

**RE: Budget Assistance and Other Budget Support Services**

**DATE: April 18, 2024**

This Scope Appendix is attached by reference to the above-named engagement letter (the Engagement Letter) between the City of Marion, Indiana (the Client) and Baker Tilly US, LLP and relates to services to be provided by Baker Tilly Municipal Advisors, LLC.

SCOPE OF WORK

Baker Tilly Municipal Advisors (BTMA) agrees to furnish and perform the following services.

**A. Annual Budget Assistance and Analysis**

1. Meet with the Client to discuss the budget process and collect data for budget preparation.
2. Develop or analyze the budget calendar for consideration by the legislative body.
3. Compute state distributed revenues based on certifications and other information provided by the Department of Local Government Finance (DLGF) and the Auditor of State.
4. Develop or analyze miscellaneous revenues based on historical information provided by the Client.
5. Develop or analyze the estimated maximum levy.
6. Develop or analyze the estimated tax rate and levy by fund.
7. Assist with Client prepared budget estimates, as needed.
  - a. Provide an overview to Department Heads and other Client officials of available revenue sources for the budget year
  - b. Meet with Department Heads and other Client officials to provide assistance with developing sustainable budgets
8. Assist with the preparation of prescribed forms related to the annual budget.
9. Assist the Client with entering budget data into the Indiana Gateway program.
10. Monitor the completion of the required steps of the budget process with the Client.
11. Analyze the 1782 Budget Notice on behalf of the Client to ensure accuracy and completeness.
12. Provide periodic budget management assistance through telephone, remote and on-site support.

**B. Budget 101 Training**

Provide a presentation of the basics of local government budgeting and finance. The presentation will include the components listed below

1. Annual budgets for local government – overview
2. Basic Concepts:
  - a. Description and responsibilities of State agencies (DLGF and SBOA)
  - b. Property Taxes
  - c. Net Assessed Value (“NAV”)
  - d. Property Tax Levy
  - e. Maximum property tax levy
  - f. Annual statewide maximum levy growth
  - g. Local Income Tax
  - h. Circuit Breaker Tax Credits



3. Fund Accounting
  - a. Separate funds and major classifications of expenses
  - b. Appropriations
  - c. Encumbrances
  - d. Interfund Transfers
4. Budget making process
  - a. Local process
  - b. County non-binding reviews
  - c. State process (1782 Notice)
  - d. Estimating revenues and expenses – balancing budgets
  - e. Considerations to bridge funding gaps
  - f. Budgeting best practices
5. Common budgeting myths

**C. Property Tax Levy Appeals**

1. Assist the Client with determining its eligibility to apply for a property tax levy appeal with the DLGF.
2. Assist with the preparation of the State appeal application and supporting documentation for levy appeals.
3. Submit the levy appeal petition and application to the DLGF.
4. Monitor the completion of the required steps of the levy appeal process with the Client.

**D. Additional Appropriations**

1. Develop a timeline for the steps required to request approval of an additional appropriation from the DLGF.
2. Analyze estimated receipts and cash on hand to determine ability to fund requested additional appropriation.
3. Assist with State prescribed additional appropriation documents.
4. Assist the Client to monitor completion of the required steps of the additional appropriation process.

**E. (Re)Establish a Cumulative Fund**

1. Develop a timeline for the steps required to establish or reestablish the property tax rate on the Client's Cumulative Fund.
2. Assist the Client with State-required documents including the notice to taxpayers and establishing ordinance.
3. Assist the Client to monitor completion of required steps of the process.

**F. Other Accounting and Required Support Services**

1. Analyze historical financial information and develop estimated financial reports and analysis.
2. Attend meetings not covered under the Scope Appendix above.
3. Provide other requested support services.

**COMPENSATION AND INVOICING**

BTMA's fees for services set forth in the Scope Appendix will be billed at BTMA's standard billing rates based upon the actual time and expenses incurred and will not exceed Twenty Thousand Dollars (\$20,000) without further authorization from the Client.

Standard Hourly Rates by Job Classification  
12/1/2023

Title	Hourly Rate
Partners / Principals / Directors	\$400 - \$600
Managers / Senior Managers	\$275 - \$400
Consultants / Analysts / Senior Consultants	\$175 - \$275
Support / Paraprofessionals / Interns	\$110 - \$175

- *Billing rates are subject to change periodically due to changing requirements and economic conditions. Baker Tilly will notify Client thirty (30) days in advance of any change to fees. If Client does not dispute such change in fees within that thirty (30) day period, Client will be deemed to have accepted such change. The fees billed will be the fees in place at the time services are provided. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

The above fees shall include all expenses incurred by BTMA except for direct, project-related expenses such as travel costs.

**BILLING PROCEDURES**

**Normally, you will receive a monthly statement showing fees and costs incurred in the prior month.** Occasionally, we may bill on a less frequent basis if the time involved in the prior month was minimal or if arrangements are made for the payment of fees from bond proceeds. The account balance is due and payable on receipt of the statement.

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.



Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

Termination

This Scope Appendix will terminate according to the terms of the Engagement Letter.

If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,

*Paige E. Sansone*

Paige E. Sansone, Partner

**Signature Section:**

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name: *[Signature]*

Title: *Mayor*

Date: *April 23, 2024*