

# North Albany Service District

- Administration:** Board of Commissioners (As the Governing Body of the District)  
Mary Otley, Finance Manager, Administrative Services Department
- Location:** Benton Plaza  
110 SW 4th St.  
Corvallis
- Telephone:** (541) 766-6771
- FAX:** (541) 766-6005
- Purpose:** Levy taxes and make payments on voter approved bonds issued to finance water system improvements in the late 1970's.
- Organization:** The service district is an independent municipal corporation. The Benton County Board of Commissioners sit as the Governing Body. County Finance Office provides treasury and financial management services. The Budget process is coordinated by the County Budget Office. The County is reimbursed for these services by district funds.
- The district was organized in 1972. Water and sewer operations were assumed by the City of Albany when the area was annexed in 1991. Debt service cannot be transferred. The district will continue to exist and functions only to collect taxes for debt retirement as long as there are outstanding bonds. The current debt service schedule calls for the debt issue to be retired in the year 2010.
- Bonds were issued in 1979 and sold to the Farmers Home Administration (FHA), now renamed Rural Economic Community Development (RECD). Original principal was \$2.5 million. Water customers living outside the district pay a tax rate equivalent through their water bill. Those moneys are billed and collected by the City of Albany and turned over to the district.
- Budget Note:** The formal debt service schedule calls for bonds to be retired in 2010. However, bonds will be retired early, perhaps as early as 2007, but more likely 2008. In 1999 the governing body adopted a policy of level debt service levy for all future years at \$133,000 annually. This will allow the district to slowly increase reserves in order to retire debt early. It is intended that upon retirement of the debt, the district will be dissolved.
- This budget was adopted on a biennial basis for the fiscal period beginning July 1, 2005 to June 30, 2007.

## Budget Summary

	2003 Annual Actual	2004 Annual Actual	2005 Annual Adopted	2005 Annual Adjusted	05 - 07 Biennial Adopted
General Revenues	-	-	-	-	-
Charges for Service	-	-	-	-	-
Operating Grants/Contributions	168,161	160,857	166,870	166,870	333,740
Capital Grants/Contributions	-	-	-	-	-
Loans & Transfer/Revenues	-	-	-	-	-
Dedicated Beginning Balance	227,329	239,938	235,000	235,000	250,000
<b>Total Resources</b>	<b>395,490</b>	<b>400,794</b>	<b>401,870</b>	<b>401,870</b>	<b>583,740</b>
Personal Services	-	-	-	-	-
Materials & Services	2,258	3,642	4,500	4,500	9,000
Capital Outlay	-	-	-	-	-
Other	155,271	167,013	397,370	397,370	574,740
<b>Total Expenditures</b>	<b>157,529</b>	<b>170,655</b>	<b>401,870</b>	<b>401,870</b>	<b>583,740</b>
Surplus / (Deficit)	237,961	230,140	-	-	-

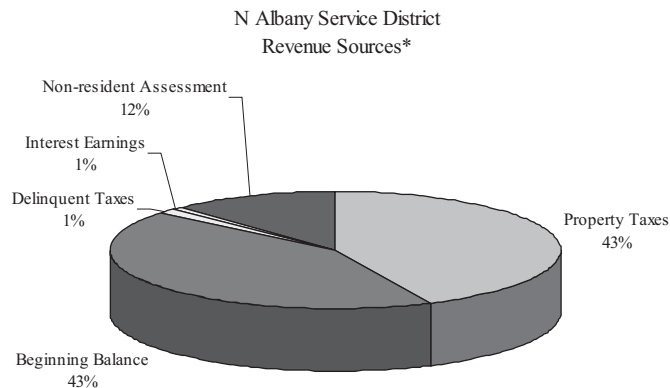
### Budget Discussion:

This is a biennial (two-year) budget. The Governing Body (Board of Commissioners) in January 2005 approved a resolution, as required by law, ordering the preparation of the budget on a two-year basis. This is the districts first biennial budget.

Property taxes will generate an estimated net of \$251,370 (two tax years) to support debt service. The estimated tax rate based on an annual assumed value growth of 4% would average about \$0.3300 per 1000 of assessed value over the two tax years covered by this biennium budget. That compares to the actual rate of \$0.3519 for the 2004 tax year on an assessed value growth of 10.5%.

Taxes to repay general obligation bonds issued are exempt from constitutional limitations imposed by Measure 5 (1990) and measures 47/50 (1996 & 1997).

Residences not in the district, but connected to the district water system pay a property tax equivalent. The amount of the non-residential assessment is computed like property taxes, but collected through the monthly water bill by the City of Albany and turned over to the service district.



\* 2005-07 Biennium Estimates