

July 2019

# City of Salem

## Funding Options

FOCUS GROUPS – Summary Report



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# Introduction & Methodology

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DHM Research conducted two focus groups to assess Salem voters' knowledge about Salem's structural budget deficit and their initial reactions to two potential new funding sources.

**Research Methodology:** The two focus groups were held on July 14, 2019, in Salem. A total of 23 people participated in the groups. The first group consisted of n=12 Salem voters, the other of n=11 Salem voters. Participants were recruited from a list of registered voters. Efforts were made to ensure diversity by gender, age, income, political party. See Appendix A for complete participant demographics.

**Statement of Limitations:** The focus groups were led by a professional moderator and consisted of both written exercises and group discussions. Although research of this type is not designed to measure with statistical reliability the attitudes of a particular group, it is valuable for giving a sense of the attitudes and opinions of the population from which the sample was drawn.

This report highlights key findings from the focus groups. Each section reviews a major topic from the group discussions and includes representative quotations, as well as evaluative commentary. The quotes and commentary are drawn from both written exercises and transcripts produced from recordings of the group discussions.<sup>1</sup> Throughout this report "WE" refers to the written exercises. The referenced appendices provide the complete responses to all written exercises.

**DHM Research:** DHM Research has been providing opinion research and consultation throughout the Pacific Northwest and other regions of the United States for over 40 years. The firm is nonpartisan and independent and specializes in research projects to support public policy making.

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<sup>1</sup> Quotations were selected to represent the range of opinions regarding a topic, and not to quantitatively represent expressed attitudes. Some have been edited for clarity to ensure correct punctuation and to eliminate non-relevant or intervening comments.

# Summary & Observations

## 2

**Salem voters feel neutral-to-positive about the city’s direction. Homelessness and infrastructure are top concerns.**

Most voters are “somewhat” or “not very” satisfied with the way things are going in Salem, and most are satisfied with the services they receive from the City. Parks and recreation, the public library, and public safety are particular bright spots for voters, many of whom have positive personal experiences with these areas of City government.

Homelessness and infrastructure—especially relating to traffic and safety of drinking water—are major stressors in voters’ lives. They identify these issues as reasons they are less optimistic about the City’s direction and services.

**Voters have limited knowledge about the City’s budget condition, and many don’t differentiate between the City’s General Fund and other sources of government services.**

Without education, voters are unlikely to have heard much about the City’s budget or the shortfall. Few focus group participants had heard about the budget recently, and just a handful of the 23 participants said they had heard about either revenue proposal before learning about them during the focus group.

One major source of confusion for voters is the responsibilities of different levels of government. Some voters believe that the City has a hand in funding schools, or that it has lottery funds or income taxes at its disposal. Voters may base their evaluations of City government on the conditions they see in their daily lives, whether or not the City has a direct impact on those services.

**Voters have mixed feelings about whether the City needs more revenue to address the problems they see in Salem. They do see continuing budget shortfalls as a threat to their quality of life.**

Many voters connect the problems they see on a daily basis to the City’s budget conditions. Even without knowledge of the budget shortfall, they conclude that Salem would not be struggling with visible issues such as homelessness or poor roads if the City were doing well financially. By themselves, these beliefs do not necessarily translate to more support for revenue as many voters feel skeptical that the City is using existing revenue to address the most pressing issues.

Learning about the budget shortfall raises major concerns in voters’ minds. They worry most about losing critical services such as public safety and infrastructure, as well as less-critical services they value strongly, such as the library and social services.

**Initial reactions to both revenue proposals focus on where the money would go.**

Faced with the two revenue proposals, many have questions about how the City would use the money—and condition their support on evidence that new revenues would make a difference in their lives. Some voters are immediately skeptical about money going into the General Fund because they believe it lacks transparency and funds can easily be diverted away from essential services.

Preventing reductions in police and fire protection is a highly-rated reason to support both the operating fee and the payroll tax, and voters want to avoid cuts in other popular services as well. However, mistrust in political leaders was a major theme in discussion, and voters will need to be convinced that new resources will go to support the services they value.

**Fairness is an important value for supporters of either revenue proposal, but there is not a consensus about what fairness means.**

Some voters like that the operating fee functions more like a user fee, under the basic principle that those who use services should pay for them. However, many feel the flat structure of the operating fee would have a regressive impact with lower-income households and smaller businesses paying more than their fair share. The fact that the fee would be added to an essential service such as water is also a negative, especially given ongoing uncertainty about toxic algae.

The payroll tax seems more fair to voters concerned about regressiveness. However, others object to the fact that residents who work outside the city would benefit but not pay. While some feel that capturing commuters who do not live in Salem but do use services is an advantage, others question the impact this could have on businesses and state government.

**Voters may be open to both funding sources—but they want them to be tamper proof.**

In an initial test, neither the operating fee nor the employer tax received a majority support from focus group participants.

However, voters are more open to supporting both proposals if they feel more certain the revenue will go to the services they care about. Many of those who originally opposed both the operating fee and the payroll tax indicated that they would “change their mind” if the fees were dedicated to a particular service rather than going into the General Fund. Further research will be required to validate these findings and determine which services voters are most likely to support.

**Above all, Salemites want transparency and openness from their City government.**

Voters want to hear the “real story” of what is happening with Salem’s budget. There is a general belief that the budget is not transparent enough, and voters want to see evidence that the City can “*show their math.*” Throughout discussion, many participants linked their support for new funding to their trust in decision-makers to use the money wisely.

This report describes the results of two focus groups conducted on July 14, 2019. The purpose of the research was to assess Salem voters' knowledge about the City's structural budget deficit and their initial reactions to two potential new funding sources.

The groups consisted of 23 City of Salem registered voters recruited to approximate the demographics of likely voters in Salem. Most participants are employed either full or part time and have at least some college education. Most were Democrats, with three Republicans and five unaffiliated or "other." Focus group research is not intended to represent the views of a population with statistical accuracy, and figures cited in the report should be interpreted with caution.

## 3.1 General mood and satisfaction

**Voters are generally moderately satisfied with the way things are going in Salem, though issues surrounding homelessness and traffic are a major stressor.**

In a written exercise, most participants (15) wrote that they are "somewhat satisfied" with the way things are going in the City of Salem (WE1). An additional seven are "not very" satisfied. None of the participants identified themselves as "not at all" satisfied.

Homelessness is a major concern for participants, and many identified issues surrounding homelessness as a reason they are "not very" satisfied. This issue was most visible in Group 1, which was less satisfied with the way things are going in Salem.

*"We seem to be having a lot of issues with homelessness, don't think it's been addressed enough by the City." —Group 1*

Asked to write a list of the most important issues in the city, most participants (17 of 23) listed homelessness unprompted (WE2). Many focused on visible signs of the homelessness crisis ("*homeless people camping everywhere*"), while others focused more on the services needed to address and prevent homelessness ("*make more low-income-based housing available for those in need*").

Infrastructure problems are also top-of-mind and have a serious impact on voters' lives. Many participants brought up the need for another bridge over the river or concerns about the toxic algae bloom issue, while others had more general concerns about the transportation system, traffic, and construction. Other top issues included education, crime, and economic development.

*"It's really hard to maintain a schedule for schooling or pick my kids up from daycare, when you've got to fight an hour and a half of traffic to get across the bridge."*

—Group 2

**Parks, the library, and public safety are the most popular services voters receive from the City.**

Most participants (14 of 23) said they are “somewhat” satisfied with the services they receive from the City (WE3). Four are “very” satisfied, and three are “not very” satisfied.

Participants’ opinions vary depending on which services they are evaluating, however (WE4, Table 1). They are overwhelmingly satisfied with Salem’s parks and recreation, the public library, and police, fire, and 911 services. In discussion, many brought up positive personal experiences with public safety/emergency services, and several lauded the library system.

However, concerns about homelessness color voters’ perceptions of Salem’s services. Most participants indicated that they are dissatisfied with how Salem coordinates homelessness services, and more than half (12 of 23) placed a star next to it, indicating they think it needs the most attention from the City. Many are also dissatisfied with access to affordable housing in Salem.

**Table 1**  
**Satisfaction with City Services**  
 Combined Groups 1 and 2

City of Salem services	Total satisfied	Very satisfied	Somewhat satisfied	Most attention needed
Parks and recreation	23	13	10	--
Salem public library	22	13	9	--
Police, fire, ambulance, and 911 service	20	12	8	--
Municipal court	17	5	12	--
Street lighting	16	6	10	--
Supporting arts and culture	16	6	10	--
Water, sewer, and stormwater services	15	4	11	1
Enforcement of City codes	14	3	11	--
Protecting our natural environment	14	5	9	--
Maintenance of City streets, sidewalks, and bridges	13	2	11	1
City planning and development review	13	4	9	4
Parking structures and on-street parking	13	5	8	1
Communicating with City residents and taxpayers	10	1	9	1
Access to affordable housing	6	0	6	4
Growing job opportunities in the local economy	6	1	5	4
Coordinating social services to the homeless	4	0	4	12

## 3.2 Awareness of City finances

**Voters have limited knowledge about the City's budget condition, and their general impressions are neutral to negative.**

Asked if they have heard anything recently about the City's financial condition, eight of the 23 participants indicated that they have (WE5). Most said they had read or heard something on the news, though many of their recollections were relatively vague.

