

Tualatin Valley Fire & Rescue

A Rural Fire Protection District



Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2020

TVF&R proudly serves the Oregon cities of Beaverton, Durham, King City, Newberg, North Plains, Rivergrove, Sherwood, Tigard, Tualatin, West Linn, and Wilsonville in addition to portions of Washington, Clackamas, Multnomah, and Yamhill counties.



Note: Some images in this document where people are not maintaining physical distance or wearing personal protective equipment were taken prior to the COVID-19 pandemic.

Mission

Tualatin Valley Fire & Rescue is committed to creating safer communities through prevention, preparedness, and effective emergency response.

Vision

Developed jointly with the Board of Directors, the statements below comprise our shared vision for optimal safety in our community. We invite community members and partner governmental agencies to help us advance a community with the following attributes:

- Protection from fire, medical, and other emergencies is achieved through targeted, proactive risk-reduction strategies. When emergencies do happen, skilled personnel provide fast and effective response services.
- Education delivered to residents and businesses motivates their active role in emergency prevention, preparedness, and resilience measures. Our personnel take steps to ensure this in their own lives as well.
- Cooperative resource sharing and collaborative partnerships ensure a highly effective and efficient emergency response system.



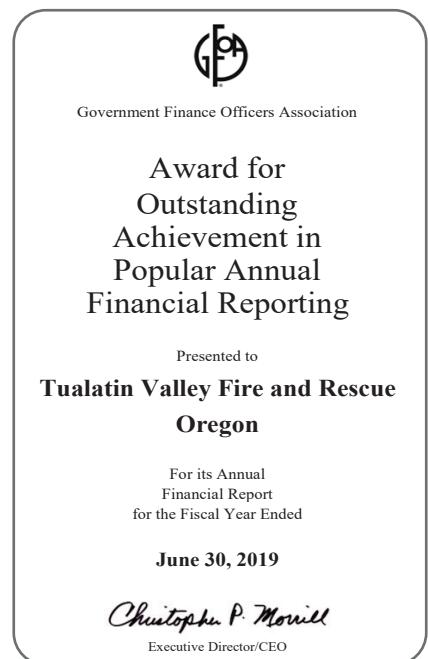
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Award

The Government Finance Officers Association (GFOA) encourages governments to demonstrate accountability and transparency in the Popular Annual Financial Reporting program by making financial information of the highest quality readily accessible to the general public and other interested parties. The GFOA recognizes governments that meet certain standards based on information presented, reader appeal, understandability, distribution, and other elements. The District met these requirements and received an award for the 2019 PAFR, the seventh consecutive year for this achievement. The PAFR is presented in conformity with generally accepted accounting principles.

The information in this report is drawn from our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020, and Budget Document for the fiscal year 2020-21, which can both be found online at www.tvfr.com.





Message from the Fire Chief

Dear Residents and Friends of Tualatin Valley Fire & Rescue,

Thank you for reviewing TVF&R's Popular Annual Financial Report (PAFR) for the fiscal year that ended June 30, 2020.

The PAFR draws directly from our Comprehensive Annual Financial Report (CAFR) that is more detailed and contains audited information. The PAFR also highlights performance in key areas of our Strategic Plan. If additional details are desired, the PAFR, CAFR, Strategic Plan, and Budget documents can all be found at www.tvfr.com.

I have served as TVF&R's fire chief since July 1, 2019. If you would have asked me to predict the biggest challenges we would face in my first year at the helm, a pandemic would not have been at the top of my list. In addition, we fought the largest in-district wildfire in TVF&R's history. We have learned many lessons. We have felt sorrow for those who have suffered loss and stress. We have rendered compassionate care for our most vulnerable. We have protected lives and property. We have planned for the future. We have carefully managed the resources entrusted to us.

The staff and elected leaders of TVF&R remain committed to providing the best service possible while being transparent and accountable. We are thankful for the investments made by our community, and we will not take them for granted.

