

Tualatin Valley Fire & Rescue

A Rural Fire Protection District



Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2019

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.



Mission

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

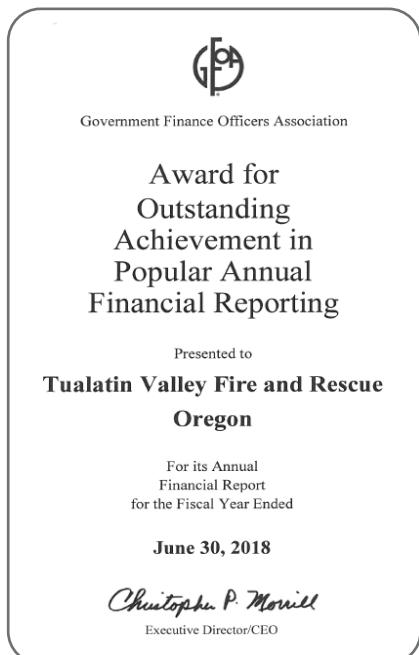
Vision

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 2018 PAFR, the sixth 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, 2019, and Budget Document for the fiscal year 2019-20, which can both be found online at www.tvfr.com.



Message from the Fire Chief

Dear Residents and Friends of Tualatin Valley Fire & Rescue,

I am pleased to present our Popular Annual Financial Report (PAFR) for the fiscal year that ended June 30, 2019. This report reflects our ongoing commitment to being transparent and accountable for the investments made by our community. The PAFR aims to provide information in an easy-to-understand format that also highlights performance in key areas of our Strategic Plan.

The PAFR draws directly from our Comprehensive Annual Financial Report (CAFR) that is more detailed and contains audited information. The PAFR, CAFR, and budget documents can all be found at www.tvfr.com.

Though I have served as your fire chief for less than a year, I've been a part of TVF&R since 1994. I've learned a lot of lessons during my career and believe it is critical that we constantly examine our operations and business practices so that we can evolve and improve. I will always challenge our firefighters and staff to ask, "What can we do today to ensure we are more effective and efficient tomorrow?"

I will continue to promote an inclusive culture that challenges traditional ways of doing business so we can use our valuable resources strategically and better reflect the people being served by TVF&R. At the same time, we must look for partnerships that help increase efficiencies and reduce duplication and cost.

Every day, members of our community trust us to help them when they're vulnerable or in crisis. We do not take this trust for granted. We will work hard to care for our community and its resources.

