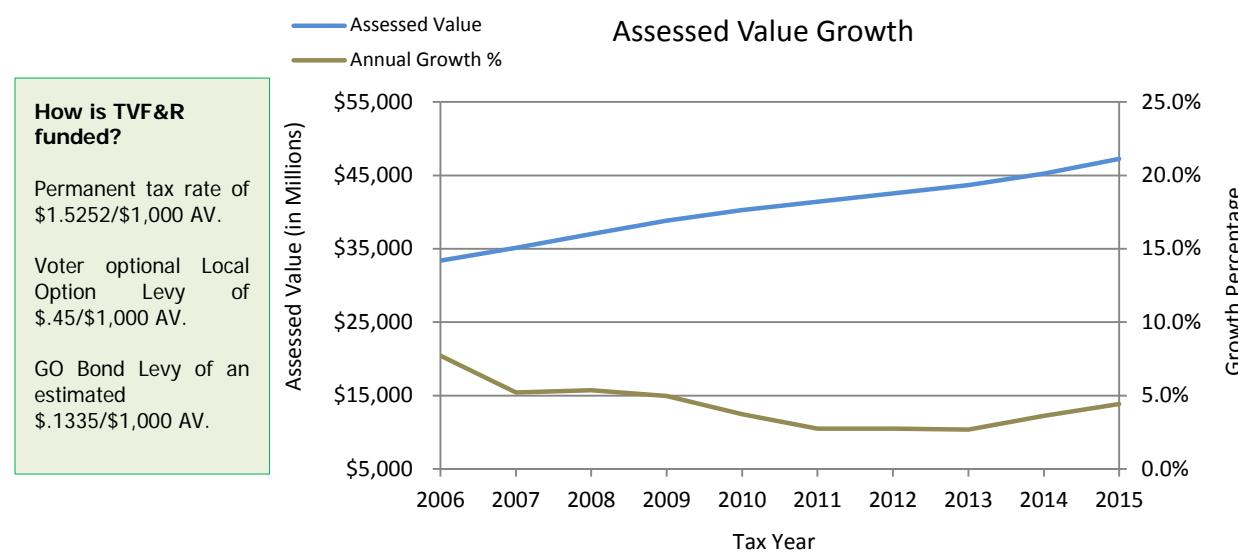
Beginning Fund Balance

Beginning Fund Balance has increased 9.5%, to \$73,360,977 for all funds. The General Fund's budgeted beginning fund balance was increased by \$2,633,564, to \$35,893,297, reflecting better than expected property tax revenue growth in 2014-15. 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 \$72,318, remaining stable as a reserve fund until we will begin utilizing it for apparatus outside of the scope of the capital bond. The Capital Improvement Fund's budgeted beginning fund balance remained stable, increasing a slight \$37,673 to meet future capital replacement projections. The Property and Building Fund's beginning fund balance increased by \$1,354,882, as the District sets aside reserves for additional stations that are planned as part of the local option levy station additions. The increase in the Capital Project Fund beginning fund balance of \$2,640,644 is a result of the final \$5,000,000 bond sale in 2015, offset in part by the prior year bond proceeds being utilized on station construction projects.

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 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 2014-15, the Washington County Assessor reported assessed value was 73.8% of District Measure 5 (M5) market value of \$51,754,091,480 and thus we expect to collect the majority of the property taxes levied. For purposes of our 2015-16 budget, we assumed a 4.4% assessed valuation increase for property in our service area, based on 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 \$48.4 billion in assessed valuation are expected to provide approximately \$69.7 million in collections. The local option levy of \$.45 per thousand dollars of assessed valuation on an estimated \$49.1 billion of assessed value is expected to provide collections of \$20.6 million. Urban renewal creates the difference in assessed value that is reported by each county assessor versus

Message From The Chief Financial Officer, continued

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 \$6,559,362 for our general obligation bonds. This bond levy is expected to result in a levy rate of 13.35 cents per thousand dollars of assessed valuation and approximately \$6,192,038 in collections.