Respectfully,

Deric Weiss
Fire Chief



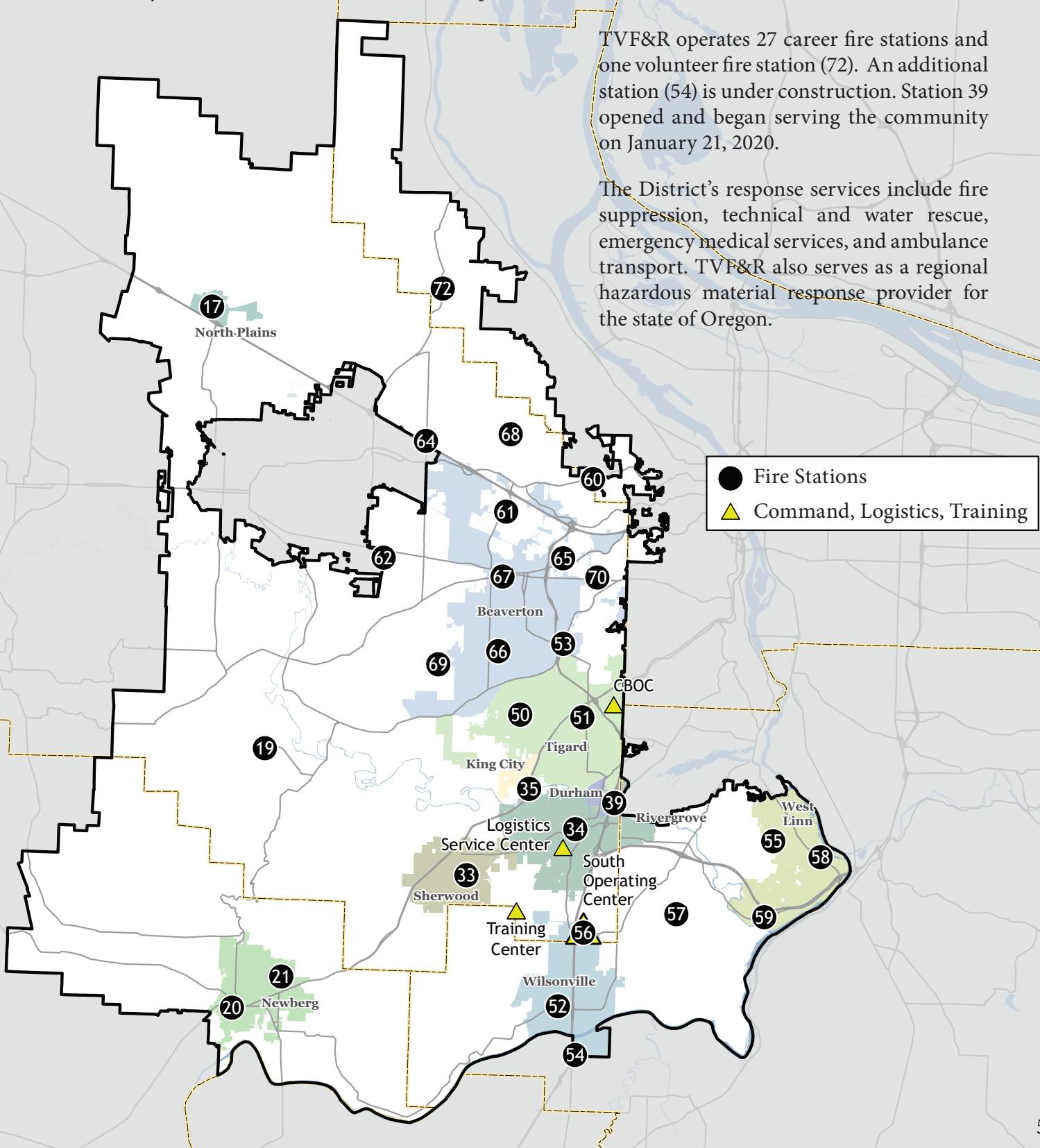
About the District

Tualatin Valley Fire & Rescue was established in 1989 through the merger of two regional fire districts. The District has subsequently grown to cover a broad geographic area through additional mergers and annexations.

TVF&R provides fire protection and emergency medical services to **536,535 residents** in approximately **390 square miles**, which includes **11 cities** and portions of **four counties** in Oregon. TVF&R is a special service district supported by the property owners within its boundaries. Residents served by TVF&R benefit from the sophistication, economies of scale, and resources of a large fire district with the accessibility and community involvement of a small-town fire department.

TVF&R operates 27 career fire stations and one volunteer fire station (72). An additional station (54) is under construction. Station 39 opened and began serving the community on January 21, 2020.

The District's response services include fire suppression, technical and water rescue, emergency medical services, and ambulance transport. TVF&R also serves as a regional hazardous material response provider for the state of Oregon.