Respectfully,

Deric Weiss
Fire Chief



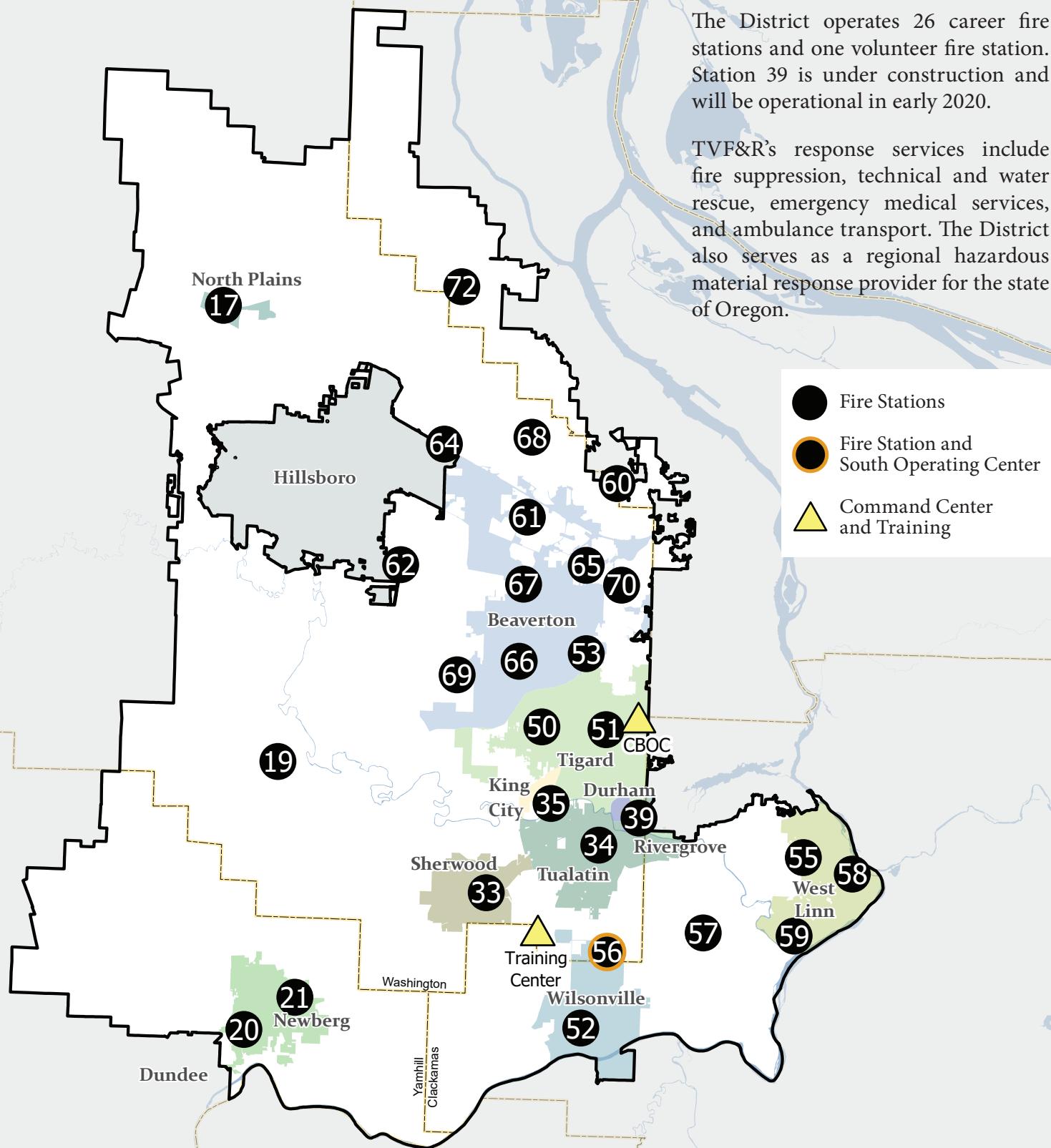
About the District

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, including the July 1, 2018, annexation of the city of Newberg and Newberg Rural Fire Protection District.

TVF&R provides fire protection and emergency medical services to **530,446 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.

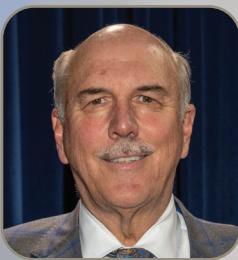
The District operates 26 career fire stations and one volunteer fire station. Station 39 is under construction and will be operational in early 2020.

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

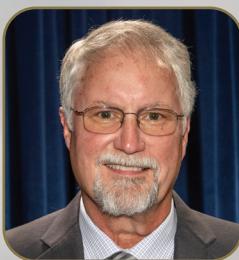


Leadership

The District is led by an elected Board of Directors.



President
Clark I. Balfour
Term Ends:
June 30, 2021



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



Secretary/Treasurer
Gordon L. Hovies
Term Ends:
June 30, 2021



Board Member
Justin Dillingham
Term Ends:
June 30, 2023



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

Strategic Goals

During the fiscal year ended June 30, 2019, 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; acquisition and programming of new emergency radios; continued replacement of fire hose; training on advanced fire-suppression techniques; research and testing of replacement breathing apparatus; successful attainment of a regional grant to purchase breathing apparatus; replacement of emergency medical kits and equipment; renewal of a local option levy for continued staffing; and implementation of a significant records management process. We also continued a robust program of safety education and outreach with a focus on home fire escape planning, hands-only CPR, apartment landlord training, and elder care staff training.



QUICK FACTS

TVF&R Personnel

- **454** Fire, Medical, and Rescue Services
- **22** Fire Prevention and Training
- **93** Administrative and Support
- **70** Volunteers



TVF&R operates **119** apparatus, including trucks, engines, rescues, medic units, and cars.

Finances at a Glance

- Assessed Value \$61,726,671,364
- Tax Rate \$2.08/\$1,000 assessed value
- Operating Budget \$125,779,659
- Bonded Debt \$41,626,028



Station crews and the Safety Education Team participated in **887** community events in 2018 that had a total of **71,335** attendees.