*"Seems like Salem is always short of funds for something." —Group 2*

Before hearing about the budget shortfall, participants were fairly evenly split about their impression of Salem's financial condition (13 of 23) "somewhat" or "very" poor). Most (21 of 23) described their impression as "somewhat" good or "somewhat" poor (WE6).

Participants with a negative impression of Salem's finances focused on the issues they see in the city, such as homelessness and infrastructure problems. Throughout the focus groups, participants took these as signs of the City's financial difficulties—Salem wouldn't be struggling with these visible issues if the City were doing well.

*"I don't hear very many positives or negatives that encourage me that Salem is doing well financially. I just see things getting worse. Homelessness, cleanliness, roads, businesses closing, jobs, etc." —Group 1, "Somewhat poor"*

*"They've struggled in the last couple of years to keep up with a lot of the issues the community is bringing up, and I think it has to do with funding. It seems like they're always triaging rather than having a proactive plan in place, like with the water situation last year." —Group 1, "Somewhat poor"*

Other participants were generally cynical about the City's budget situation.

*"Listening to government agencies complain about their financial condition is like the guy calling you on the phone and telling you your computer's running slow. Who doesn't think their computer is running slow? There's never enough money. That's just a constant complaint from government." —Group 2, "Somewhat good"*

Participants were asked to write down funding sources that pay for City of Salem services (WE7). Many came up with sources of funding that are most visible to voters, such as fees, fines, and parking tickets.

However, as in many communities, voters do not necessarily differentiate different types of taxes or know which level of government they go to. Most participants simply wrote "taxes" or "tax dollars" generally and were fuzzy on the details (in total, four mentioned property taxes, and one mentioned transient occupancy taxes). Several listed income taxes or bond funding.

*"Citations, utility fees, I would assume some taxes, but I'm not really positive."  
[Moderator: What sort of taxes?] "That's what I'm not sure about." —Group 1*



### 3.3 Awareness of shortfall

**Voters do not necessarily connect the immediate budget shortfall to the issues they see in Salem, but nearly every voter would be concerned about changes if the shortfall continues.**

Participants were given information about the General Fund and the City's budget shortfall (for full text, see Appendix I).

Asked if they have noticed changes in City services in the last two years due to the shortfall, 14 of 23 participants indicated that they had not. Several participants who had noticed changes focused on issues that are not related to the General Fund shortfall, such as teacher layoffs and the police station bond campaign. Few of those who had noticed changes brought up top-of-mind issues such as homelessness or traffic, possibly because they view these problems as longer-lasting than the acute budget problems of the last two years.

However, participants overwhelmingly agree that they would be concerned about their quality of life if the shortfall continues (WE8). In a written exercise, the most frequent worries were losing critical services like police and fire protection (13 written mentions) and infrastructure and roads (8 mentions). There were also several specific mentions of popular services such as the library and parks.

*"I am a big fan of the police department, and I appreciate how quickly they've responded when there is an issue. That feeling of being safe is really key for me."*

—Group 2

*"Quality of life will decline for sure. They'll have to allocate resources that they already use for other things to the ones that are most pertinent. Everyone will notice a decline when we don't have clean streets or clean water."* —Group 2

A few participants are skeptical that popular services such as police and fire would actually be cut and expressed concern about less politically sensitive services.

*"Funding for social services, community services...things that are seen as not as important."* —Group 1

*"I don't believe for a second that the police and fire will be affected if that doesn't go through. That's my best reason [to support], but it feels like a threat."* —Group 1

### 3.4 Operating fee

Having discussed the shortfall and its potential impacts, participants were introduced to two possible new funding sources to supplement the General Fund: an operating fee and an employee-paid payroll tax (for full text, see Appendix J and N). The order of discussion for the two proposals was reversed between groups, with Group 1 discussing the fee first and Group 2 discussing the payroll tax first.

#### **Initial reactions to hearing about the fee were mixed.**

Few participants (two of 23) had heard about the proposal for an operating fee that would appear on monthly sewer and water bills (WE9).

Initial impressions of the proposal were mixed (WE10). Many participants acknowledged the need for additional sources of revenue, but have questions or concerns about its impacts and how the City would use the money.

*“I’m interested in knowing more info on what services, specifically would be improved on. I would be willing to agree if it seemed worth it to the community.” —Group 1*

*“It would be good if I had confidence that the money would be distributed wisely and not wasted (i.e., did not need a new police station).” —Group 1*

Several participants noted that an operating fee would constitute an unfair burden for lower-income Salemites or for small businesses because it does not vary based on ability to pay.

*“It’s flat out regressive. There are people who cannot afford it. It’s ridiculous to ask the local taco truck to fork over \$34 and ask Salem Health to fork over \$34.”*

*—Group 1*

A few participants raised questions about why the fee should be linked to essential utilities like water, especially after living through the toxic algae bloom last year.

*“I also think the optics of it is bad, with water. Ever since the algae bloom last year, my parents are still buying bottled water.” —Group 1*

*“Another tax imposed on another service we have to pay for that the City already monopolizes. We don’t have the ability to go to different companies.” —Group 2*

*“A water fee has nothing to do with fire and police. They’re doing it because it’s easy and there’s a low-cost way to do it, but there’s a disconnect there.” —Group 2*

#### **Top messages in favor of the operating fee focus on the services that it will fund and its low administration cost.**

Participants were given a list of reasons to support the operating fee and asked to rate whether they are good or poor reasons to support the proposal (WE11, Table 2).

The strongest messages in support of the fee focus on the services it would fund, not the revenue mechanism itself. The top-rated message in support stated that *Police and fire protection are critical services and should not be reduced.*

**Table 2**  
**Messages in Favor of Operating Fee**  
**Combined Groups 1 and 2**

Message	Total good	Very good	Somewhat good	Best reason*
Police and fire protection are critical services and should not be reduced.	19	13	6	7
The fee would have a low cost to administer—a system is already in place to collect the fee.	16	8	8	6
A small amount is proposed, only \$8 per month for a typical household.	13	3	10	3
The fee would be easy to pay—included on the monthly utility bill.	12	5	7	4
This revenue source is already used by 50 other Oregon cities to support services.	10	0	10	--

*\*In each set, participants starred the best reason in favor or opposition. Some participants did not star any reasons.*

Some participants felt that the operating fee is a fair option because is paid by the Salem residents who use the services in the city, much like utility bills themselves. Several members of Group 2, which discussed the employee-paid payroll tax first, said they prefer a fee that captures the users who benefit most from City services. This view aligns with a common view of fairness related to government services: those who use a service should pay for it.

*“The folks who are using the services should be the ones responsible for paying for the services. That’s why we have monthly bills in the first place.” —Group 2*

**Top messages against the operating fee raise concerns about fairness and cast doubt on how the money will be used.**

Participants overwhelmingly agree that a disproportionate impact on lower-income families is a good reason to oppose the fee (WE 12, Table 3). A few participants, especially in Group 1, brought up regressive impacts in their initial reaction to the fee proposal—but nearly every participant agreed that regressiveness is a cause for concern when they saw it cast as an issue of fairness in the written message.

*“I think six dollars or eight dollars, it means a different amount to different people. So six dollars, it might mean a bit of change, or it might mean something really significant.” —Group 2*

Other top reasons to oppose the fee focused on general mistrust in government. Eighteen of the 23 participants believe that *City Council might decide to increase* the new fee at a later date, and 14 believe the *City should pay for services with the revenues they already have*.

The actual cost of utilities does not appear to be top-of-mind for voters. Relatively few participants thought that *Salem’s utility bills are already high enough* is a good reason to oppose the new fee. Perhaps because the proposed fee is relatively low, the personal impact of the fee appears to be less of a concern than the principles of fairness and trust.

**Table 3**  
**Messages Against Operating Fee**  
 Combined Groups 1 and 2

Messages	Total good	Very good	Somewhat good	Best reason
It's unfair to low-income families—all households would pay the same, regardless of income.	<b>22</b>	17	5	<b>11</b>
This is a new fee; the City Council might decide to increase it later.	<b>18</b>	13	5	<b>2</b>
The City should pay for services with the revenues they already have.	<b>14</b>	8	5	<b>3</b>
Some of the funds could be used to contribute toward the PERS pension deficit.	<b>8</b>	1	6	<b>2</b>
Salem's utility charges are already high enough—the City should cut services before increasing fees.	<b>7</b>	4	3	<b>2</b>

### 3.5 Employee-paid payroll tax

#### Initial impressions of the payroll tax focused on fairness and where the money will go.

As with the operating fee, few of the participants (three of 23) had heard about a proposed employee-paid payroll tax on wages earned within the city (WE13).