Property Tax – Prior Year

Total taxes outstanding totaled \$4,110,240 at the fiscal year ended June 30, 2014. At the beginning of the previous fiscal year, that amount totaled \$4,009,423. Of the June 30, 2014 amount, \$1,768,455 was for taxes levied during that fiscal year, while \$2,341,785 was related to prior years' tax levies. Delinquent tax collections are estimated on an average collection rate based upon the forecasted June 30, 2015 receivables.

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 2015-16 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-in-advance 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 (\$229,034), and transport revenue (\$588,000). Fees are collected from several governmental agencies for providing preventive and corrective maintenance to firefighting apparatus and automobiles. The Occupational Health Services program for District employees also contracts with other governmental agencies to provide occupational health services, which serves to reduce the District's costs of providing these required services to our own employees.

Rental Income

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

Donations and Grants

State revenue sharing to counties that is passed to the District is included in Donations in the General Fund and is budgeted at \$450,000. Donations are sought from community partners to increase safety messaging, community education, and support important programs. Grant revenue fund in the Grant Fund includes the award of a reimbursement grant to seismically improve three fire stations for a total of \$2,358,000. The District actively pursues grant funding for projects and equipment and for additional staffing.

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 \$7,957,170. Monies are transferred from this fund to five funds, where they are listed as a resource. These transfers provide operating resources to the Apparatus Fund, 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.

Summary

The budget for fiscal year 2015-16 continues to afford the District a high level of service to our community, while continuing to meet our long-term performance statements. The year 2015-16 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 2015-16 budget.

Sincerely,

Tualatin Valley Fire and Rescue



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



Financial Overview

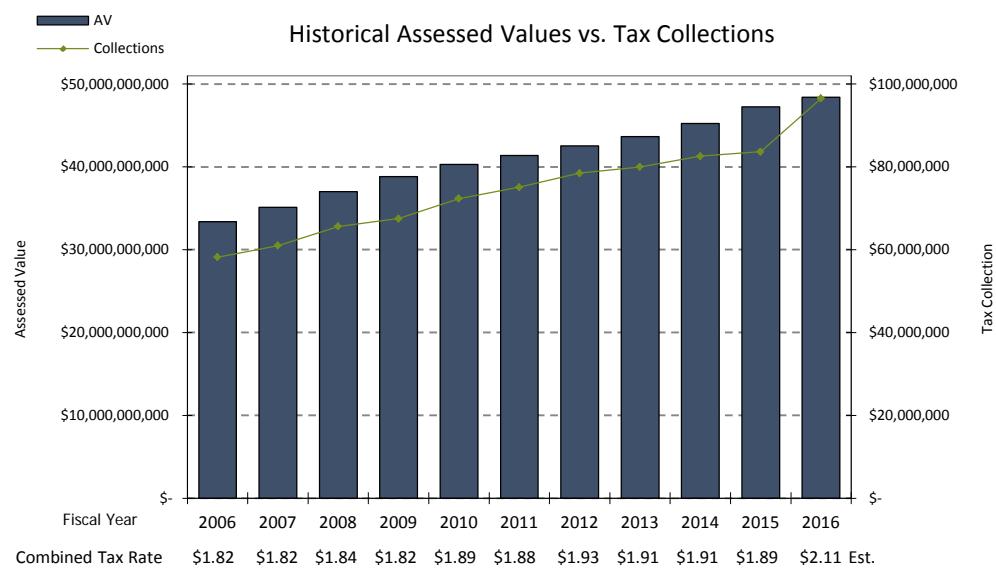
Tax Rates

General Fund – Permanent Rate		General Fund – Local Option Tax Levy		Bonded Debt	
Expected Assessed Valuation:	\$ 48,417,970,290	Expected Assessed Valuation:	\$ 49,126,408,171	Expected Assessed Valuation:	\$ 49,126,408,171
Tax Rate Levied:	\$ 1.5252/\$1,000	Tax Rate Levied:	\$ 0.45/\$1,000	Estimated Tax Rate:	\$ 0.1335/\$1,000
Estimated General Fund Total Levy:	\$ 73,847,088	Estimated Net Local Option Levy after M5 Compression:	\$ 22,106,884	Bonded Debt Total Levy:	\$ 6,559,362
Expected Collection Rate:	94.4%	Expected Collection Rate:	94.4%	Expected Collection Rate:	94.4%
Expected Collections:	\$ 69,711,651	Expected Collections:	\$ 20,598,244	Expected Collections:	\$ 6,192,038

