

## League of Oregon Cities – 2024 State of the Cities Report

### 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.**

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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.**

**“Over two thirds of our members are in financial cuts situations and the remaining third are not financially healthy...” – From LOC via email on March 13, 2025**

## KEY FINDING

**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**

## In FY2023, the Majority of Cities

- Increased fees/charges/licenses (59%)
- Maintained overall service levels (78%)
- Maintained city FTEs (59%)
- Maintained transportation infrastructure spending (49%)
- Maintained safety spending (47%)
- Increased operating spending (84%)
- Increased employee wages (84%)
- Maintained employee contributions to health insurance (67%)

## Cities reduced staffing, services, and/or hours of operation in:

- City Hall (14% of cities, previously 17%)
- Libraries (9%, previously 17%)
- Senior Services (7%, previously 9%)
- Planning/Permitting (6%, previously 10%)
- Public events/arts/etc. (12%, previously 28%)
- Police (10%, previously 5%)
- Recreational facilities and/or activities (10%, previously 19%)
- Parks/green spaces/natural areas (10%, previously 9%)

\* Report also includes services not provided by McMinnville: fire services, social services, transit services.

## City Cost Drivers

1. Wages/Salary Cost
2. Infrastructure Maintenance/Repair
3. Other
4. Law Enforcement
5. PERS Contributions
6. Employee Healthcare
7. Fire/Ambulance Service
8. Debt Service
9. City Insurance
10. Marijuana Legalization