



TO: Elizabeth Pauli, City Manager
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PRESENTER: Kathryn Johnston, Budget Officer, Office of Management & Budget (OMB)
SUBJECT: **Fiscal Impact Notes**
DATE: December 17, 2024

PRESENTATION TYPE:
Informational Briefing

SUMMARY:
Staff from the Office of Management & Budget (OMB) will brief the Government Performance & Finance Committee (Committee) on the process to develop fiscal impact statements and use as an example the process to develop fiscal impact notes during the charter review process.

BACKGROUND:
The Committee has requested a briefing from OMB on Fiscal Note processes to aid in a committee discussion of how these are developed and when should fiscal notes be required during legislative processes and Council review of policy.

ISSUE:
During the City Council’s review of the Charter Amendments, staff from the Office of Management and Budget developed fiscal impact statements for each charter amendment. To develop the fiscal impact statements, OMB developed the following criteria and process (see Executive Summary Section of Charter Review Fiscal Notes). GPFC asked to continue a conversation after the charter review process to discuss how fiscal impact statements are developed and when should they be included in Council reviews and policy discussions (including resolutions, ordinances, and ballot items). Staff will present the current process and the process used for Charter review to kick off a discussion with the GPFC committee.

ALTERNATIVES:
This is an information briefing only. There are no alternatives presented.

FISCAL IMPACT:
This is an information briefing only. There is no fiscal impact.

RECOMMENDATION:
This is an information briefing only. There is no recommendation.



Charter Review Fiscal Note process

EXECUTIVE SUMMARY

Staff in the Office of Management & Budget (OMB) have provided Fiscal Notes based on the proposed amendments to the City of Tacoma Charter by the Charter Review Committee. OMB reviewed all proposed amendments and have identified ten that may require investments above \$50,000 to implement. Broadly, staff have used the guidance provided by the Office of Financial Management (OFM) for Washington State for this analysis ([Guidelines for Preparing Fiscal Notes](#)). This guidance is used by State agencies when drafting fiscal notes for the legislature. A few of these guidelines are:

- If the cost impact is indeterminate, provide some illustrative information or range of scenarios;
- Base your assumptions on the least expensive way to implement the legislation;
- Respond to the bill language;
- Be objective and factual;
- Starting point is today's investment level.

Staff will provide these fiscal notes as they are ready to share with City Council. The notes will be adjusted as the City Council continues through the legislative process. Updates will be based on additional information as it becomes available and/or changes in the proposed amendments by the City Council.

Some proposed amendments were described as permissive by the Charter Review Committee, meaning that the amendment gives the City of Tacoma the authority to eventually take on a service or action. These proposed amendments, therefore, do not have immediate fiscal impacts if adopted by City Council and, eventually, by voters. OMB notes the fiscal impact estimates here, even though further legislation and analysis is required for full implementation.

Financial costs would require budgetary decisions that may include options such as new revenue sources, offsets from expense reductions in other services, or use of savings for funding. All costs are shown as 2024 dollars and have not been adjusted to project for inflation.