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**RE:** City of Springfield's Fiscal Sustainability Strategy, Our Perspective  
**Date:** December 2, 2025

Dear Mayor VanGordon, Council Members, and City Leadership,

On behalf of the Springfield Area Chamber of Commerce and our business community, I appreciate the opportunity to share our perspective on the City's fiscal sustainability strategy.

The Chamber recognizes the fiscal challenges Springfield faces and the thoughtfulness with which the Mayor's Fiscal Stability Task Force approached its charge and how the City has continued to embrace conversations and perspectives from across the community. As representative of nearly 800 members employing tens of thousands across our region, the Chamber seeks to ensure that the implementation of these strategies reflects a balanced, transparent, and economically sustainable path forward.

We share the City's goal of fiscal stability and essential service protection. And we stress that achieving these goals extends beyond short-term fiscal tools such as cost reduction and new taxes to long-term, growth-oriented strategies that effectively *strengthen* our economic competitiveness, *build* on hard-earned public trust, and *grow* the city's tax base.

Springfield has earned a reputation as a business-friendly city and a responsible steward of public resources, particularly in its delivery of essential services like public safety and infrastructure. Protecting that reputation will depend on maintaining a high standard of transparency and accountability as new fiscal measures are considered.

While Chamber leaders acknowledge the City's difficult financial position, they also expressed reservations about the timing of additional taxes and the focus on short-term fixes, emphasizing that fiscal sustainability requires maintaining priority for economic growth, regional collaboration, and responsible policy design.

The Chamber's view, therefore, is to champion a larger vision: one centered on growing Springfield's tax base through targeted and responsible economic development, intergovernmental coordination, and balanced fiscal policy. Our perspective draws on the thoughtful insights of community-minded Chamber members engaged across our committees, board, and programs. The five key viewpoints that follow reflect that shared input.

## Five Key Viewpoints

**1. Concern Over Timing of Local Tax Increases** *Layering new taxes could undermine local competitiveness, contribute to economic uncertainty, and limit capital reinvestment or hiring.*

Employers are already facing compounding cost pressures born of recent statewide policy – a gross receipts tax (CAT), a new paid leave program, increased transit payroll and transportation gas taxes, regulatory costs, and other market-induced factors of inflation, wages and benefits. In light of these factors, it should be acknowledged that layering new local taxes now could constrain reinvestment, suppress hiring, and even undermine Springfield’s competitive advantage to retain existing businesses and jobs. The City should consider timing and sequencing to avoid overburdening the local economy, wage earners, and employers.

**2. Balance Short-Term Stabilization with Long-Term Growth** *Short-term budget solutions should be designed to complement, not divert from, strategies that build a stronger, more sustainable tax base.*

Chamber leaders strongly advocate pairing near-term fiscal measures (levies or payroll tax) with policies that expand Springfield’s long-term economic base. Short-term fixes must not distract from the pursuit of structural solutions such as proactive business retention and expansion (BRE), industrial and commercial development, and protecting against unnecessary, unfunded federal and state mandates that impede upon our local growth targets. Fiscal sustainability and economic competitiveness must move in tandem.

**3. Library Services** *The Library funding discussion - whether reduction or continuation - must remain part of a fiscally balanced, outcomes-driven budgeting approach that emphasizes fairness, transparency, and strategic prioritization. The Chamber’s perspective is not about opposing library services; rather, it is about ensuring that any decision aligns with a sustainable fiscal framework that avoids unnecessary pressure on taxpayers and employers and also facilitates innovative operating models yet untapped.*

Thoughtful, partnership-oriented solutions can preserve valued services *and* protect Springfield’s business climate. Many Springfield Chamber members are proud patrons, donors, and champions of the Library. They remain curious and optimistic about fresh, innovative operating models that have yet to be explored. As a next step, we encourage the City and Library advocates to examine how stronger partnerships with mission-aligned organizations - education providers, cultural institutions, pre-school/after-school/childcare program providers, employers, and others - could reimagine and modernize service delivery. Such strategies could maintain or even enhance community value without increasing Springfield’s dependence on new payroll tax points or expanding General Fund exposure.

This distinction is critical: without identifying meaningful cost efficiencies or partnership-driven innovations, any continuation of the current Library budget could increase pressure for additional percentage-point adjustments to the proposed payroll tax. The Chamber is not supportive of further payroll-tax increases beyond those already under consideration, as additional layers would risk undermining Springfield’s competitiveness, hiring capacity, and long-term economic growth. Our intent is not to diminish the Library’s importance, but to ensure that all service areas—Library included—are evaluated through a lens of fiscal sustainability, community value, and economic impact.

**4. Payroll Tax – Guardrails, Transparency, and Simplicity Are Essential** *A simple, predictable, and transparent tax structure is key to building business confidence and maintaining Springfield's economic competitiveness.*

Chamber members are open to a shared payroll tax at the rate proposed (0.1% to employers on gross payroll and 0.1% to employees on gross wages) and emphasize that simplicity, transparency, and trust remain core implementation principles. We'd stress the need for advance notice, clear timelines, transparent guardrails, and fiscal discipline. We strongly urge the Council consider the following standards as vital to preserving trust and ensuring long-term economic viability, competitive wage growth, and investment in economic opportunity:

- An implementation structure that ensures little to no excess administrative burden and cost on employers and their employees;
- A predictable implementation timeline with minimum twelve months' notice;
- A locked payroll tax rate for minimum three years to ensure certainty and stability;
- An independent advisory that ensures transparency and accountability;
- A transparent public reporting of the payroll tax performance, costs, and uses;
- A base increase trigger mechanism for voter referral to ensure against unrestricted, unchecked increases by future city leadership;
- A framework to determine the allocation of any surplus over projected revenue\*.

\*Surplus revenue (that exceeding projections) presents an opportunity for the City to celebrate economic growth and also demonstrate fiscal stewardship. We'd caution against directing the surplus as a default to the General Fund. Should revenues exceed budgeted projections, the Chamber encourages the City develop a framework that would determine the proper reinvestment into community and economic vitality priorities. Such priorities might be programs that attract new investment, cover critical unfunded public building maintenance and beautification projects, or grants that support small business development and growth.

**5. Long-Term Stability Requires Growth-Oriented Regional Action** *Springfield's fiscal future depends on scalable, pro-growth solutions backed by sound policy, coordinated advocacy, and predictable investment in long-term competitiveness.*

Springfield's fiscal health will ultimately depend on growth-driven, pro-business strategies that expand opportunity and resilience. Chamber members emphasized that no combination of short-term revenue tools can substitute for structural economic growth. The Chamber urges stronger coordination among local, county, and state partners to align economic development, infrastructure investment, and tax reform. Priorities should include:

- Activating the Gateway and Glenwood areas for light industrial and mixed-use development
- Examining our current Business Retention and Expansion tools and structure for targeted local business growth strategies
- Advocating for fairer state revenue allocations to local taxing districts
- Protecting limited local tax capacity from unfunded mandates

The Springfield Chamber supports a balanced and transparent fiscal plan that secures essential services without eroding economic competitiveness and growth opportunities.

We're ready to work alongside City leaders to shape a practical, predictable, and forward-looking implementation framework, one that stabilizes City finances while growing the economic base that sustains them.

Respectfully,  
Vonnie Mikkelsen

A handwritten signature in black ink, appearing to read 'V. Mikkelsen', with a stylized, flowing script.

President & CEO  
Springfield Area Chamber of Commerce