Fairness was a major theme in participants' initial impressions of the payroll tax (WE14). Many members of Group 1, who had discussed the operating fee before the payroll tax, liked that the payroll tax has a more progressive structure than a flat fee. However, there were concerns among both groups that the payroll tax would put pressure on low- to middle-income earners.

*“It might be good, depending on how much it is. It sounds more fair for those who may not be able to afford the flat fee.” —Group 1*

*“People surviving paycheck to paycheck can't afford to lose money every month.”  
—Group 2*

*“\$15 is still barely a livable wage.” —Group 1*

Participants had mixed feelings about how the tax is targeted. Many brought up the point that the tax would be paid by commuters who live outside the city, but there were multiple takes on whether this is a feature or a bug.

*“It would catch taxes from people that don't just live in Salem, but commute from out of the city to work here.” —Group 2*

*“The folks who come from Keizer to work here are probably using just a small percentage of the services every day, so it seems a little unfair to be taxing them.”  
—Group 2*

*“Curious about the logic—are funds supposed to help those who live here? Work here?” —Group 1*

Several participants were concerned about a new tax’s impact on business and attracting good employees.

*“Terrible idea...Drives businesses out of Salem. Discourages new businesses.”*  
—Group 2

*“A lot of people in state government don’t live in Salem. State government needs the quality of worker that’s not in Salem, the expertise and education.”* —Group 2

As with the operating fee, many of the concerns focused on where the money would go and how the City would use it.

*“Possibly. Need to know more about it. How are funds distributed?”* —Group 1

*“They would need to show their math...I have a lot of questions. Does 100% go to General Fund?”* —Group 2

*“Would be happier if funds didn’t just go into the General Fund.”* —Group 1

### The best arguments in favor of the payroll tax emphasize fairness.

The top message in favor of the payroll tax focused on its modest impact, especially on lower-income Salemites (WE 15, Table 4). 19 of 23 agreed that *A small amount is proposed and lower wage workers would be exempt or pay a lesser rate* is a good reason to support the tax. This message describing the tax as progressive received higher marks than a similar in favor of the operating fee, which only emphasized that the proposal would be a small amount per household (13 of 23 “good” ratings).

Fairness is also important when it comes to who benefits from the services Salem provides. 17 of 23 participants said that the fact that *employees who commute to Salem to work would help pay for City services they receive* is a good reason to support the tax, aligning with the idea that people who use services should pay for them.

**Table 4**  
**Messages in Favor of Payroll Tax**  
Combined Groups 1 and 2

Messages	Total good	Very good	Somewhat good	Best reason
A small amount is proposed—only 0.39% that would be \$195 on \$50,000 of taxable income—and lower wage workers would be exempt or pay a lesser rate.	19	6	13	8
Employees who commute to Salem to work would help pay for City services they receive.	17	6	11	1
The tax would be deductible on federal and state income tax.	16	3	13	1
Police and fire protection are critical services and should not be reduced.	15	9	6	5
The new tax would be easy to pay, through a payroll deduction just like federal and state income tax.	13	3	10	1
Salem would be one of the first cities to introduce this funding source.	3	0	3	1

**Successful themes opposing the payroll tax include mistrust in government, fairness, and uncertainty about effectiveness.**

As with the operating fee, messages focusing on whether voters can trust government were rated as good reasons to oppose a new payroll tax (WE16, Table 5). Eighteen participants agreed with the message that *This is another new tax; the City Council might decide to increase it later.*

*“It’s like anything else, it’s like a gateway. You open it, and then how often are we proposing it keeps going up?” —Group 1*

The idea that people who use services should pay for them cuts both ways for the payroll tax. While many participants like that the tax captures commuters who use City services, a majority of participants (14) also agreed that the fact that Salem residents who work outside the city will not pay the tax is unfair.

There were a few additional questions and concerns from participants about uneven impacts, including how the tax would impact people with multiple jobs, and whether it would be fair to people with high hourly rates but restricted hours.

Also effective was a message describing the tax as “unproven,” as Salem would be one of the first Oregon cities to implement it. This reason did not come up in discussion but may be an easy way to raise doubts in voters’ minds about the tax.

**Table 5**  
**Messages Against Payroll Tax**  
Combined Groups 1 and 2

Messages	Total good	Very good	Somewhat good	Best reason
This is another new tax; the City Council might decide to increase it later.	18	8	10	5
It’s unfair—Salem residents who work outside the city would not pay the tax.	14	6	8	4
Few other Oregon cities have decided to levy this tax—it’s unproven.	14	3	11	--
The tax would be costly to administer—there’s no system in place to collect the tax.	13	7	6	6
The City should pay for services with funds they already have.	10	5	5	2
Taxes are already high enough—the City should cut services before increasing taxes.	7	4	3	--
Some of the funds could be used to contribute to the PERS pension deficit.	4	2	2	1

### 3.6 Support for new funding sources

**Voters may be open to both proposals—provided that the money is dedicated to a specific service.**

In an initial test, eight of the 23 participants say they support the operating fee proposal. The proposal was more popular among Group 2 (6 of 11 support) than Group 1 (2 of 12 support).

Eleven of the 23 participants say they support the employee-paid payroll tax proposal. Support between the two groups was switched, with a majority of Group 1 supporting and majority of Group 2 opposing.

**Table 6  
Support for Proposals**

Response category	Group 1 n=12	Group 2 n=11	Total n=23
Operating fee	2	6	8
Employee-paid payroll tax	8	3	11

By chance, members of Group 1 were younger on average than Group 2, and they were more likely to identify as people of color. They were also generally more concerned about homelessness and social services and had a more negative view of Salem’s finances. When it came to discussing the revenue proposals, Group 1 had a more extensive discussion of the need for a progressive tax structure, while Group 2 focused more on the need for every resident to pay their share, regardless of income.

Participants in both groups are more open to a tax or fee if it were dedicated to particular services. Of the 15 participants who opposed the fee, 12 said they would “change their mind” if it were dedicated. Of the 12 who opposed the payroll tax, six said they would change their mind.

**Table 7  
Support for Proposals—With Dedicated Funding**

Response category	Group 1 n=12	Group 2 n=11	Total n=23
Operating fee	9	11	20
Support as is	2	6	8
Would support if dedicated	7	5	12
Employee-paid payroll tax	10	7	17
Support as is	8	3	11
Would support if dedicated	2	4	6

It should be noted that these questions were not designed to produce results that represent support for these proposals with any statistical validity. Further research will be needed to validate these findings.

Despite initial skepticism for the proposals, most members of both groups acknowledged the need for funding and were at least open to the idea of raising funds throughout discussion.

*“I don’t mind paying taxes for something that I can see the results of. I’m just not confident that it would be used for what we’re being told, and that they’re using the funds appropriately.” —Group 2, Payroll tax*

*“I like the idea behind it, that there will be improvements in the services. In the perfect world, if it all did work out, I’d be willing to pay to see improvements. I’d want more of a plan moving forward.” —Group 1, Operating fee*

Throughout the discussion, concerns about where the money will go predominated. Several participants feel the General Fund is not transparent and leaves revenues vulnerable to diversion by City Council.

*“It’s going into a General Fund which means what?” —Group 1, WE14*

*“I think the less money disappears into the General Fund and the more it can be transparent, the better.” —Group 1, WE20*

*“Would be happier if funds didn’t just go into the General Fund.” —Group 1, WE14*

### 3.7 Final thoughts and advice

**Voters see large businesses and recreational marijuana sales as other potential sources of revenue. Many simply don’t believe that the City has made all the reductions it should.**

Asked to recommend other new funding sources for City services, many participants focused on large businesses.

*“Just make larger businesses absorb this cost. Walmart, Safeway, Fred Meyer and Amazon.” —Group 1*

Others recommended increases in taxes on marijuana and other sin taxes. In an earlier discussion, none of the participants indicated that they are aware that cannabis taxes already contribute to Salem’s General Fund.

Several participants echoed a theme repeated throughout the focus groups, that the City should make further reductions before raising revenue.

*“Another tax does not address the problem. The City is spending more money than it has.” —Group 2, WE10*

**Voters are hungry for more information about Salem’s budget.**

The need for more information was a theme throughout the focus groups. In a written exercise, 19 of the 23 participants indicated they want more information about the City’s budget and the proposed funding sources (WE19).

Many participants simply want more details about where the money is going—and want information that is understandable to the public.

*“When proposed, a new funding source should also show where the money is going.”  
—Group 1*

*“What specific programs would the increased fund pay for?” —Group 1*

*“Simplified revenue/expense sheet with major headings.” —Group 1*

*“Please have spending and statistics on taxes, income and services provided on a website that is easily accessible.” —Group 2, WE20*



Participants in the focus groups had a general idea of how the City budget works, but were surprised to learn the ins and outs, such as which services are funded by the General Fund.

*“It seems that the General Fund covers a lot more than people are aware of.”*  
—Group 1

One major source of confusion was the responsibilities of different levels of government—city, school district, county, and state. For instance, education came up as a major concern for participants, and several assumed that the City has a hand in funding schools.