Leadership as of July 1, 2020

The District is led by an elected Board of Directors.



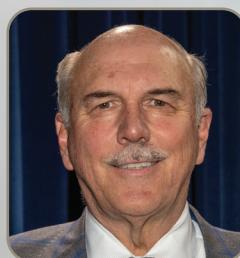
President
Randy J. Lauer
Term Ends:
June 30, 2023



Vice President
Gordon L. Hovies
Term Ends:
June 30, 2021



Secretary/Treasurer
Justin Dillingham
Term Ends:
June 30, 2023



Board Member
Clark I. Balfour
Term Ends:
June 30, 2021



Board Member
Robert C. Wyffels
Term Ends:
June 30, 2021

Strategic Goals

During the fiscal year ended June 30, 2020, all TVF&R divisions and departments contributed toward the accomplishments of the two-year, 2018-20 Strategic Plan. Three main goals, supplemented by supporting strategies and organizational tactics, as outlined in the District's 2018-20 Strategic Plan were:

1. **Health** — Advance a healthy organization through a unified mission, effective communication, resilient people, and responsible resource management.
2. **Performance** — Advance a high-performing organization and workforce with particular focus on the core functions that improve fast and effective emergency response and community risk reduction.
3. **Opportunities** — Carefully evaluate and then execute, or dismiss, emerging opportunities.

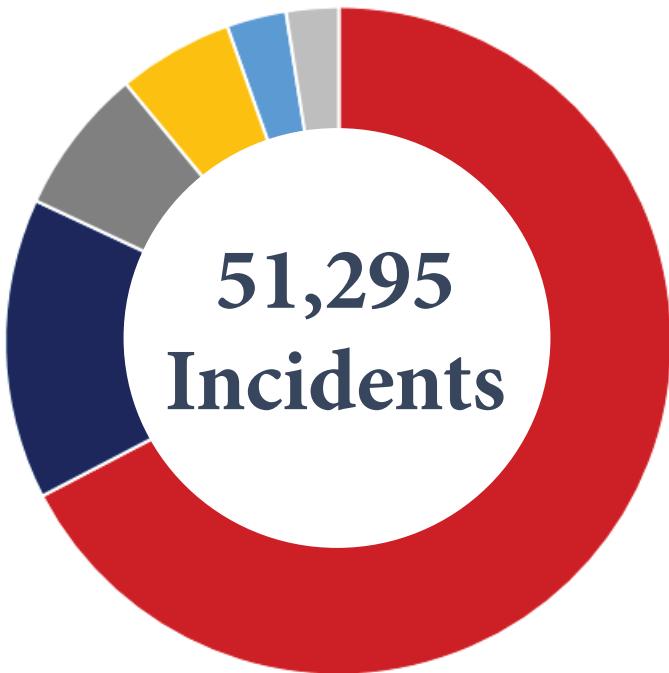
This fiscal year was full of accomplishments that improved our operational ability. Highlights include: a significant deployment analysis; opening of new Station 39; major replacement of emergency radios and installation of new fire station alerting systems; implementation of employee wellness initiatives; training on advanced fire-suppression techniques; deployment of a new mobile training trailer; construction of a new centrally located Logistics Service Center that is on pace to open in December 2020; deployment of the 2is software application supporting EMS response; and refinancing of general obligation bonds, saving taxpayers \$1.6 million. Since March, the District has also continued to operate during a pandemic, maintaining staffing, safety, business continuity, and reliable emergency response to the communities we serve.



QUICK FACTS

TVF&R Personnel

- **454** Fire, Medical, and Rescue Services
- **22** Fire Prevention and Training
- **99** Administrative and Support
- **55** Volunteers



2019 Incident Responses (Calendar Year)

- Emergency Medical Services, Rescue Call.....34,556
- Good Intent.....7,438
- Service Call3,644
- Other Situation or False Call2,874
- Hazardous Condition1,482
- Fire1,301

Nearly **7** out of **10** incidents involve medical care.

Finances at a Glance

- Assessed Value\$64,516,373,082
- Tax Rate\$2.07/\$1,000 assessed value
- Operating Budget.....\$134,923,164
- Bonded Debt\$36,693,119

Moody's Bond Rating — Aaa

TVF&R has a Moody's Bond rating of Aaa — the highest available. This high rating demonstrates credit worthiness and allows TVF&R to issue debt at lower interest rates and pass that savings on to taxpayers.