Property Tax Levies and Collections Last 10 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
2014	\$ 84,922,515	\$ 80,738,959	95.07%	\$ 1,824,068	\$ 82,563,027	97.22%
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

Assessed Values vs. Tax Collections

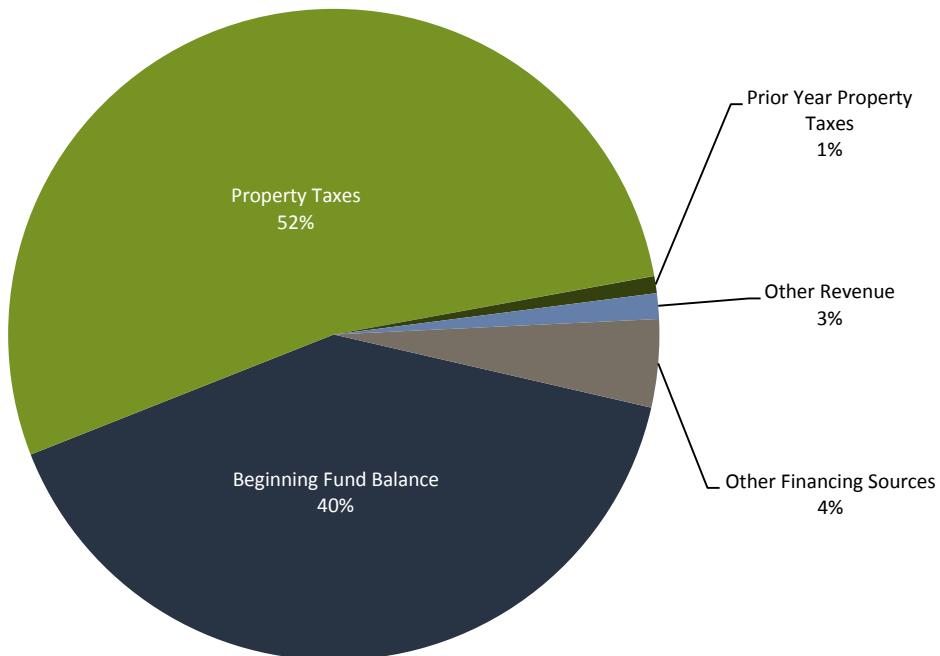


Financial Overview, continued

2015-16 Budgeted Resources

Resources	Beginning Fund Balance	Property Taxes	Prior Year Property Taxes	Other Revenue	Other Financing Sources	2015-16 Budget
Major Funds						
General	\$ 35,893,297	\$ 90,309,896	\$ 1,470,940	\$ 1,783,963		\$ 129,458,096
Capital Projects	12,935,300			15,000		12,950,300
Non-Major Funds						
Apparatus	3,783,430			17,500	\$ 1,750,000	5,550,930
Capital Improvements	8,228,010			39,500	1,725,000	9,992,510
Emergency Management	19,187			233,508	30,000	282,695
Grants				2,503,227		2,503,227
Bonded Debt Service	1,106,192	6,192,038	75,000	14,875		7,388,105
Insurance	645,178			3,250		648,428
Property and Building	10,436,546			45,000	4,101,085	14,582,631
Pension Trust					351,085	351,085
Volunteer LOSAP	313,837			12,700		326,537
Total 2015-16 Budgeted Resources	\$ 73,360,977	\$ 96,501,934	\$ 1,545,940	\$ 4,668,523	\$ 7,957,170	\$ 184,034,544
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 Actual Resources	\$ 72,190,602	\$ 80,998,838	\$ 1,520,220	\$ 4,057,961	\$ 2,744,132	\$ 161,511,754