2018 Incident Responses (Calendar Year)

- Emergency Medical Services, Rescue Call 33,663
- Good Intent 6,897
- Service Call 3,447
- Other Situation or False Call 2,704
- Fire, Explosion 1,359
- Hazardous Condition 1,267

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



The Fire and Life Safety Division completed **5,496** commercial inspections in 2018.

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.



Transfer of Command

As TVF&R marked its 30th anniversary of providing fire protection, emergency medical, and specialty rescue services to the community in 2019, the District also celebrated another milestone — a transfer of command.

In a traditional ceremony on July 1, 2019, Fire Chief Mike Duyck officially transferred his responsibilities of providing service to 11 cities and four counties and guidance to 650 TVF&R personnel to Chief Deric Weiss, making him the fourth chief in the District's history.

"This is an exciting time," said Chief Weiss. "Having a change in command is a rare occurrence for our department. We've benefitted from having leaders who dedicated many years to this organization and the fire service. I have some big shoes to fill, and I'm honored to have the opportunity to serve as TVF&R's next fire chief."

Weiss volunteered and served as an intern before being hired by TVF&R as a firefighter in 1994. Since then, he served on the Hazardous Materials Team for several years and promoted through the ranks of apparatus operator, lieutenant, captain, battalion chief, division chief, and assistant chief. He's been involved with several local and statewide fire service initiatives including emergency communications, dispatch, hazardous materials response, government affairs, and interoperability. He also serves as a member of the Oregon Fire Chief's Association Board of Directors.

Strengthening relationships with community partners and exploring opportunities to work with other organizations to create safer communities are priorities for the new chief. In addition to ensuring the best service possible, Chief Weiss is keenly focused on evolving the organization's culture to be as inclusive as possible. He wants the District's ranks to better reflect the people being served by TVF&R. Most recently, he overhauled TVF&R's intern program and established an entry-level, single-role paramedic position that has proven to be a pathway to becoming a firefighter.

"We will always remain committed to fast and effective emergency response and to innovation," Chief Weiss said.

Historic Milestone

TVF&R has only had four chiefs since the District's formation in 1989.

Former Chief Jack Snook became the first chief 30 years ago, when Washington County Fire District 1 merged with Tualatin Rural Fire Protection District to form Tualatin Valley Fire & Rescue. He retired in 1994.

Chief Jeff Johnson then took the helm of TVF&R and served as fire chief for 15 years, retiring in 2010.

Chief Mike Duyck was appointed fire chief in September 2010. He retired at the end of June after more than 30 years in the fire service.

Following a rigorous internal selection process, the Board of Directors tapped Chief Deric Weiss to take command.



From left, Fire Chief Deric Weiss with former chiefs Jack Snook, Jeff Johnson, and Mike Duyck at the Transfer of Command Ceremony on July 1, 2019.



Balance Sheet / Statement of Net Position

The Statement of Net Position presents information on assets and deferred outflows and liabilities and deferred inflows with the difference between the two representing net position. The District's Balance Sheet reflects a healthy financial condition with assets and outflows exceeding its liabilities and inflows, and an overall improvement in net position of \$5.3 million.

	Fiscal Year		
	2019	2018 (restated)*	2017
Assets — What we own			
Current and other assets	\$ 104,548,449	\$ 94,387,349	\$ 97,338,636
<i>Includes cash and investments, property taxes receivable, accounts receivable, and inventories</i>			
Capital assets	109,269,622	105,993,522	95,229,071
<i>Includes land, buildings and improvements, fire apparatus and other vehicles, furniture, fixtures, and equipment</i>			
Deferred outflows of resources	48,718,017	35,125,250	50,172,913
<i>Net position to be used in future years</i>			
Total assets and outflows	262,536,088	235,506,121	242,740,620
Liabilities — What we owe			
Current and other liabilities	27,682,386	26,157,568	23,968,150
<i>Includes payables, payroll, accrued interest and unearned revenue</i>			
Long-term liabilities	152,018,855	136,400,472	150,653,849
<i>Includes bonds, other post-employment benefits, and pension liabilities</i>			
Deferred inflows of resources	5,729,561	1,159,574	272,053
<i>Net position to be received in future years</i>			
Total liabilities and inflows	185,430,802	163,717,614	174,894,052
Net Position — The difference between total assets and deferred outflows minus total liabilities and deferred inflows			
Net investment in capital assets	68,729,108	60,617,099	44,792,301
<i>Amounts invested in capital assets less accumulated depreciation and related debt</i>			
Restricted	1,259,629	374,852	1,274,655
<i>Includes amounts to be used for debt service and retiree health insurance benefits</i>			
Unrestricted	7,116,549	10,796,556	21,779,615
<i>Amounts available for operations</i>			
Total net position	\$ 77,105,286	\$ 71,788,507	\$ 67,846,571