Station crews and the Safety Education Team participated in **833** community events in 2019 that had a total of **60,865** attendees.



TVF&R operates **120** apparatus, including trucks, engines, rescues, medic units, and cars.



The Fire and Life Safety Division completed **5,776** commercial inspections in 2019.



Pandemic Operations

TVF&R has had a task force assigned to COVID-19 operations since March. The group has equipped, trained, and constantly communicated with personnel.

Though it's standard for the District to maintain several months' worth of medical supplies and equipment, supply chains became strained with global demand. So, firefighters and paramedics transitioned to reusable suits and respiratory equipment early. This helped preserve supplies while keeping personnel and the community safe.

Firefighters constantly disinfect apparatus, fire stations, and command facilities and follow guidance provided by public health departments and the Center for Disease Control. Early on, the District implemented temperature checks and control measures to prevent spread. Fortunately, only two firefighters have been diagnosed with COVID-19 and have fully recovered.

Assistant Chief Kenny Frentress has been the incident commander of the task force and acknowledges the unique challenges posed by the global outbreak. "Even though we've had pandemic plans as part of our emergency operations protocol for many years, there have been a significant number of details to manage and problems to solve to maintain staffing, safety, and business continuity. I couldn't be more pleased by the performance of our team of professionals and volunteers who have worked tirelessly to ensure reliable response for our community. I'm also grateful for the way Oregonians have pitched in to minimize coronavirus spread. We look forward to resuming normal operations but remain prepared for a possible surge."

To continue to address the impacts of COVID-19, the District launched a second task force to focus on long-term business continuity and planning, including creation of a workforce reintegration plan to coordinate and implement safety protocols among support staff and District facilities. A third task force was also created to assess the immediate and long-term financial impacts of the pandemic. In fiscal year 2020, the District had increased expenditures in supplies due to the pandemic.

TVF&R is incredibly grateful for the vast outpouring of support and supplies we received from individuals and businesses throughout our service area during the pandemic. This support undoubtedly kept our firefighters and paramedics safe while they continued to provide emergency care to the most vulnerable among us.

Wildfire Deployments

Under Oregon Revised Statutes local fire resources may be called on by the governor to aid in conflagrations outside their home district. TVF&R firefighters are wildland trained to ensure adequate resources are available at home and to assist outside the District when needed.

Although less frequent, TVF&R personnel have also deployed under an emergency management assistance compact, which is a national interstate mutual-aid agreement that enables states to share resources during times of disaster.

During fiscal year 2020, the District provided personnel, equipment, and resources to assist on Oregon task forces deployed to California in October 2019 for the Kincade and Burris fires. Under these agreements, the state receiving aid reimburses TVF&R for costs incurred.

Below: Crews gather for a briefing prior to traveling to California in October 2019.



	Deployments		
	2019-20	2018-19	2017-18
Out-of-State	1	2	2
Within Oregon	1	10	5
Costs of Response	\$ 1,083,962	\$ 1,177,641	\$ 2,574,502

Note: Costs of response include expenses for personnel and materials. These costs are shown in aggregate with other Public Safety Expenditures in the CAFR. Reimbursements are included with other charges for services.



Balance Sheet / Statement of Net Position

The Statement of Net Position reflects the District's financial position as a snapshot in time. At June 30, 2020, the assets and deferred outflows exceeded the liabilities and deferred inflows by \$61.4 million, which is the net position. This net position decreased by \$15.7 million during the year as discussed on the next page.

	Fiscal Year		
	2020	2019	2018 (restated)*
Assets — What we own			
Current and other assets	\$ 96,149,604	\$ 104,548,449	\$ 94,387,349
<i>Cash and investments, receivables, and inventories</i>			
Capital assets	116,323,328	109,269,622	105,993,522
<i>Land, buildings, vehicles, and equipment</i>			
Total assets	212,472,932	213,818,071	200,380,871
Deferred outflows			
<i>Expenses incurred, but applicable to a future period</i>	59,947,265	48,718,017	35,125,250
Total assets and outflows	272,420,197	262,536,088	235,506,121
Liabilities — What we owe			
Current and other liabilities	12,503,439	27,682,386	26,157,568
<i>Payables and unearned revenue</i>			
Long-term liabilities	192,087,650	152,018,855	136,400,472
<i>Bonds, other post-employment benefits, and pensions</i>			
Total liabilities	204,591,089	179,701,241	162,558,040
Deferred inflows			
<i>Income received, but applicable to a future period</i>	6,406,762	5,729,561	1,159,574
Total liabilities and inflows	210,997,851	185,430,802	163,717,614
Total net position	\$ 61,422,346	\$ 77,105,286	\$ 71,788,507

*The annexation and merger of the Newberg Rural Fire Protection District on June 30, 2018, caused a restatement of beginning net position.