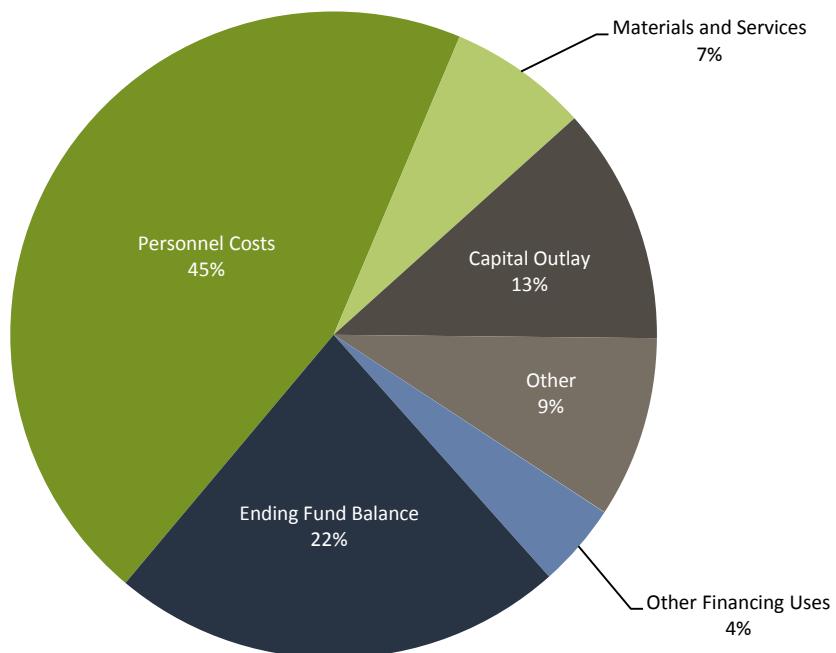
2015-16 Budgeted Resources



2015-16 Budgeted Requirements

Requirements	Personnel Services	Materials and Services	Capital Outlay	Other	Other Financing Uses	Ending Fund Balance	2015-16 Budget	
Major Funds								
General	\$ 81,326,128	\$ 12,154,007		\$ 5,248,500	\$ 7,957,170	\$ 22,772,291	\$ 129,458,096	
Capital Projects			\$ 12,561,200	389,100			12,950,300	
Non-Major Funds								
Apparatus			1,470,600	400,000		3,680,330	5,550,930	
Capital Improvements			2,203,873	1,737,600		6,051,037	9,992,510	
Emergency Management	211,536	30,000		41,159			282,695	
Grants	26,227	19,000	2,458,000				2,503,227	
Bonded Debt Service				6,341,112		1,046,993	7,388,105	
Insurance		648,428					648,428	
Property and Building			5,494,000	1,964,600		7,124,031	14,582,631	
Pension Trust	351,085						351,085	
Volunteer LOSAP	326,537						326,537	
Total 2015-16 Requirements	Budgeted	\$ 82,241,513	\$ 12,851,435	\$ 24,187,673	\$ 16,122,071	\$ 7,957,170	\$ 40,674,682	\$ 184,034,544
Total 2014-15 Requirements	Budgeted	\$ 78,199,718	\$ 11,194,787	\$ 11,614,737	\$ 14,699,909	\$ 3,256,559	\$ 37,310,569	\$ 156,276,279
Total 2013-14 Requirements	Actual	\$ 67,829,658	\$ 8,284,756	\$ 7,701,768	\$ 5,765,835	\$ 2,744,132	\$ 69,185,604	\$ 161,511,754

