



Memorandum

TO: Commissioners Jason Anderson, David Wright, John Dailey, Bob Mylenek, and Brian Sjothun
FROM: Beau N. Belikoff, Finance Manager
DATE: Wednesday, October 7, 2026
SUBJECT: Study Session: Evaluating a Biennial (Two-Year) Budget
OBJECTIVE: Board Discussion

Issue

At the Board's request, staff has prepared an evaluation of whether Medford Water should transition from an annual to a biennial (24-month) budget cycle. This memorandum summarizes staff's findings and recommendations on timing.

Discussion

Oregon Local Budget Law (ORS 294) allows local government to adopt a two-year budget once its board passes an authorizing resolution. The full budget is adopted once, in Year 1, covering both fiscal years, and all standard process steps—notice, hearings, and adoption—continue to apply.

The State of Oregon and several cities, including the City of Medford, budget biennially, and peer utilities such as Tualatin Valley Water District report lasting value from the model.

Medford Water already uses the oversight tools a biennial cycle relies upon—a public budget hearing, quarterly reporting, and monthly financial statements with variance monitoring—so much of the change would formalize existing practice rather than require a new approach. A two-year horizon also strengthens governance, giving staff greater capacity to execute priorities and an off-year to focus on one-time projects.

One element would be genuinely new, however. A biennial cycle relies on a mid-cycle budget amendments and a supplemental budget process to address material changes in the off-year.

Establishing that process, along with the supporting staff procedures, would be a new undertaking for the utility and is something the Board should weigh as part of the transition.

A transition would also require evaluating the impact on partner cities and joint-venture arrangements. Some intergovernmental agreements reference annual budget cycles, and any effect on those partnerships should be assessed before implementation.

Financial Impact

None.

Requested Board Action

Staff recommends the Board provide direction to staff on how to proceed.