

**CITY OF REDDING, CALIFORNIA  
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
FISCAL IMPACT STATEMENTS	92-50	411	2/04/92	1

BACKGROUND

Many actions taken by the City government have a fiscal impact, either positive or negative, and yet these impacts have not in the past always been formally evaluated. Projects may be undertaken, commissions established, studies assigned to staff, and workload otherwise affected without an attempt to measure the effect such action may have on the City financially. While this is not atypical of cities -- and governments generally -- a more responsible posture, generating greater accountability to the public we serve, would be to require more measurement or estimate of financial impact of every major action we take or consider.

PURPOSE

The purpose of this policy is to ensure a higher level of responsibility, accountability, and fiscal integrity for the City government by requiring a fiscal impact statement to accompany every major proposal considered by the City Council.

POLICY

It is the policy of the Redding City Council to require the preparation of a fiscal impact statement to accompany every major proposal to be considered by the City Council. Affected by this policy would be:

- a. The best available estimate of the capital outlay cost of projects;
- b. The best available estimate of operating costs of capital projects, extended over ten years;
- c. The operating cost (and revenues) of newly proposed programs;
- d. The cost of servicing commissions;
- e. Estimates of the cost of employee compensation packages being negotiated or otherwise considered, including benefits;
- f. Operating costs (and realistic labor savings, if anticipated) of equipment proposed for acquisition.

PROCEDURE

No prescribed and uniform format of such statements will fit all situations, and so none is prescribed. The form of the statement

**CITY OF REDDING, CALIFORNIA  
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
FISCAL IMPACT STATEMENTS	92-50	411	2/04/92	2

should be tailored, however, to provide the City Council with the basic information necessary to reach a sound decision.

It is anticipated that during the transitional period (the first year or two this policy is in effect), the City Council will be evaluating currently-existing programs with the objective of determining areas in which program costs that have developed over the years may no longer be justified.