2015-16 Budgeted Requirements



Financial Overview, continued

2015-16 Fund Balance Budgeted

Funds	Beginning Fund Balance	Contingency	Ending Fund Balance	Change in Fund Balance	Change in Fund Balance
Major Funds					
General	\$ 35,893,297	\$ 5,248,500	\$ 22,772,291	(\$13,121,006)	-36.6%
Capital Projects	12,935,300	389,100		(12,935,300)	-100.0%
Non-Major Funds					
Apparatus	3,783,430	400,000	3,680,330	(103,100)	-2.7%
Capital Improvements	8,228,010	1,737,600	6,051,037	(2,176,973)	-26.5%
Emergency Management	19,187	41,159		(19,187)	-100.0%
Grants					0.0%
Debt Service	1,106,192		1,046,993	(59,199)	-5.4%
Insurance	645,178			(645,178)	-100.0%
Property and Building	10,436,546	1,964,600	7,124,031	(3,312,515)	-31.7%
Pension Trust					0.0%
Volunteer LOSAP	313,837			(313,837)	-100.0%
Total 2015-16 Budgeted	\$ 73,360,977	\$ 9,780,959	\$ 40,674,682	(32,686,295)	-44.6%
Total 2014-15 Budgeted	\$ 67,025,320	\$ 9,003,624	\$ 37,310,569	(\$29,714,751)	-44.3%
Total 2013-14 Actual	\$ 72,190,602		\$ 69,185,604	(\$3,004,998)	-4.2%

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 increase to meet the District's goal of carrying five months of operational costs in ending fund balance. The forecasted result of General Fund operations for 2015-16 and in the future is depicted on the following page based on conservative revenue scenario. 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.

Because of the use of new local option levy proceeds, the Apparatus Fund transfers in will fund new purchases and fund balance will remain stable. The District has budgeted for contingency in the fund, which is expected to be returned to fund balance at the end of fiscal year 2015-16, 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 through the local option levy program.

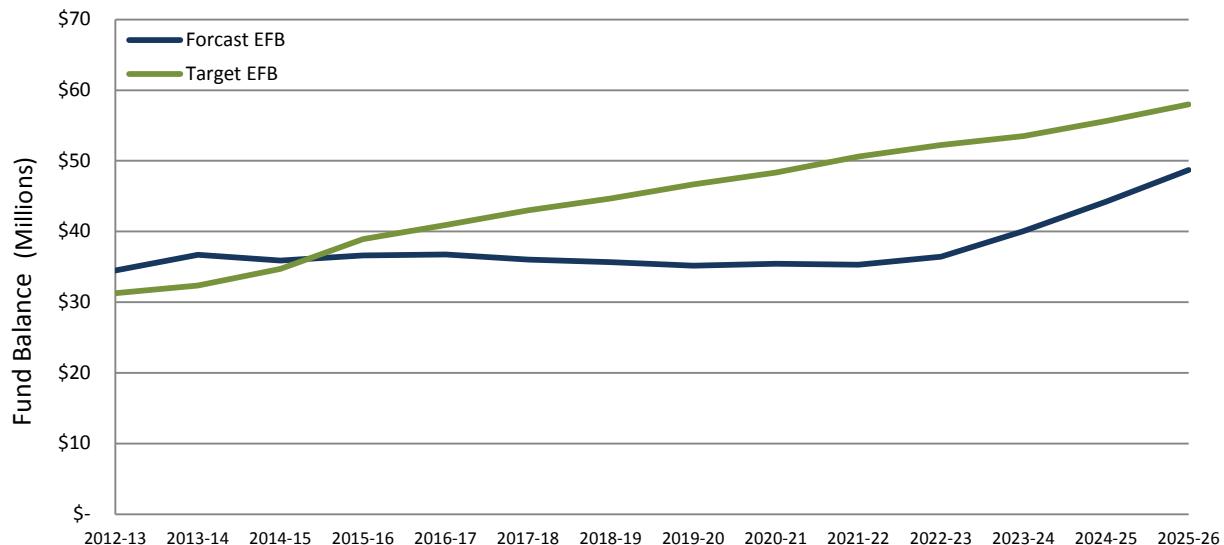
The Insurance Fund is expected to remain level; however, for purposes of budgeting for a disaster, the fund is appropriated to allow for self-insurance needs should such a catastrophic event occur. The Retiree Medical Stipend Fund was closed into the General Fund at the end of June 30, 2015, by Board resolution. 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

