

KEY FINDING

The “2024 State of the Cities” survey indicates that 68% of Oregon cities have seen an increase in service demand, up from 56% in 2021, with a concerning decrease in the number of cities reporting improved financial capability compared to previous years.

“The biggest challenge for us has been in recruiting a talented workforce. We also easily lose employees to [smaller] communities. I know this has been true for many of the businesses in our community and for our partners at the school district.” – City of Lake Oswego

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Traditional revenue sources for cities, like property taxes and utility franchise fees, are not keeping pace with inflation, compelling cities to either cut spending, eliminate services, or rely on alternative revenues.

“The addition of ARPA dollars to the city’s general fund reserve balance has helped keep the city afloat. However, as these get spent, the city will once again be scraping by, and we will have to return to looking for other sources of revenue for the General Fund.” – City of Canby

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A significant number of cities have raised fees, charges, and licenses to cope with fiscal pressures, while maintaining or increasing service levels and city employee numbers, amidst a trend of rising operating costs.

“Our biggest challenge ... is maintaining aging facilities. We just do not have financial capacity to timely address facility issues. This isn't just buildings, but parks, streets, sidewalks, etc.” – City of Coos Bay