Income Statement / Statement of Activities

The Statement of Activities reports all money received and spent by the District during the fiscal year. As of June 30, 2020, the District's net position decreased \$15.7 million, which is primarily attributable to public safety expenses of increased salaries, benefits, pension, and other post-employment benefits. These were offset by revenue increases mostly in property taxes and contributions of equipment.

	Fiscal Year		
	2020	2019	2018
Revenues — Where our money comes from			
Program revenues	\$ 10,127,623	\$ 6,482,320	\$ 12,331,878
<i>Charges for transport, services and grants</i>			
General revenues	130,113,507	132,907,713	113,358,210
<i>Property taxes, earnings on investments, insurance refunds, and miscellaneous income</i>			
Total revenues	140,241,130	139,390,033	125,690,088
Expenses — Where our money goes			
Public safety/fire protection	155,501,062	134,235,643	121,283,168
<i>Salaries and benefits, materials and services</i>			
Interest on long-term debt	423,008	1,545,144	1,323,598
Total expenses	155,924,070	135,780,787	122,606,766
Change in net position	(15,682,940)	3,609,246	3,083,322
Beginning of the year	77,105,286	71,788,507	67,846,571
Restatement of beginning of year*	-	-	858,614
Net position — July 1	77,105,286	71,788,507	68,705,185
Special item: transfer of operations*	-	1,707,533	-
Net position — June 30	\$ 61,422,346	\$ 77,105,286	\$ 71,788,507

* The annexation and merger of the Newberg Rural Fire Protection District on June 30, 2018, and the transfer of operations of the City of Newberg Fire Department on July 1, 2018, caused a restatement of beginning net position and a special item, respectively.



McEwan Road Station 39 in Tualatin officially opened in January 2020, and the Squad 39 crew began responding to calls from the new station. A battalion chief is assigned to the station as well.

Revenue Sources

Property taxes levied on assessed value of TVF&R's service area provide the majority of funding for District operations. In 2019-20, 92% of revenues for operations were from property taxes. Although property tax dependent, TVF&R operates in four counties serving suburban residential, industrial, and rural communities. The diversified property base provides a stable revenue source for operations, in turn allowing the District to provide continuity in service.

	Fiscal Year		
	2020-21	2019-20	2018-19
Washington County	\$ 52,528,311,331	\$ 50,132,060,675	\$ 47,970,551,987
Clackamas County	10,716,727,602	10,347,958,739	9,932,577,557
Multnomah County	976,818,550	936,917,670	908,296,330
Yamhill County	3,256,370,882	3,099,435,998	2,915,245,490
Total Assessed Value	\$ 67,478,228,365	\$ 64,516,373,082	\$ 61,726,671,364
 Total tax levy	\$ 139,871,750	\$ 131,557,299	\$ 126,534,993
Total tax collected	133,420,512	127,516,172	125,206,987
Percent of total tax collections to levy	95.4%	96.9%	99.0%
 Permanent tax rate	\$ 1.5252	\$ 1.5252	\$ 1.5252
Local option levy	0.4500	0.4500	0.4500
Bonded debt	0.1415	0.0973	0.1087
Total Tax Rate	\$ 2.1167	\$ 2.0725	\$ 2.0839

Note: Information for the 2020-21 fiscal year has been included to provide a look forward to the next period.