	2015-16	2016-17	2017-18	2018-19	2019-20
Beginning Fund Balance	\$ 35,900,000	\$ 36,600,000	\$ 36,700,000	\$ 36,000,000	\$35,600,000
Property Tax Revenue	91,800,000	95,800,000	100,000,000	104,300,000	108,900,000
Investment & Interest	100,000	100,000	100,000	100,000	100,000
Charges for Services	1,500,000	1,600,000	1,600,000	1,600,000	1,700,000
Insurance Refunds	200,000	200,000	200,000	200,000	200,000
Miscellaneous	600,000	600,000	600,000	600,000	600,000
Total Revenues	\$130,100,000	\$134,900,000	\$139,200,000	\$142,800,000	\$147,100,000
Personnel Costs	\$ 75,900,000	\$ 81,000,000	\$ 85,600,000	\$89,700,000	\$94,500,000
Materials and Services	10,000,000	10,200,000	10,500,000	10,700,000	11,000,000
Transfers Out	7,600,000	7,000,000	7,100,000	6,800,000	6,400,000
Total Expenditures	93,500,000	98,200,000	103,200,000	107,200,000	111,900,000
Ending Fund Balance	\$ 36,600,000	\$ 36,700,000	\$ 36,000,000	\$35,600,000	\$35,200,000
Months of Fund Balance	4.7	4.5	4.2	4.0	3.8

The District prepares financial forecasts on an ongoing basis to provide staff and policymakers the most current projected results of operational and 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 local option levy-supported enhanced service levels in Integrated Operations. The above forecast reflects an idealized local option levy staffing configuration with modest property tax growth. To avoid the above scenario if property taxes grow at a rate of 4.4%, then the rate of increase of firefighting and support staff will be adjusted to a slower timeline in order to maintain the goal of five full months of ending fund balance. The District's management seeks to constantly monitor operations – both response and economically – in order to constantly adjust to the best outcome.

Fund Balance Projected Against Target





RESOLUTION 2015-05

**RESOLUTION OF TUALATIN VALLEY FIRE AND RESCUE,
A RURAL FIRE PROTECTION DISTRICT
TO ADOPT 2015-16 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, 2015 and ending June 30, 2016, was approved by the District Budget Committee on May 21, 2015; and

WHEREAS, improvements to King City Fire Station were subsequently identified and recommended in the amount of a Materials and Services increase of \$3,500 from the General Fund and \$10,000 for capital outlay in the Capital Improvement Fund with corresponding decreases to Contingency in each fund; and

WHEREAS, the need for a training truck and an opportunity to purchase a well-maintained truck from another fire department and then equip it has been identified since the budget was developed and approved, and accordingly staff recommends an amendment to the budget of an additional \$100,000 of appropriation to Capital Outlay and \$100,000 less appropriation in Contingency in the Apparatus Fund; and

WHEREAS, it was found after budget committee approval that two replacement rescue mannequins had been incorrectly input at \$12 rather than at \$1,200 and staff recommends an increase to Capital Improvement Fund Capital Outlay of \$2,400 and a corresponding decrease to Contingency of \$2,400; and

WHEREAS, the state of current negotiations for a station land site nearing completion after the budget committee meeting indicates an increase to station land purchase and due diligence costs are advisable, staff accordingly recommends an increase of \$250,000 to Property and Building Fund Capital Outlay and a corresponding decrease in Contingency; and

WHEREAS, two projects for Station 56 were inadvertently budgeted in the Capital Projects Fund, and staff recommends the projects be funded in the Property and Building fund - transferring the Capital Outlay appropriation of \$35,400 from the Capital Projects Fund to the Property and Building fund and adjusting Contingency correspondingly in each fund; 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 amended above; and

NOW THEREFORE BE IT ALSO RESOLVED, the Board of Directors of Tualatin Valley Fire and Rescue hereby adopts total appropriations for the 2015-16 fiscal year in the amount of \$143,359,862 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, 2015, for the purposes shown are hereby appropriated as follows:

Resolution to Adopt Budget, continued

GENERAL FUND

By Fund

Personnel Services	\$ 81,326,128
Materials and Services	12,154,007
Transfers	7,957,170
Contingency	<u>5,248,500</u>
Total	\$ 106,685,805

