

North Albany County Service District

Function & Organization:

The district was organized in 1972 for the purpose of constructing and operating water and sewer systems. Water and sewer operations of the district were assumed by the City of Albany when the area was annexed in 1991. Debt service could not be transferred. This district functions now only to levy approved taxes required to meet annual debt payments. As shown in this documents these bonds will be paid off during the 2007-09 biennium. At that time the district may be evaluated for dissolution.

Bonds were issued in 1979 and sold to the Farmers Home Administration, now renamed Rural Economic Community Development (RECD). Original principal was \$2.5million. Water customers living outside the district pay a tax rate equivalent through their water bill. Those payments are billed and collected by the City of Albany through water billings and turned over to the district.

The district is an independent municipal corporation. The Benton County Board of Commissioners sit as the Governing Body. County finance 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 budget is adopted on a biennial basis. The biennium will begin July1, 2007 and end on June30, 2009.

This budget anticipates the final payment on outstanding bonds. Depending on decisions made about the future of the district this could represent its last budget.

Administration:

Board of Commissioners
Mary Otley, Finance Manager

Location:

Benton Plaza
110 SW 4th Street
Corvallis

Telephone:

(541) 766-6771

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Budget Summary

North Albany County Service District

Purpose:

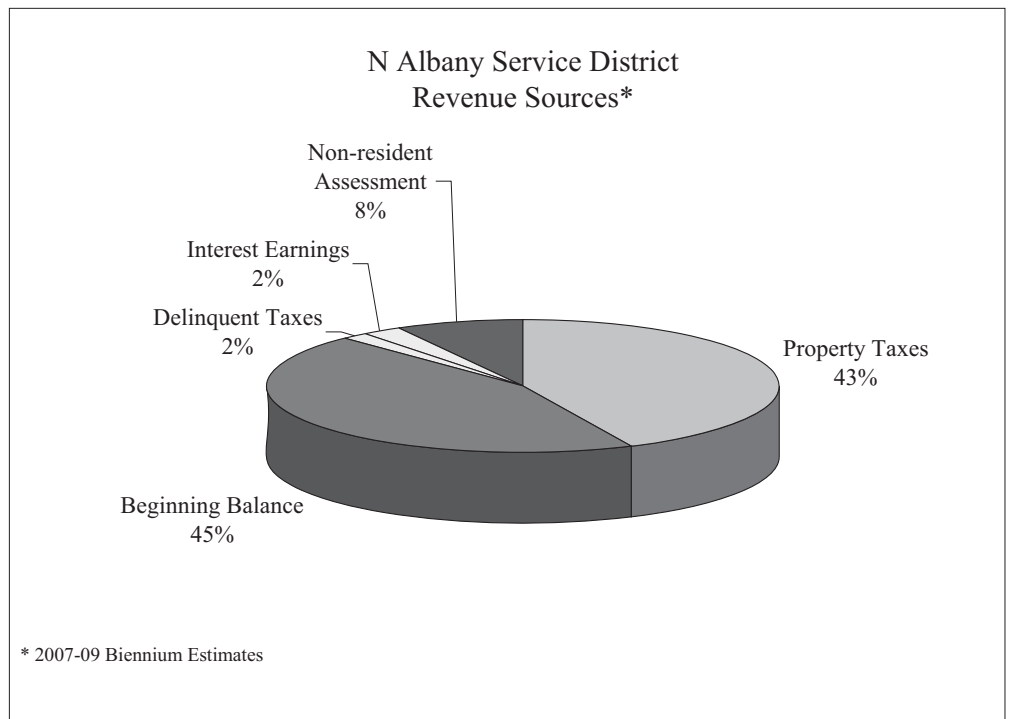
Levy taxes and make payments on voter approved bonds issued to finance water system improvements in the late 1970's.

| Resource / Expense Category | 2003-04 | 2004-05 | 2005-07 | 2005-07 | 2007-09 | % Change |
|---|---------------|---------------|------------------|-------------------|------------------|---------------|
| | Annual Actual | Annual Actual | Biennium Adopted | Biennium Adjusted | Biennium Adopted | Over Adjusted |
| Property Taxes | 130,411 | 129,990 | 258,740 | 258,740 | 219,600 | -15.1% |
| Program Income (other) | 30,446 | 33,528 | 75,000 | 75,000 | 52,000 | -30.7% |
| Beginning Balance | 239,938 | 230,140 | 250,000 | 250,000 | 220,000 | -12.0% |
| Resources | 400,795 | 393,658 | 583,740 | 583,740 | 491,600 | -15.8% |
| Personnel Services | - | - | - | - | - | -- |
| Materials & Services | 3,642 | 2,427 | 9,000 | 13,000 | 9,000 | -30.8% |
| Capital Outlay | - | - | - | - | - | -- |
| All Other | 167,013 | 159,162 | 574,740 | 570,740 | 482,600 | -15.4% |
| Budget Total | 170,655 | 161,589 | 583,740 | 583,740 | 491,600 | -15.8% |
| Full-Time-Equivalent (FTE) by Type | | | | | | |
| Regular (Greater than .50 FTE) | - | - | - | - | - | -- |
| Temporary Hire | - | - | - | - | - | -- |

Budget Notes:

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

The adopted budget assumes that tax levies and debt service reserves carried forward will be sufficient to pay off all outstanding bonds in 2009, one year earlier than in the formal debt schedule. Property tax rates are estimated to be about \$0.29/1000 AV in 2007 and about \$0.18/1000 AV (assessed value) in 2008. Estimated tax rates are based on average annual assessed value growth of 6% over the two tax years covered by this budget. These rates compare to the 2006 imposed rate of \$0.3064/1000 AV and an assessed value increase of 6.11%. Real market value of the district rose 29.03% in 2006.



Taxes to repay general obligation bonds are exempt from constitutional limitations imposed by state measures 5 (1990) and 50 (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.