General Fund Revenue Sources



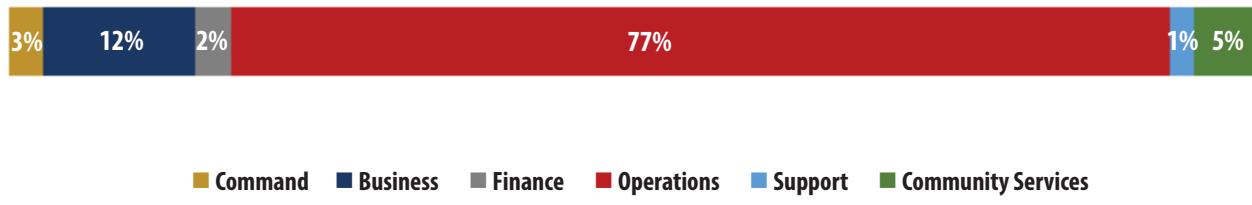
■ Property Taxes ■ Charges for Services ■ Grants ■ Interest, Insurance Reimbursements, Other

Operating Costs

General Fund	Fiscal Year					
	2021		2020		2019	
	Budget	Budget	Actual	Budget	Actual	
Personnel Services	\$ 126,974,805	\$ 114,024,773	\$ 110,913,321	\$ 106,701,166	\$ 102,893,046	
Materials and Services	14,843,276	14,788,575	12,174,351	14,197,494	11,880,689	
Transfers	4,796,515	6,109,816	5,974,537	5,115,891	5,051,756	
Total Operating Costs	\$ 146,614,596	\$ 134,923,164	\$ 129,062,209	\$ 126,014,551	\$ 119,825,491	

Note: Information for the 2020-21 fiscal year has been included to provide a look forward to the next period. Detailed information for sources and uses of the General Fund can be found on page 34 of the 2019-20 CAFR.

Fiscal Year 2020 Actual Public Safety Expenditures by Directorate \$123,087,672



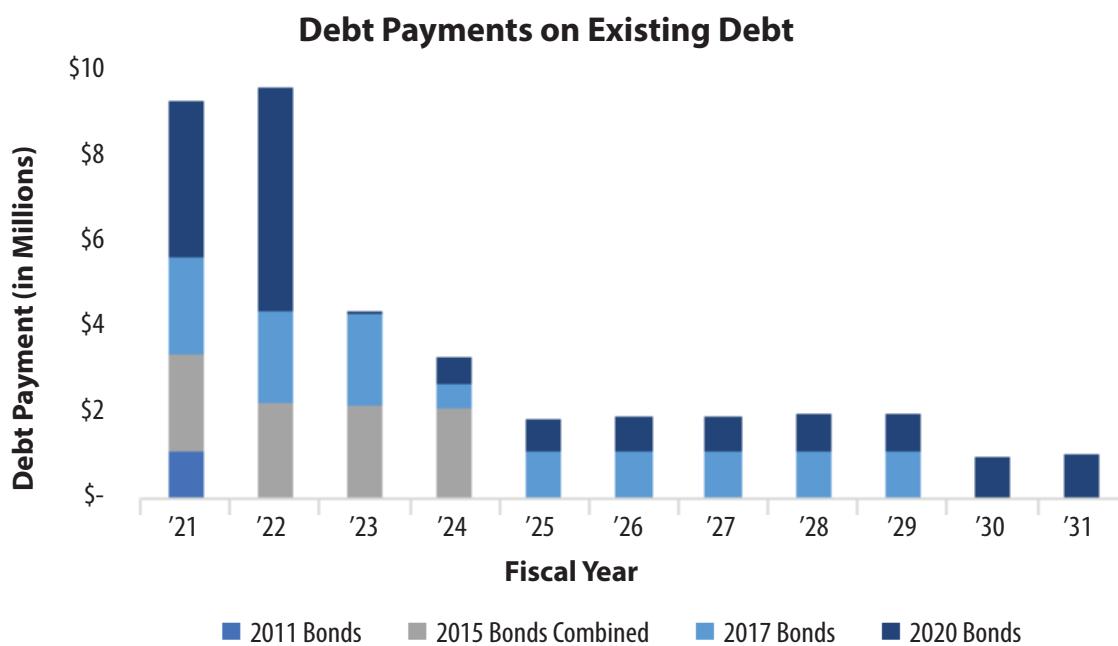
These are our faces of hope — 27 of the 28 cardiac arrest survivors who joined us on February 8 for the fifth Cardiac Survivors Breakfast. We reunited these survivors with those who took action to save their lives, including family members and bystanders who performed CPR, 911 emergency dispatchers, law enforcement officers who used automated external defibrillators, our crews who performed advanced life support on scene, paramedics who transported patients to hospitals, and health professionals from cardiac labs entrusted with their care in hospitals.





