



CITY OF MEDFORD

**2007/2009
Adopted Biennial Budget**

August 15, 2007

Honorable Mayor
Council Members
Appointed Members of the Budget Committee
Citizens of the City of Medford

I am pleased to transmit to you the City of Medford's adopted budget for the biennium 2007-2009. This budget presents all the funds of the City; however it is primarily concerned with those factors affecting the City's General Fund – the largest fund for both revenues and expenses, as well as the funding location for most City employees.

Two years ago when the City staff prepared a biennial budget, which ended June 30, 2007, the department heads worked together to balance a budget that was \$7.4 million out of balance. The budget was balanced by reducing expenditures by \$2.5 million, using one time revenue from the sale of land \$1.1 million, budgeting unspent personal services \$0.9 million and reducing the Contingency from 3 to 2 months saving \$2.9 million. Council then spent many months assessing revenue alternatives deciding which ones to implement. It was a long and difficult task but the results are before you in this document. The budget is balanced, the contingency is restored to 3 months, and one time revenues used in the previous budget were replenished.

The approach used to balance this budget was citywide and represents efforts to review both resource and expenditure opportunities. While most materials and services costs remain at the same level as 2002, due to high inflation in energy costs the past few years we have increased those expenditures to current realized levels. We also are benefited by PERS board decisions which retained current contribution rates instead of another 100% increase as was communicated to us two years ago. While there is a very lean surplus, the budget presented here is balanced, preserves all core services and reflects our commitment to Continuous Improvement – Customer Service.

Sincerely,

Michael Dyal
City Manager

Cc: Department Heads