*“There is a lack in schools, but a brand-new police station is being built a few blocks from the old one? Why?”* —Group 1, WE6

Voters may base their evaluations of City government on the conditions they see in their daily lives, whether or not the City has a direct impact on those services. There is also confusion about which revenue sources, such as lottery funds and income taxes, are available to the City.

*“Where is the money from Oregon Lottery being spent? Could that money be being spent towards schools and education?”* —Group 2, WE20

*“I’ve heard that the Oregon Legislature just approved \$20 million for the water system in Salem. And I’m curious to know, if that’s going to go through, are we still going to need this?”* —Group 1

#### **Participants’ advice to City Council focused on transparency and trust (WE20).**

*“Become more proactive in educating and communicating and informing the residents of our community’s financial well-being.”* —Group 2

*“Build trust with the general public. That occurs through transparency. Transparency on the state of our city budget, the state of our current services, the needs to fill, and the projection of our budget and services for the future”*

Voters want to hear the “real story” of what is happening with Salem’s budget. There is a general belief that the current budget is not transparent enough.

*“Salem seems to be doing well, but we need to know the actual situation.”*  
—Group 2, WE19

*“I think people need to be better educated what the needs are, where money goes, what services are covered. I think the less money disappears into the General Fund and the more it can be transparent, the better.”* —Group 1

Most participants get their information from the news, but many admitted that they do not frequently read local stories. Many felt that they get soundbites about local issues but want a more complete idea of what is happening.

*“It’s hard because I don’t think they tell us anything. It’s usually snippets on the news, where they don’t come out and say, ‘this is a problem.’ It’s more, ‘they’re increasing this,’...or ‘there’s a new tax here.’ It seems like weekly they’re trying to get more money into the city or the state. Where it all goes, I don’t know.”* —Group 2

Participants had a variety of opinions about whether they will be willing to pay more for Salem services in the future. Many linked their willingness to pay to how much they trust the City to spend money efficiently.

*“Some of us are not opposed to new taxes or fees, but it is difficult to believe that new funds will be used appropriately, or that current funding is used effectively. And that is based on past experience with Salem.” —Group 2*

*“It is difficult to believe that the City of Salem cannot find a way to reduce costs without affecting our current services. People are exhausted of constantly being taxed and having additional fees added when they work hard trying to make ends meet.”  
—Group 2*

*“Thank you for your service. It is essential and I am grateful. I am willing as a citizen of Salem to pay more for the services you render. I am also willing to pay more for social services and help for the homeless. Please communicate more. It will have to be by snail mail for me to see it. Thank you!” —Group 2*

Barney & Worth  
 City of Salem  
 DHM Research  
 Project #: 00875

Group 1 City of Salem Registered Voters 7/14/19; Salem; N=12  
 Group 2 City of Salem Registered Voters 7/14/19; Salem; N=11

### Appendix A Participant Demographics

#### City and zip code

Group 1	Group 2
Salem 97301	Salem 97301
Salem 97302	Salem 97302
Salem 97302	Salem 97302
Salem 97304	Salem 97302
Salem 97304	Salem 97302
Salem 97305	Salem 97304
Salem 97305	Salem 97304
Salem 97305	Salem 97304
Salem 97306	Salem 97305
Salem 97306	Salem 97306
Salem 97306	Salem 97306
Salem 97317	

#### Employment

Response category	Group 1	Group 2
Employed full time	4	5
Employed part time	3	3
Unemployed: looking for work	3	1
Unemployed: not looking for work	1	--
Retired	1	2
No response	--	--

### Occupation

Group 1	Group 2
Administrator	Administrator of state agency
Analyst	CAD manager
Computers	Cashier
Editor	Compliance specialist; realtor
Family caregiver	Pastor
Manager	Private contractor; entertainment; labor
No response	Special education teacher
No response	Student
Personal sales consultant	Substitute teacher
Retired forester	Technical writer/editor
Vat testing	Victim services advocate
Youth mentor	

### Education level

Response category	Group 1	Group 2
Less than high school graduate	--	--
High school diploma / GED	--	2
Some college; 2-year degree	6	3
College degree; 4-year degree	3	3
Post-graduate degree	3	3
No response	--	--

### Household income

Response category	Group 1	Group 2
Less than \$25,000	3	--
\$25,00–\$49,999	2	6
\$50,000–\$74,999	4	1
\$75,000–\$99,999	1	1
\$100,000–\$150,000	2	1
\$150,000+	--	2
No response	--	--

### Age

Response category	Group 1	Group 2	Voters <sup>2</sup>
18–24	--	1	31%
25–34	5	2	
35–44	3	1	31%
45–54	2	3	
55–64	1	3	38%
65–74	1	1	
75+	--	--	
No response	--	--	

<sup>2</sup> Percent of all registered voters in the City of Salem

**Gender**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Voters</b>
Male	4	4	50%
Female	8	7	50%
Non-binary or gender non-conforming	--	--	
Something else	--	--	
No response	--	--	

**Racial or ethnic identity\***

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>
White	10	10
American Indian, Alaska Native or First Nations	2	--
Asian	--	1
Hispanic or Latino	3	1
Middle Eastern or North African	--	--
Black or African American	1	--
African	--	--
Native Hawaiian or Pacific Islander	1	--
Another race of ethnicity	1	--
No response	--	--

\*Multiple responses accepted

**Political party**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Voters</b>
Democrat	8	7	33%
Republican	1	2	24%
No political party	2	1	43%
Other: [Nothing written]	1	--	
Other: Liberal	--	1	
No response	--	--	

**Appendix B**  
**Written Exercise 1**

**How satisfied are you with the way things are going in the City of Salem today?**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
Not at all satisfied	--	--	--
Not very satisfied	7	--	<b>7</b>
Somewhat satisfied	4	11	<b>15</b>
Very satisfied	1	--	<b>1</b>

## Appendix C Written Exercise 2

**Make a list of the most important issues in the City of Salem that you would like your local leaders to do something about. Place a star (★) next to the most important one.**

### Group 1

- [Not very satisfied] \*Better use of tax dollars; homelessness; wage stagnation; water
- [Not very satisfied] \*Homeless population resources; safety for homeless; opportunities for recovery
- [Not very satisfied] \*Homeless population; education (start young kids teachers programs for youth); mental patients (programs for youth, drug)
- [Not very satisfied] \*Homeless situation; food bank supplies; education; transportation
- [Not very satisfied] \*Homeless—sleeping everywhere; water issues; crime
- [Not very satisfied] \*Homeless; resources for people; revenue
- [Not very satisfied] \*Homelessness; youth gangs; jobs; housing available; urban sprawl; safety of water supply; crime
- [Somewhat satisfied] \*Funding K–12 education; enforcement DUII
- [Somewhat satisfied] \*Homelessness; parking
- [Somewhat satisfied] \*Power grid upkeep; water supply upkeep; late night noises
- [Somewhat satisfied] \*The City either has insufficient revenue, or is bad at allocating it; homelessness
- [Very satisfied] \*Homelessness; crime; jobs/economic development

### Group 2

- [Somewhat satisfied] \*Another bridge to/from West Salem; traffic; water source; homeless population
- [Somewhat satisfied] \*Build another bridge; detour traffic around neighborhoods; lower property taxes
- [Somewhat satisfied] \*Cost of living; safe roads for bicycling; providing more services to Latino community
- [Somewhat satisfied] \*Crime—in particular, petty theft; mentally ill population—don't seem to have many resources; education—class size
- [Somewhat satisfied] \*Education reform; citizenship; Hwy 22 bridge NW Salem; roads; water quality; homeless services
- [Somewhat satisfied] \*Homeless; traffic; election booklets; housing/unused buildings
- [Somewhat satisfied] \*Homelessness; stolen cars; construction during peak travel times
- [Somewhat satisfied] \*Make a second bridge across West Salem; make more low-income-based housing available for those in need and in poverty
- [Somewhat satisfied] \*McGilchrist St. improvements needed; transportation; new or expanded bridges over Willamette River; homeless people camping everywhere
- [Somewhat satisfied] \*Need for a third bridge; revitalize downtown; more emphasis on economic development to encourage long-term employers
- [Somewhat satisfied] \*Second bridge over the river; homelessness; traffic flow on Lancaster

**Appendix D  
Written Exercise 3**

**Overall, how satisfied are you with the services you receive from the City of Salem?**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
Not at all satisfied	--	--	--
Not very satisfied	2	1	<b>3</b>
Somewhat satisfied	5	9	<b>14</b>
Very satisfied	3	1	<b>4</b>
Nothing written	2	--	<b>2</b>