Debt Service

The District was authorized by its voters in November 2006 to issue \$77.5 million of general obligation bonds. The proceeds were fully spent as of May 2017 to fund fire station seismic improvements, construction, and command center projects, and to purchase fire apparatus and land for future stations. In May 2020, the District refinanced Bond Series 2011, creating Bond Series 2020, which enabled the District to secure a lower interest rate and restructure future debt payments, saving taxpayers approximately \$1.6 million. By Oregon law, the District is subject to a debt limit that is 1.25% of real market value of taxable property. On June 30, 2020, that limit was \$1.3 billion. As of June 30, 2020, the total outstanding general obligation bonded debt subject to the limit was \$36 million. Future payments on existing bonded debt, including both principal and interest, illustrated in the graph below total \$38 million.

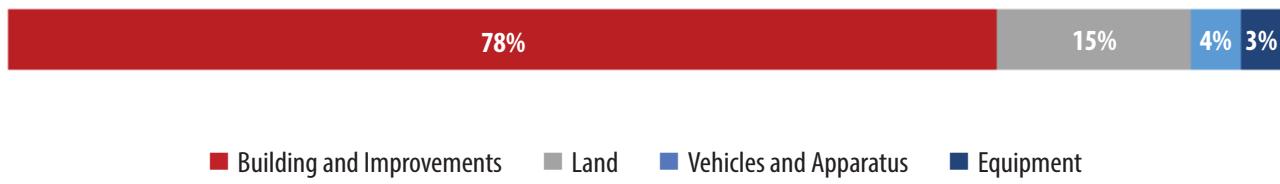


Capital

Investing in quality apparatus and equipment is key in providing effective emergency response. In 2019-20, the District advanced operational capabilities by making strategic capital improvements. Notable improvements included overhauling the 911 alerting system in all 28 fire stations, deploying a mobile training trailer, and opening a newly constructed fire station.

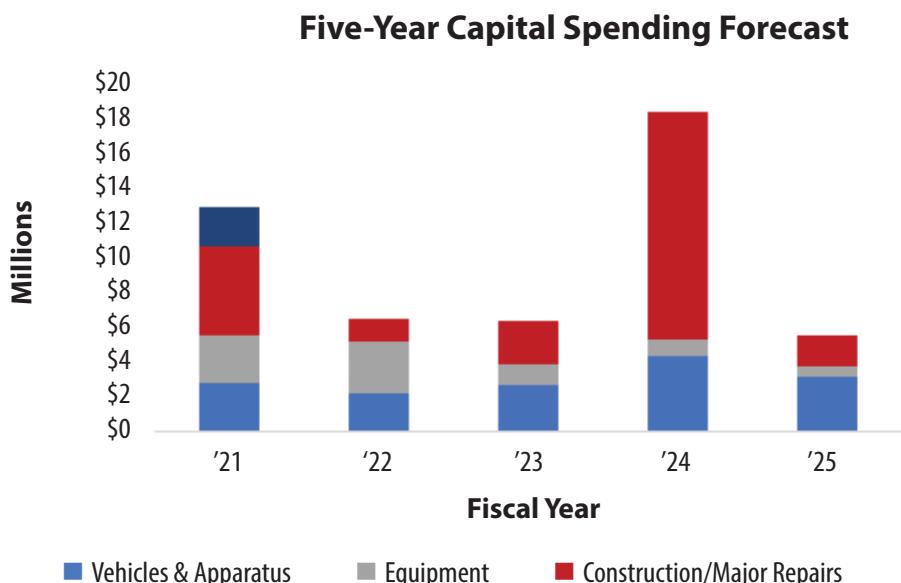


New Assets in Service by Type \$10,957,473



Note: Information about all District assets in service can be found on page 52 of the 2019-20 CAFR.

All departments within the District are required to maintain replacement schedules for existing equipment and infrastructure under their care as well as plan for new and ongoing purchases. The District maintains a 10-year capital plan to ensure aging equipment is properly maintained and that there is sufficient funding in place to retire and replace assets when needed. Five years of that forecast are illustrated below.





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www.tvfr.com



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Tualatin Valley Fire & Rescue



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TualatinValleyFire

Copies of the Popular Annual Financial Report, Comprehensive Annual Financial Report, and Budget Document are available online at www.tvfr.com.

Hard copies can be requested by calling (503) 649-8577.
This report was prepared by the Tualatin Valley Fire & Rescue Finance Division.