

**City of Salem Proposed Levy
May 20, 2025 Election**

Explanatory Statement

The City of Salem is seeking a five-year local option tax, beginning July 1, 2025, to support operations, programs, and maintenance of the City's parks, recreation, libraries, and Center 50+ senior center.

In 2024, due to budget constraints, City reduced funding to city services by more than \$6 million, impacting parks, recreation, library, Center 50+, youth development, public safety, and other services.

The City's General Fund budget for 2025-26 has an estimated funding gap of about \$13.8 million, and options to fund community services are limited. A 2024 Revenue Task Force recommended consideration of a local option levy to restore and maintain these services.

A 2025 City Efficiency Committee, made up of community members, concluded that the City is doing more with less compared to cities of similar size, City general fund operations do not have widespread waste, and that the City's costs are largely influenced by external factors that are out of the City's control.

Funds from this levy will maintain and be restricted to the following services:

- Parks cleaning, maintenance, operations and programs, including playgrounds, ball fields, riparian and natural areas, trails, splash pads, restrooms, picnic shelters, and other park amenities;
- Recreation Services operations and programs, including youth programs and camps, youth and adult sports, fun runs/walks, concerts, and movies in the park.
- Public Library operations, programs, and restored hours at the main branch and west Salem branch; and
- Center 50+ operations and programs.

Revenue from the levy would be deposited in a dedicated City fund and audited annually, to ensure the revenue is only used for the purposes allowed under this measure. An oversight committee will review levy expenditures and provide annual reports.

This measure provides a dedicated funding source to maintain and restore Parks, Recreation, Library, and Center 50+ services, while freeing up existing funds for Police, Fire, and Emergency

Response. Without additional revenue, all City services may continue to be reduced due to budget constraints.

The levy tax rate of \$0.98 per \$1,000 assessed value is estimated to cost the typical homeowner approximately \$18.33 per month or \$220 per year in the first year of the levy, based on the average (mean) residential improved property and would collect approximately \$14.0 million in the first year, with an estimated average of \$15.3 million collected each year for the five-year period.