** 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. For the period ended June 30, 2019, the District's net position increased over \$5.3 million. This is primarily a result of a gain on the sale of an asset and increased property taxes offset by an increase in public safety expenses such as salaries, pensions, and other post-employment benefits.

	Fiscal Year		
	2019	2018	2017
Revenues — Where our money comes from			
Program revenues	\$ 6,482,320	\$ 12,331,878	\$ 15,708,392
<i>Charges for transport and other services and grant contributions</i>			
General revenues	132,907,713	113,358,210	105,985,629
<i>Primarily property tax revenues, earnings on investments, insurance refunds, and miscellaneous income</i>			
Total revenues	139,390,033	125,690,088	121,694,021
Expenses — Where our money goes			
Public safety/fire protection	134,235,643	121,283,168	116,142,631
<i>Salaries and benefits, materials and services</i>			
Interest on long-term debt	1,545,144	1,323,598	1,904,040
Total expenses	135,780,787	122,606,766	118,046,671
Change in net position			
Beginning of the year	71,788,507	67,846,571	64,199,221
<i>Restatement of beginning of year*</i>		858,614	
Net position — July 1	71,788,507	68,705,185	64,199,221
<i>Special item: transfer of operations*</i>	1,707,533		
Net position — June 30	\$ 77,105,286	\$ 71,788,507	\$ 67,846,571

* 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.



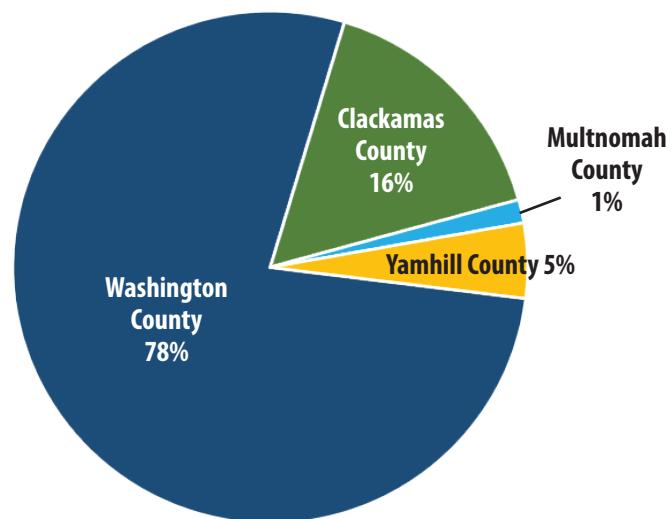
Station 67 in downtown Beaverton celebrated its 20th year of operation at this location on Farmington Road. The station opened for service in 1999, and today houses a four-person fire engine, four-person tiller truck, two-person medic unit, and a battalion chief.