**Appendix E  
Written Exercise 4**

**How would you rate your satisfaction with these City of Salem services?**

**Are you very satisfied, somewhat satisfied, not too satisfied, or not satisfied at all?**

**Group 1**

<b>Response category</b>	<b>Very satisfied</b>	<b>Somewhat satisfied</b>	<b>Not too satisfied</b>	<b>Not at all satisfied</b>	<b>No answer</b>	<b>Starred</b>
Police, fire, ambulance, and 911 service	5	4	3	--	--	--
Maintenance of City streets, sidewalks, and bridges	3	3	5	1	--	<b>2</b>
Salem public library	6	6	--	--	--	--
Parks and recreation	5	7	--	--	--	--
Water, sewer, and stormwater services	2	5	4	1	--	--
Access to affordable housing	--	2	3	5	2	--
Municipal court	3	6	--	1	2	--
City planning and development review	2	3	5	1	1	--
Parking structures and on-street parking	2	5	3	2	--	--
Enforcement of City codes	2	5	3	--	2	--
Street lighting	4	3	5	--	--	--
Growing job opportunities in the local economy	1	1	7	2	1	<b>2</b>
Protecting our natural environment	2	4	4	2	--	--
Supporting arts and culture	3	4	3	1	1	--
Coordinating social services to the homeless	--	--	2	9	1	<b>8</b>
Communicating with City residents and taxpayers	1	5	2	3	1	--

**Group 2**

<b>Response category</b>	<b>Very satisfied</b>	<b>Somewhat satisfied</b>	<b>Not too satisfied</b>	<b>Not at all satisfied</b>	<b>No answer</b>	<b>Starred</b>
Police, fire, ambulance, and 911 service	7	4	--	--	--	--
Maintenance of City streets, sidewalks, and bridges	--	7	3	1	--	<b>1</b>
Salem public library	7	3	1	--	--	--
Parks and recreation	8	3	--	--	--	--
Water, sewer, and stormwater services	2	6	3	--	--	<b>1</b>
Access to affordable housing	--	4	6	1	--	<b>2</b>
Municipal court	2	6	2	--	1	--
City planning and development review	--	8	1	2	--	<b>1</b>
Parking structures and on-street parking	3	3	5	--	--	--
Enforcement of City codes	1	6	3	1	--	--
Street lighting	2	8	1	--	--	--
Growing job opportunities in the local economy	--	4	6	--	1	<b>1</b>
Protecting our natural environment	3	5	3	--	--	--
Supporting arts and culture	3	6	2	--	--	--
Coordinating social services to the homeless	--	4	3	4	--	<b>4</b>
Communicating with City residents and taxpayers	--	4	5	2	--	<b>1</b>

**Total satisfied**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>	<b>Total starred</b>
Police, fire, ambulance, and 911 service	9	11	20	0
Maintenance of City streets, sidewalks, and bridges	6	7	13	3
Salem public library	12	10	22	0
Parks and recreation	12	11	23	0
Water, sewer, and stormwater services	7	8	15	1
Access to affordable housing	2	4	6	2
Municipal court	9	8	17	0
City planning and development review	5	8	13	1
Parking structures and on-street parking	7	6	13	0
Enforcement of City codes	7	7	14	0
Street lighting	7	10	17	0
Growing job opportunities in the local economy	2	4	6	3
Protecting our natural environment	6	8	14	0
Supporting arts and culture	7	9	16	0
Coordinating social services to the homeless	--	4	4	12
Communicating with City residents and taxpayers	6	4	10	1

**Appendix F**  
**Written Exercise 5**

**Have you heard anything recently about the City of Salem’s financial condition?**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
Yes	3	5	8
No	7	6	13
Not sure	1	--	1
No response	1	--	1

**What did you hear? // What was the source of this information?**

**Group 1**

- City has always had problems properly funding // Parents: both city/state workers
- Financial budgeting issues // Statesman Journal, Facebook
- Something like an \$8M deficient in the current budget // Don’t remember—gossip

**Group 2**

- Don’t have enough money // Radio and internet stories
- More government grants for education // News link
- Seems like Salem is always short of funds for something // News, elections
- The City Council approved an operating budget // Newspaper
- The City of Salem is needing a sustainable source of revenue, because the budget is in a 5—10 million dollar deficit // Statesman Journal

**Appendix G  
Written Exercise 6**

**What’s your impression of the City of Salem’s financial condition?**

Response category	Group 1	Group 2	Total
Very poor	1	--	1
Somewhat poor	8	4	12
Somewhat good	3	6	9
Very good	--	1	1

**Group 1**

- [Somewhat good] City services are good, but service to people in need could be improved.
- [Somewhat good] I only chose somewhat good because another participant brought up Salem having issues. It made me think there’s issues going on I am unaware of.
- [Somewhat good] Services don’t seem to be getting cut, but it also seems that there’s a lot not being done.
- [Somewhat poor] [Nothing written]
- [Somewhat poor] Because people are sleeping on sidewalks now. The shelters are full.
- [Somewhat poor] I don’t hear very many positives or negatives that encourage me that Salem is doing well financially. I just see things getting worse. Homelessness, cleanliness, roads, businesses closing, jobs, etc.
- [Somewhat poor] Inadequate funding re: homelessness, infrastructure, and the library. Also parks, especially programs.
- [Somewhat poor] Mainly infrastructure-related problems that shouldn’t be problems.
- [Somewhat poor] No particular sense of the revenue/spending.
- [Somewhat poor] Not sure. There is a lack in schools, but a brand-new police station is being built a few blocks from the old one? Why?
- [Somewhat poor] The articles shared on Facebook and in the Statesman Journal
- [Very poor] Increased homelessness, petty crime, increasing out-of-business storefronts cracked and worn streets/sidewalks in many area, wage stagnation, underemployment, lack of sufficient social services, crowded and unorganized hospital

**Group 2**

- [Very good Income per capita
- [Somewhat good] [Nothing written]
- [Somewhat good] [Nothing written]
- [Somewhat good] [Nothing written]
- [Somewhat good] Because I haven’t heard anything bad
- [Somewhat good] Just an impression, not based on any facts
- [Somewhat good] We do have fairly well-kept buildings, streets, facilities
- [Somewhat poor] [Nothing written]
- [Somewhat poor] I don’t think the City is in a stable place to sustain its current level of services, let alone invest in new services
- [Somewhat poor] Recently read that the City Council approved two new taxes
- [Somewhat poor] Sidewalks/roads need fixing, some areas need better lighting. Charge us taxes but nothing is done.

## Appendix H Written Exercise 7

**Write down as many funding sources as you can think of that pay for City of Salem services. If you don't know any, record "DK."**

### Group 1

- [Nothing written]
- \*Bonds/voters; parking; property taxes; payments for water
- \*City services like police services, fire services; water funding programs for SNAP and TANF
- \*Federal funding/grants; municipal court—ticketing, parking
- \*Homeowners tax; traffic tickets; fundraiser—state fair/county fair/art fair; increase taxes; shipping taxes
- \*Income taxes; donations; grants; fees
- \*Tax dollars; fees; grants; community donations
- \*Taxes; fees; grants
- \*Taxes; fees; permits; grants; federal/state
- \*Taxes; fees/license; volunteers
- \*Taxes; license and service fees; federal funding
- \*Traffic citations; utility fees; [illegible]

### Group 2

- [Very good \*Taxes; parking/traffic tickets; fines; Oregon budget
- [Somewhat good] \*Income taxes; water and sewage; property taxes
- [Somewhat good] \*Property taxes; utility bills; store owners; companies, like Amazon
- [Somewhat good] \*Taxes; fines; fees for services; federal (?)
- [Somewhat good] \*Taxes; fines; service fees; lottery
- [Somewhat good] Taxes; people pay for water, garbage, and sewer services
- [Somewhat poor] \*Employee income tax; employee transit tax; transit occupancy tax; parking meters, tickets, etc.
- [Somewhat poor] \*Government grants; taxes; lottery; donations; charities; fund raisers; legislation
- [Somewhat poor] \*Grants from government; Kate Brown's pocket book
- [Somewhat poor] \*Taxes; Fees for services such as design reviews; Fines for non-compliance (sure are outrageously high)
- [Somewhat poor] \*Taxes; system dev. fees; user/permit fees; federal funds; state funds

## Appendix I Written Exercise 8

*Altogether, your group identified a number of funding sources. Some of these sources are dedicated to pay for specific services. For example, monthly water rates can only pay for drinking water service. One important fund is the City's General Fund that includes all of the revenues that aren't dedicated for specific services. Salem's General Fund pays for police and fire protection, the library, planning and other services. Most of the money in the General Fund comes from the property tax. Growth of the property tax is limited by state law, and in recent years Salem's General Fund has not been able to keep up with the community's growth and increased operating costs. The current gap is \$16 million per year.*

**Have you noticed any changes in City services over the last year or two that may have resulted from the budget shortfall?**

### **Group 1**

- [Nothing written]
- Increased homelessness (lack of services for disabled); slow/borderline responsiveness from police dispatcher; water (algae bloom)
- No [x6]
- No, not a recent change
- Not personally, no
- Reapply to public for police station after it failed the first time
- Teachers laid off in district

### **Group 2**

- Decrease in available emergency resources for low-income families
- No [x4]
- Not particularly
- Police
- Property tax increase
- Public works permits processed
- Yes [x2]

**Over time, would you be concerned about changes in City services if the shortfall continues?**

### **Group 1**

- [Nothing written] [x2]
- If there are shortfalls then yes, I would be concerned if it continues
- No, was solved
- Yes [x7]
- Yes, perhaps the responses times will increase

### **Group 2**

- I would be concerned.
- Somewhat worried.
- Yes [x7]
- Yes, if fire and police are affected.
- Yes!