By Function

Command Division	
Personnel Services	\$ 3,193,932
Materials and Services	<u>1,245,512</u>
Total	\$ 4,439,444
Integrated Operations Division	
Personnel Services	\$ 69,951,755
Materials and Services	<u>4,880,645</u>
Total	\$ 74,832,400
Finance Division	
Personnel Services	\$ 1,339,194
Materials and Services	<u>545,089</u>
Total	\$ 1,884,283
Business Operations Division	
Personnel Services	\$ 6,841,247
Materials and Services	<u>5,482,761</u>
Total	\$ 12,324,008
District Non-Organizational	
Transfers	\$ 7,957,170
Contingency	<u>5,248,500</u>
Total	\$ 13,205,670

Resolution to Adopt Budget, continued

BONDED DEBT SERVICE FUND

Debt Service - Principal	\$ 4,020,000
Debt Service - Interest	<u>2,321,112</u>
Total	\$ 6,341,112

APPARATUS FUND

Capital Outlay	\$ 1,470,600
Contingency	<u>400,000</u>
Total	\$ 1,870,600

CAPITAL IMPROVEMENTS FUND

Capital Outlay	\$ 2,203,873
Contingency	<u>1,737,600</u>
Total	\$ 3,941,473

EMERGENCY MANAGEMENT FUND

Personnel Services	\$ 211,536
Materials and Services	30,000
Contingency	<u>41,159</u>
Total	\$ 282,695

GRANTS FUND

Personnel Services	\$ 26,227
Materials and Services	19,000
Capital Outlay	<u>2,458,000</u>
Total	\$ 2,503,227

INSURANCE FUND

Materials and Services	\$ <u>648,428</u>
Total	\$ 648,428

CAPITAL PROJECTS FUND

Capital Outlay	\$ 12,561,200
Contingency	<u>389,100</u>
Total	\$ 12,950,300

Resolution to Adopt Budget, continued

PROPERTY AND BUILDING FUND

Capital Outlay	\$ 5,494,000
Contingency	<u>1,964,600</u>
Total	\$ 7,458,600

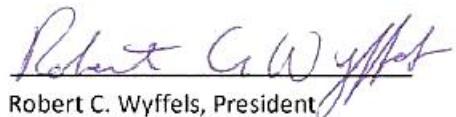
PENSION TRUST FUND

Personnel Services	\$ <u>351,085</u>
Total	\$ 351,085

VOLUNTEER LOSAP FUND

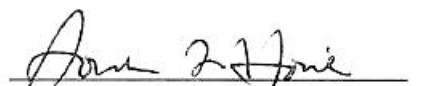
Personnel Services	\$ <u>326,537</u>
Total	\$ 326,537

APPROVED AND ADOPTED, on June 23, 2015



Robert C. Wyffels
Robert C. Wyffels, President

ATTEST:



Gordon L. Hovies
Gordon L. Hovies, Secretary-Treasurer

RESOLUTION 2015-06

**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 \$1.9752 per \$1,000 of assessed value for operations (comprised of \$1.5252 permanent rate and \$.45 local option tax rate) and \$6,559,362 for bonds, and that these taxes are hereby imposed and categorized for tax year 2015-16, upon the assessed value of all taxable property with the District.

Subject to the General Government Limitation:

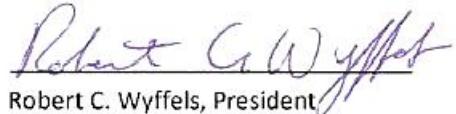
General Fund Levy:	\$1.5252/\$1,000
Local Option Tax Levy:	\$.45/\$1,000

Excluded from the General Government Limitation:

Debt Service Fund Levy	\$ 6,559,362
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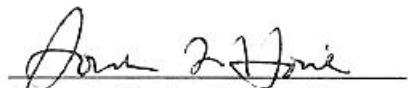
NOW THEREFORE BE IT RESOLVED, that the Budget Officer certify the County Clerk or other recording officer, County Assessor or other assessing officer, of Washington, Clackamas, and Multnomah Counties, Oregon, and the Department of Revenue of the State of Oregon, the tax levy created by the resolution and shall file with them a copy of the adopted budget.

APPROVED AND ADOPTED, on June 23, 2015



Robert C. Wyffels, President

ATTEST:



Gordon L. Hovies, Secretary-Treasurer