Property Taxes

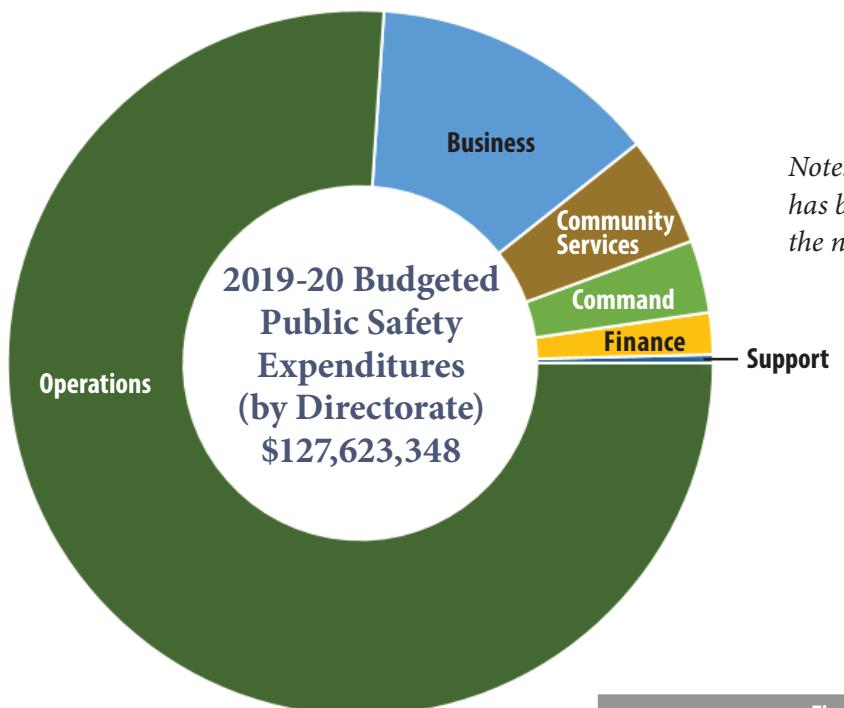
Property taxes levied on assessed value of TVF&R's service area provide most funding for District operations. In 2018-19, the assessed value increased partly due to a portion of Yamhill County officially merging into the District.

Assessed Value	2019-20	2018-19	2017-18
Washington County	\$ 50,132,060,675	47,970,551,987	\$ 45,786,151,797
Clackamas County	10,347,958,739	9,932,577,557	9,543,456,134
Multnomah County	936,917,670	908,296,330	878,127,689
Yamhill County	3,099,435,998	2,915,245,490	-
Total AV	\$ 64,516,373,082	61,726,671,364	\$ 56,207,735,620
Permanent tax rate	\$ 1.5252	1.5252	\$ 1.5252
Local option levy	0.4500	0.4500	0.4500
Bonded debt	0.0973	0.1087	0.1023
Total Tax Rate	\$ 2.0725	2.0839	\$ 2.0775

The District serves portions of four adjacent counties.



Annual Operating Budget – General Fund



Note: Information for the 2019-20 fiscal year has been included to provide a look forward to the next period.

Budgeted Expenditures	2020	2019	2018
Personnel Services	\$ 113,374,773	\$ 106,556,106	\$ 100,575,788
Materials and Services	14,248,575	14,107,662	14,416,312
Transfers	6,109,816	5,115,891	7,480,286
<i>Total Operating Budget</i>	<i>133,733,164</i>	<i>125,779,659</i>	<i>122,472,386</i>
Contingency	5,193,975	4,936,693	5,322,705
Ending Fund Balance	35,462,587	30,804,273	23,930,455
Total Budgeted Expenditures	\$ 174,389,726	\$ 161,520,625	\$ 151,725,546

	Fiscal Year		
	2020	2019	2018
Budgeted Expenditures			
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Total Budgeted Expenditures	\$ 174,389,726	\$ 161,520,625	\$ 151,725,546

TVF&R hosted Portland Metro Fire Camp for 42 young women to explore careers in the fire service. Participants received instruction from professional female firefighters from multiple agencies across the West Coast during the three-day camp at the District's Training Center in Sherwood.