**List any specific services that you think could be affected.**

**Group 1**

- [Nothing written]
- Any and all services covered by General Fund: fire; police; library; streets
- Funding for social services, community services, updates in rural areas; things that are seen as not as important
- Health and public safety; water treatment; building and development
- It seems that the General Fund covers a lot more than people are aware of
- Lack of police resources leads to increased crime, apathy, tensions, [illegible]
- Library; arts
- None
- Police, ambulance, fire
- Pretty much everything that doesn't have dedicate funding
- Roads, drainage/standards, waste treatment, power, internet/cable
- Services for special needs people; roads; medical/police/fire; infrastructure; library

**Group 2**

- Fire and police; spending money on arts and "culture" is not a City responsibility
- Homeless; social services; housing
- Increase in homelessness; Decrease in education funding
- Less police presence; healthcare services/hospital
- Library hours of operation; park maintenance; police, fire response; quality of roads, transportation
- People moving away from Salem
- Police and fire would be hurt if equipment were to fall behind on maintenance
- Police and fire; building codes/inspections; public works
- Police; fire
- Police; library; road maintenance; fire protection; social services
- Police/fire; planning; parks; community services



**Appendix J  
Written Exercise 9**

**Have you heard anything about an operating fee that would appear on monthly sewer and water bills to supplement the General Fund and help pay for services?**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
Yes	--	2	<b>2</b>
No	12	9	<b>21</b>

**What did you hear? // What was the source of this information?**

**Group 1**

- [Nothing written] // [Nothing written] x12

**Group 2**

- [Nothing written] // [Nothing written] x9
- [Nothing written] // Task force and Statesman Journal
- An additional fee on utility bills for homeowners and businesses // Newspaper

## Appendix K Written Exercise 10

**What is your initial impression or reaction to this funding source—is it a good source?**

### **Group 1**

- Good-ish.
- I always see cops out and about, actually a lot for the size of this town. I don't think the police are underfunded.
- I'm interested in knowing more info on what services, specifically would be improved on. I would be willing to agree if it seemed worth it to the community. A flat fee may not work for everyone. Maybe should be a percentage calculator.
- Initial response is that I would need more information to evaluate.
- It would be good if I had confidence that the money would be distributed wisely and not wasted (i.e. did not need a new police station).
- It would help, but it's regressive.
- Mixed feelings for me. I feel as if it shouldn't be forced. It feels sneaky. Alternatively, the General Fund needs funds. I am open to it, but it needs minding.
- Mixed. City needs to sell me on this idea.
- Mixed. It seems like the money is needed, but another fee tacked on?
- More money to be paid—but how will the funds be distributed and how much will that bring in?
- Skepticism of use of money.
- Sounds reasonable. Everyone needs water and sewer.

### **Group 2**

- Bad.
- Bad.
- Bad source.
- Better than the employee tax.
- Better than the other option but I still don't love it.
- Good source.
- In between. They need to show their math.
- It is a better option than a withholding tax.
- Negative.
- No!
- Not good.

## Why or why not?

### Group 1

- [Nothing written] x12

### Group 2

- Another tax does not address the problem. The City is spending more money than it has.
- Are there exemptions? Where does the money go?
- Because folks paying this tax more than likely use City of Salem's services more than those that live outside of Salem and commute to Salem for work.
- Because the process is in place and it is across the economic board.
- Being forced to pay taxes on a service that's already taxed as well and paying another tax for a service that monopolizes that community either way.
- Continuing to add on taxes for City of Salem residents, without trust in what funding is going towards.
- It is a fair tax for everyone. It taxes those who will benefit.
- It is just another way to get more money than work with the money they have. I do like it better that it has all households/businesses pay for it, rather than just those employed.
- No assurance that money will go where needed or that shortfall isn't due to mistakes or mismanagement.
- People have a rough idea on their water/sewer bills each month. Cost of living.
- Sewer and water bill already high.

**Appendix L  
Written Exercise 11**

Here are some reasons people have given to support this new funding source.

For each reason tell us if this is a very poor reason, somewhat of a poor reason, somewhat of a good reason, or a very good reason to support this new funding source.

**Group 1:**

Response category	Very poor	Somewhat poor	Somewhat good	Very good	No answer	Starred
This revenue source is already used by 50 other Oregon cities to support services	4	4	4	--	--	--
Police and fire protection are critical services and should not be reduced	--	1	3	7	1	<b>6</b>
A small amount is proposed, only \$8 per month for a typical household	2	4	4	1	1	--
The fee would be easy to pay— included on the monthly utility bill	4	2	3	3	--	<b>2</b>
The fee would have a low cost to administer—a system is already in place to collect the fee	3	2	4	3	--	<b>1</b>
No starred response:						<b>3</b>

**Group 2:**

Response category	Very poor	Somewhat poor	Somewhat good	Very good	No answer	Starred
This revenue source is already used by 50 other Oregon cities to support services	4	1	6	--	--	--
Police and fire protection are critical services and should not be reduced	2	--	3	6	--	<b>1</b>
A small amount is proposed, only \$8 per month for a typical household	2	1	6	2	--	<b>3</b>
The fee would be easy to pay— included on the monthly utility bill	2	3	4	2	--	<b>2</b>
The fee would have a low cost to administer—a system is already in place to collect the fee	1	1	4	5	--	<b>5</b>
No starred response:						--

**Total Good**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total good</b>	<b>Total starred</b>
This revenue source is already used by 50 other Oregon cities to support services	4	6	<b>10</b>	<b>0</b>
Police and fire protection are critical services and should not be reduced	10	9	<b>19</b>	<b>7</b>
A small amount is proposed, only \$8 per month for a typical household	5	8	<b>13</b>	<b>3</b>
The fee would be easy to pay— included on the monthly utility bill	6	6	<b>12</b>	<b>4</b>
The fee would have a low cost to administer—a system is already in place to collect the fee	7	9	<b>16</b>	<b>6</b>
No starred response:				<b>3</b>

**Write down any other reasons to support this new funding source.**

**Group 1**

- [Nothing written] x6
- Appeal to current trends in the economy
- Better life for residents of Salem
- If it really would help the community
- Services would be improved
- Some proportionality—multifamily units, homeowners, and businesses pay different rates
- The City needs income

**Group 2**

- [Nothing written] x10
- None

**Appendix M**  
**Written Exercise 12**

Here are some reasons people have given to oppose this new funding source.

For each reason tell us if this is a very poor reason, somewhat of a poor reason, somewhat of a good reason, or a very good reason to oppose this new funding source.

**Group 1:**

Response category	Very poor	Somewhat poor	Somewhat good	Very good	No answer	Starred
This is a new fee; the City Council might decide to increase it later	1	2	3	6	--	1
Salem's utility charges are already high enough—the City should cut services before increasing fees	7	5	--	--	--	--
The City should pay for services with the revenues they already have.	2	4	3	3	--	1
Some of the funds could be used to contribute toward the PERS pension deficit	3	2	2	1	4	1
It's unfair to low-income families—all households would pay the same, regardless of income	--	--	1	11	--	7
No starred response:						2

**Group 2:**

Response category	Very poor	Somewhat poor	Somewhat good	Very good	No answer	Starred
This is a new fee; the City Council might decide to increase it later.	--	1	2	7	1	1
Salem's utility charges are already high enough—the City should cut services before increasing fees.	2	1	6	1	1	2
The City should pay for services with the revenues they already have.	--	2	3	5	1	2
Some of the funds could be used to contribute toward the PERS pension deficit.	1	3	2	3	2	1
It's unfair to low-income families—all households would pay the same, regardless of income.	--	--	4	6	1	4
No starred response:						1

**Total Good**

Response category	Group 1	Group 2	Total good	Total starred
This is a new fee; the City Council might decide to increase it later	9	9	<b>18</b>	<b>2</b>
Salem's utility charges are already high enough—the City should cut services before increasing fees	--	7	<b>7</b>	<b>2</b>
The City should pay for services with the revenues they already have.	6	8	<b>14</b>	<b>3</b>
Some of the funds could be used to contribute toward the PERS pension deficit	3	5	<b>8</b>	<b>2</b>
It's unfair to low-income families—all households would pay the same, regardless of income	12	10	<b>22</b>	<b>11</b>
No starred response:				<b>3</b>

**Write down any other reasons to oppose this new funding source.**

**Group 1**

- [Nothing written] x8
- It's going into a General Fund which means what?
- It's not transparent enough
- Overly complicated
- Regressive for small businesses

**Group 2**

- [Nothing written] x9
- Reduce or eliminate unnecessary services
- Same as before, not sure we can trust that the fund will be used appropriately

