



December 11, 2024

RE: Formation of City Budget Efficiencies Committee

Mayor Hoy, City Council Members, and City Councilors-Elect:

The Salem Area Chamber of Commerce and Home Builders Association of Marion & Polk Counties are committed to working with the City of Salem to maintain funding for essential services, while simultaneously minimizing harm to small and local businesses already facing rising costs and inflation. We understand the serious challenge ahead, and applaud you for your commitment to finding durable, equitable solutions.

Over the past year, our organizations have been closely following the City's efforts to identify additional sources of revenue. The 2024 Revenue Task Force was dedicated solely to exploring potential revenue options, including a business license fee and property tax levy. Our members largely oppose these measures, as they would further strain businesses' ability to remain viable and contribute economically to the City.

Furthermore, we distributed a survey to members earlier this year and conducted four industry-specific focus groups that revealed a lack of trust in City spending and whether the budget has been thoroughly and independently scrutinized. This sense of mistrust was echoed in the City's own polling, which found that 57% of voters believe Salem is on the wrong track.

Without faith in government accountability, the public cannot be assured that new revenue is truly justified. Yet the City is now considering a five-year levy proposal on the May 2025 ballot that would fund the Salem Public Library, Center 50+, and city parks. If this proposal goes forward, it is likely to fail absent an open, honest, and transparent assessment of the City budget.

Looking ahead, we would request the City engage business leaders to convene a blue-ribbon committee tasked with evaluating City expenditures and efficiencies. This group should be nimble in size and made up of individuals with proven past budgeting experience. Our organizations stand ready to assist and serve on this committee, representing a significant step forward in restoring trust between citizens and government as we navigate Salem's budget shortfall together.

The need for cutbacks is not limited to Salem. In Portland, outgoing Mayor Ted Wheeler has informed city officials that their departments should be prepared to make at least a 5% reduction in baseline budgets during the next fiscal year. This is difficult but necessary work that is happening in cities around Oregon. The establishment of a resident-led Budget Efficiencies Committee would lend credibility to future decision-making, and sends a strong message to voters: the City of Salem values transparency and is taking a thoughtful, equitable, and professional approach to addressing financial challenges.

We thank you for your consideration, and look forward to discussing next steps.

Sincerely,

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