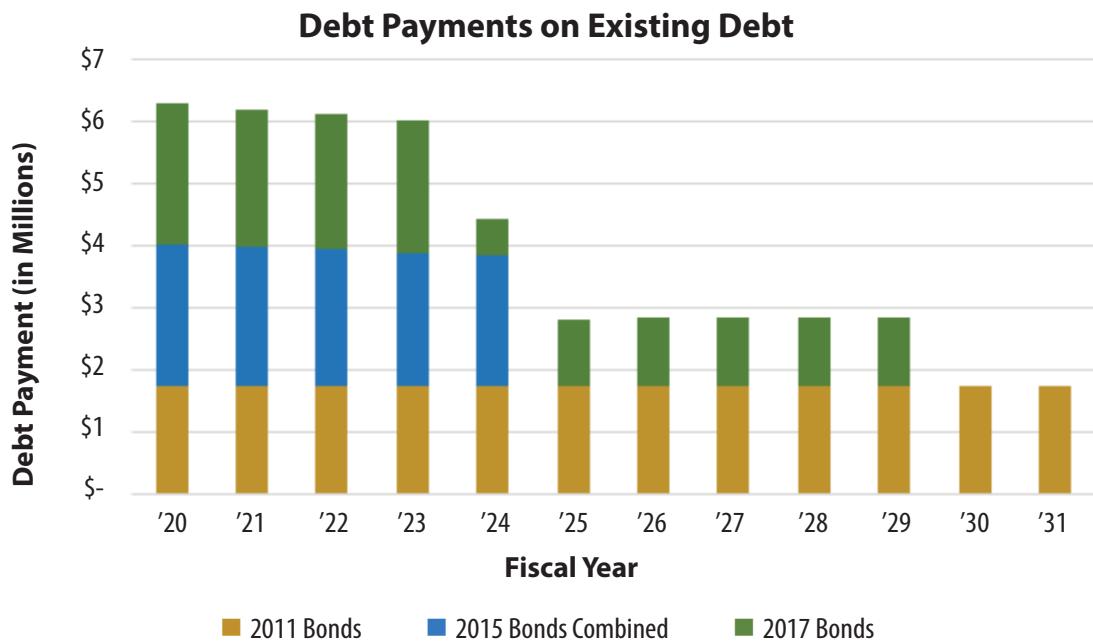




Above: The aerial image taken with TVF&R's Unmanned Aerial System shows the apparatus and hose placement as crews respond to a residential fire.

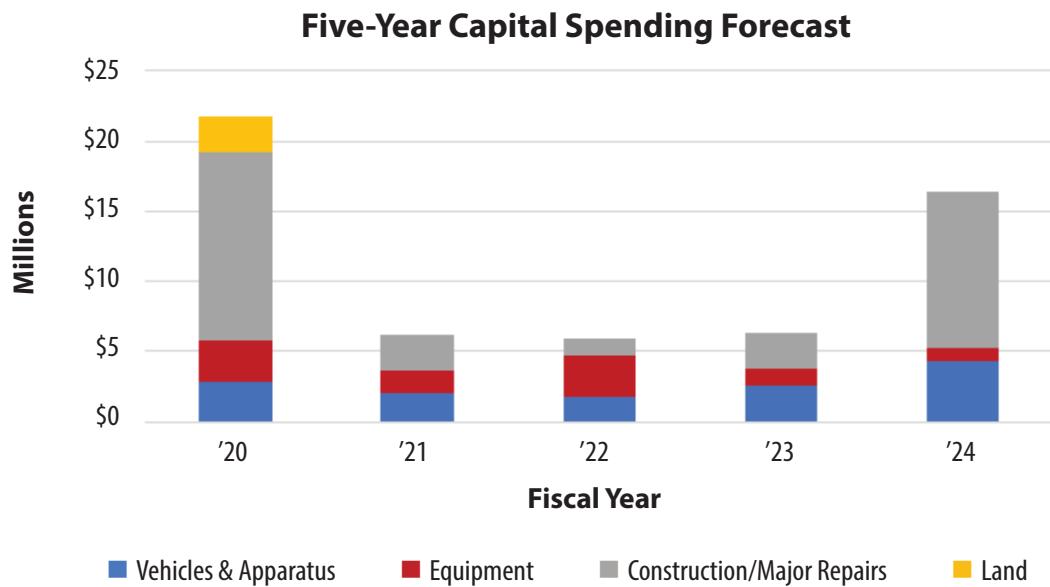
Debt Service

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. By Oregon law, the District is subject to a debt limit that is 1.25 percent of real market value of taxable property. On June 30, 2019, that limit was \$1.2 billion. As of June 30, 2019, the total outstanding general obligation bonded debt was \$38.1 million.



Capital Plan

Forecasts are essential for all governments to project and help communicate potential challenges impacting their organization. The District maintains a 10-year forecast constructed with known long-term needs and necessary assumptions. This process helps the District anticipate when outside funding might be required. Capital projects consist of the purchase of land for future fire stations, construction of new facilities, seismic remodel of older facilities, and the purchase of apparatus and other firefighting and medical equipment. All departments within the District are required to maintain replacement schedules for existing equipment and infrastructure as well as anticipated new and ongoing purchases. These schedules are incorporated into the long-term financial forecast and budget. Five years of that forecast are illustrated below.



A next-generation fire engine pump panel





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Tigard, OR 97223-9196

Phone: (503) 649-8577

www.tvfr.com



TualatinValleyFireandRescue



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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.