**Appendix N  
Written Exercise 13**

**Have you heard anything about an employee-paid payroll tax on wages earned inside the city to supplement the General Fund and help pay for services?**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
Yes	--	3	<b>3</b>
No	12	8	<b>20</b>

**What did you hear? // What was the source of this information?**

**Group 1**

- [Nothing written] // [Nothing written] x12

**Group 2**

- [Nothing written] // [Nothing written] x8
- Council was considering an option to tax employee wages // Newspaper
- Has not been adopted yet, was thought to be sent out to general public for City Council to consider. // Statesman Journal
- Same as above // Radio and internet news



## Appendix O Written Exercise 14

**What is your initial impression or reaction to this funding source—is it a good source? // Why or why not?**

### **Group 1**

- Bad impression—you make \$15 and work 20 hours per week. Your buddy makes minimum wage and works 40 hours per week—yet you pay and your buddy doesn't. // [Nothing written]
- I am not entirely put off // [Nothing written]
- It might be good, depending on how much it is. It sounds more fair for those who many not be able to afford the flat fee. I also like it to be changed before I get the money. // [Nothing written]
- It seems more fair. // The better off people are, the less it will impact them. I am concerned it might hurt business, though. Curious about the logic—are funds supposed to help those who live here? Work here? Would be happier if funds didn't just go into the General Fund.
- Mixed. \$15 is still barely a livable wage. What about people not like in Salem, but work outside of the city limits? // Businesses should be taxed as well
- Need more information on how this tax would be structured, collected, distributed. Potentially, a good source. // Less regressive—higher earners pay more.
- Not okay with this. // It would affect me directly, but this would get people coming in, commuters.
- Not sure. I would want to research more info. // Not sure.
- Positive // it can be made progressive.
- Possibly. Need to know more about it. How are funds distributed? // [Nothing written]
- Seems like income tax which is already a source. // Double down if income tax for the city and state seems redundant.
- Surprised. Mixed again. I feel as if the City is keeping information hidden. That our I am horribly ill-informed. How will this be structured and maintained? This could work better and potentially more fairly? // Unsure of how this could turn out. This seems more flexible? Need more information—needs to have a lot of check systems in place.

### **Group 2**

- Another tax on employees! No. // Employees are easy targets since employees have the option of relocating to a more tax friendly municipality.
- Bad // [Nothing written]
- Depends, based on guidelines that are enforced from the initial source. // [Nothing written]
- Good. Somewhat. // Because it would catch taxes from people that don't just live in Salem, but commute from out of the city to work here. I don't agree that people that live in Salem and work in Salem should have to pay more taxes.
- No. // It could be a good source, but I'm not confident that current funding is being used appropriately.
- No. // The City has many people that work in the capital (i.e. State government) that live outside of Salem. Salem residents don't have all the qualities that can support running state government. Expertise and qualifications from outside Salem are needed.
- Not happy // People surviving paycheck to paycheck can't afford to lose money every month.
- Probably something that needs to happen. // Without another funding source it would need to happen. Without a sales tax we would need something. Are property taxes in Marion and Salem higher or lower than in other counties and municipalities?
- Terrible idea // Drives businesses out of Salem. Discourages new businesses. Everyone should pay taxes.

- They would need to show their math // I have a lot of questions. Does 100% go to General Fund? What percentage breakdown per income? Are there deferments? Exceptions?
- Unfavorable // We have so many hardworking individuals that are living month to month. It isn't fair to take any money from these people even if it is a smaller amount.

**Appendix P**  
**Written Exercise 15**

Here are some reasons people have given to support this new funding source.

For each reason tell us if this is a very poor reason, somewhat of a poor reason, somewhat of a good reason, or a very good reason to support this new funding source.

**Group 1:**

<b>Response category</b>	<b>Very poor</b>	<b>Somewhat poor</b>	<b>Somewhat good</b>	<b>Very good</b>	<b>No response</b>	<b>Starred</b>
Salem would be one of the first cities to introduce this funding source	9	2	1	--	--	--
Police and fire protection are critical services and should not be reduced	1	5	3	2	1	1
A small amount is proposed – only 0.39% that would be \$195 on \$50,000 of taxable income – and lower wage workers would be exempt or pay a lesser rate	1	1	6	4	--	7
The new tax would be easy to pay, through a payroll deduction just like federal and state income tax	4	1	5	2	--	1
The tax would be deductible on federal and state income tax	--	2	8	1	1	--
Employees who commute to Salem to work would help pay for City services they receive	1	1	8	2	--	2
No stated response:						1

**Group 2:**

<b>Response category</b>	<b>Very poor</b>	<b>Somewhat poor</b>	<b>Somewhat good</b>	<b>Very good</b>	<b>No response</b>	<b>Starred</b>
Salem would be one of the first cities to introduce this funding source	6	3	2	--	--	1
Police and fire protection are critical services and should not be reduced	1	--	3	7	--	4
A small amount is proposed – only 0.39% that would be \$195 on \$50,000 of taxable income – and lower wage workers would be exempt or pay a lesser rate	1	--	7	2	1	1
The new tax would be easy to pay, through a payroll deduction just like federal and state income tax	3	2	5	1	--	--
The tax would be deductible on federal and state income tax	2	1	5	2	1	1
Employees who commute to Salem to work would help pay for City services they receive	2	2	3	4	--	3
No starred response:						1

**Total Good**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total good</b>	<b>Total starred</b>
Salem would be one of the first cities to introduce this funding source	1	2	<b>3</b>	<b>1</b>
Police and fire protection are critical services and should not be reduced	5	10	<b>15</b>	<b>5</b>
A small amount is proposed – only 0.39% that would be \$195 on \$50,000 of taxable income – and lower wage workers would be exempt or pay a lesser rate	10	9	<b>19</b>	<b>8</b>
The new tax would be easy to pay, through a payroll deduction just like federal and state income tax	7	6	<b>13</b>	<b>1</b>
The tax would be deductible on federal and state income tax	9	7	<b>16</b>	<b>1</b>
Employees who commute to Salem to work would help pay for City services they receive	10	7	<b>17</b>	<b>5</b>
No starred response:				<b>2</b>

**Write down any other reasons to support this new funding source.**

**Group 1**

- [Nothing written] x10
- I kind of think this could work
- More fair to those who are financially strapped

**Group 2**

- [Nothing written] x9
- No other reason I can think of.
- None.
- The money has to come from somewhere.

**Appendix Q  
Written Exercise 16**

Here are some reasons people have given to oppose this new funding source.

For each reason tell us if this is a very poor reason, somewhat of a poor reason, somewhat of a good reason, or a very good reason to oppose this new funding source.

**Group 1:**

<b>Response category</b>	<b>Very poor</b>	<b>Somewhat poor</b>	<b>Somewhat good</b>	<b>Very good</b>	<b>No response</b>	<b>Starred</b>
This is another new tax; the City Council might decide to increase it later	1	1	4	4	2	1
Few other Oregon cities have decided to levy this tax—it's unproven.	3	2	5	1	1	--
Taxes are already high enough—the City should cut services before increasing taxes.	7	1	2	--	2	--
It's unfair—Salem residents who work outside the city would not pay the tax	1	3	3	3	2	2
The City should pay for services with funds they already have.	2	4	1	3	2	--
Some of the funds could be used to contribute to the PERS pension deficit.	6	--	1	1	4	--
The tax would be costly to administer—there's no system in place to collect the tax.	--	2	4	4	2	4
No starred response:						<b>5</b>

**Group 2:**

Response category	Very poor	Somewhat poor	Somewhat good	Very good	No response	Starred
This is another new tax; the City Council might decide to increase it later.	--	1	6	4	--	4
Few other Oregon cities have decided to levy this tax—it's unproven.	--	3	6	2	--	--
Taxes are already high enough—the City should cut services before increasing taxes.	2	4	1	4	--	--
It's unfair—Salem residents who work outside the city would not pay the tax.	2	1	5	3	--	2
The City should pay for services with funds they already have.	3	2	4	2	--	2
Some of the funds could be used to contribute to the PERS pension deficit.	7	2	1	1	--	1
The tax would be costly to administer—there's no system in place to collect the tax.	2	4	2	3	--	2
No starred response:						--

**Total Good**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total good</b>	<b>Total starred</b>
This is another new tax; the City Council might decide to increase it later.	8	10	<b>18</b>	<b>5</b>
Few other Oregon cities have decided to levy this tax—it's unproven.	6	8	<b>14</b>	<b>0</b>
Taxes are already high enough—the City should cut services before increasing taxes.	2	5	<b>7</b>	<b>0</b>
It's unfair—Salem residents who work outside the city would not pay the tax.	6	8	<b>14</b>	<b>4</b>
The City should pay for services with funds they already have.	4	6	<b>10</b>	<b>2</b>
Some of the funds could be used to contribute to the PERS pension deficit.	2	2	<b>4</b>	<b>1</b>
The tax would be costly to administer—there's no system in place to collect the tax.	8	5	<b>13</b>	<b>6</b>
No starred response:				<b>5</b>

**Write down any other reasons to oppose this new funding source.**

**Group 1**

- [Nothing written] x9
- Lack of transparency
- Not sure how fair it is to people who live outside Salem, but work in the city and have to pay. Self-employed?
- Too many problems being unfair

**Group 2**

- [Nothing written] x9
- City should become more efficient before layoffs and service cuts
- Drives businesses from Salem; keeps people from living in Salem.



**Appendix R  
Written Exercise 17**

**Would you support or oppose operating fee that would appear on monthly sewer and water bills?**

**Operating fee**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
Support	2	6	<b>8</b>
Oppose	10	5	<b>15</b>

**Would it change your mind if you knew the funds would be dedicated to a specific service? (For example, police and fire protection.)**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
<b>Support</b>			
Yes	2	2	<b>4</b>
No	--	4	<b>4</b>
<b>Oppose</b>			
Yes	7	5	<b>12</b>
No	3	--	<b>3</b>

**The employee-paid payroll tax?**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
Support	8	3	<b>11</b>
Oppose	4	8	<b>12</b>

**Would it change your mind if you knew the funds would be dedicated to a specific service? (For example, police and fire protection.)**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
<b>Support</b>			
Yes	5	1	<b>6</b>
No	3	2	<b>5</b>
<b>Oppose</b>			
Yes	2	4	<b>6</b>
No	2	4	<b>6</b>

**Appendix S**  
**Written Exercise 18**

**Beyond these two possible new funding sources—operating fee and employee-paid payroll tax—are there other sources that should be considered to supplement Salem’s General Fund and support City services? List any.**

**Group 1**

- Actual income tax assuming that’s not exactly what the second option is
- City of Salem organized events for fundraising
- Community resources
- Gambling tax; weed tax; sales tax
- I don’t know
- Income tax
- Just make larger businesses absorb this cost. Walmart, Safeway, Fred Meyer and Amazon
- Marijuana tax; local tobacco/alcohol tax; local sales tax to reduce property tax
- Oregon Lottery?
- Restructuring of current money. Taxes on high-dollar businesses (Amazon, Walmart) and high-earners and increased property taxes on \$5M+ homes
- Taxes and fees paid by large businesses; higher penalties
- Unsure at this time

**Group 2**

- [Nothing written]
- Business tax
- Cut politician incomes; cut executive incomes
- Do we pay the same in property tax as say, Corvallis and Benton Counties?
- I don’t know
- Internal review of cuts, i.e. employees
- Local fuel tax; [illegible] registration fee
- Lower City employee wages and benefits
- Reduction in City of Salem personnel
- Sales tax?; Lottery?
- Tax recreational and medical marijuana industries

**Appendix T**  
**Written Exercise 19**

**Would you like to receive more information on the City’s financial condition or the possible funding sources being considered by Salem City Council?**

<b>Response category</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Total</b>
Yes	10	9	<b>19</b>
No	2	2	<b>4</b>

**What information would be most useful to you?**

**Group 1**

- [Yes] [Nothing written]
- [Yes] Allocation of funds.
- [Yes] Bills or proposals; expenditures of government allocated funds.
- [Yes] Budget/income details re: the City.
- [Yes] Line by line data of where each dollar is going. Plan for the future.
- [Yes] Simplified revenue/expense sheet with major headings.
- [Yes] To see where it’s allocated. To have more transparency.
- [Yes] What specific programs would the increased fund pay for.
- [Yes] When proposed, a new funding source should also show where the money is going.
- [Yes] Where did the deficit come from? What services are currently covered? Who received services?
- [No] [Nothing written]
- [No] Clear plan of how these plans would be carried out. Their infrastructure.

**Group 2**

- [Yes] A one pager emailed monthly
- [Yes] Any
- [Yes] City budget that is understandable
- [Yes] City of Salem’s financial situation
- [Yes] How the City got itself in the deficit
- [Yes] Math breakdown on all revenue plus income and spending
- [Yes] The actual need. Salem seems to be doing well but we need to know the actual situation
- [Yes] Ways to cut water usage; include with water/sewer bill
- [Yes] Where does it come from? Where does it go?
- [No] [Nothing written] x2

## Appendix U Written Exercise 20

**What is your final advice to the City of Salem as they look for ways to supplement the General Fund and pay for City services such as police and fire protection and the Library?**

**Take a moment to write a personal note to the City Council—every note will be read.**

### **Group 1**

- Don't threaten us with quitting services such as above. Those we know will be paid first and foremost. Be transparent, put the data down in a way where general public can read and access it. (Homeless/affordable housing).
- For Salem to be (and stay) a place that attracts growing businesses, a thriving local economy, and attraction for tourism, it must first be a City where people feel safe and relaxed. Homelessness is out of control, partly due to lack of resources for mental health, disability, and unemployment. Water algae bloom, handling isn't inspiring a lot of confidence in people. Hospital is overcrowded and poorly managed. Police response times are slow. Please take a look at the bigger issues that lead to these complaints and concerns and get to the root of the issues. Take a second look at where the money is going and why it isn't working and then think about how an unhappy, unsupported population will affect the community that has money. No more band-aids. No more quick fixes. Take an honest reflection, if not for yourselves, but for the continuation of this city. The public wants to be informed.
- I feel as though citizens of Salem aren't being informed well enough. I sat at a table of 12 people today that had never heard of those two propositions, and I felt silly. Please think of your people's needs, who we are and what we have and what you can do for us. Help us. Consider your homeless as well. If you ask for more, use it to help those that need it. Thank you.
- I think people need to be better educated what the needs are, where money goes, what services are covered. I think the less money disappears into the General Fund and the more it can be transparent, the better. Library, health and safety, outreach programs, parks and recreation, homelessness, mental health.
- Improve funding transparency efforts for greater allocation support. Service—public health and safety education.
- It should be considered now all people will be affected. Those that have more than enough and those that are barely getting by. There should be a sliding scale to make it economically supportive for both. Being transparent in every action is also very important to those who will be paying into this.
- Just make it transparent, that's all.
- My impression is that you all and the people you listen to have more wealth than most in Salem. This makes you ignorant. The fee idea reflects this. Take care of the least well off first. Think progressive.
- Thank you for your service to the City and its residents. The City probably needs more money, but residents need to balance their budgets. City must justify any increase.
- Thank you for your service. You have been tasked with a difficult responsibly and I think you do well. I prefer the water bill fee to the wage tax. I would prefer that large businesses pay more than small businesses. I strongly prefer taxes on marijuana, tobacco, and alcohol.
- The police department is not underfunded. Need to address the homeless people. The rent increase is very high and I think is nothing but greed. And it should not have been allowed to happen. The bus service needs improvement. Saturday's and Sunday's no service, but people still do work. It feels that you are really out of touch.
- Where is the money from Oregon Lottery being spent? Could that money be being spent towards schools and education? I think that's important to take into consideration the low-income families may

not be able to afford the water operating fee—blanket statement. It's a good thought. But is it really necessary in the first place? I'm not informed.

## **Group 2**

- Are you being as efficient as possible? Are fines being assessed as they should be? Raise metered parking to help with sidewalk and road maintenance. Communicate more on what the City is doing to support any new fees or taxes.
- Build trust with the general public. That occurs through transparency. Transparency on the state of our City budget, the state of our current services, the needs to fill, and the projection of our budget and services for the future.
- Dear Salem City Council, please have spending and statistics on taxes, income and services provided on a website that is easily accessible. Thank you.
- Do more research on what other cities are doing to cut costs. Disseminate information and take poll of Salem residents.
- Every month I have to budget my income versus expenses. If I don't have enough money, I don't do it! The City should not have a deficit. Please spend money more wisely. Cut unnecessary services, the stupid programs and wasteful ventures. Fire City employees that make bad decisions.
- Examine each department to ensure optimum efficiency of labor and resources from permitting to the cost of supplies. Examine and renegotiate vendor contracts.
- Give people an ultimatum, as in, either pay the taxes or opt out by doing X amount of community service that helps to support the needs of our city. As well as become more proactive in educating and communicating and informing the residents of our community's financial well-being.
- It is difficult to believe that the City of Salem cannot find a way to reduce costs without affecting our current services. People are exhausted of constantly being taxed and having additional fees added when they work hard trying to make ends meet.
- Perhaps they could look at applying for government grants. They do exist. Just make sure that if you do get a grant that it is used for the intended purpose and not just sent to something else. Lottery funding may be an option. I know a small amount go to the schools but where does the rest go? Budgeting is a big thing. Budgeting is a big thing, what are we spending money on that doesn't need so much? Have people vote! Actions speak louder than words!
- Some of us are not opposed to new taxes or fees, but it is difficult to believe that new funds will be used appropriately, or that current funding is used effectively. And that is based on past experience with Salem.
- Thank you for your service. It is essential and I am grateful. I am willing as a citizen of Salem to pay more for the services you render. I am also willing to pay more for social services and help for the homeless. Please communicate more. It will have to be by snail mail for me to see it. Thank you!