

BOARD OF ESTIMATE AND TAXATION

Mission Statement:

Provide full administrative services to the Board of Estimate and Taxation (BET) to assist the Board in carrying out its governmental responsibilities under the City Charter, ordinances and state statutes.

Primary Businesses:

- Internal Audit
- Provide policy and strategic guidance to the Board and its customers, prepare the Official Statements and issue bonds as approved by the Board as part of its debt management duties, and set the maximum tax levies for the State's Truth in Taxation requirements and under the City Charter.

Key Trends and Challenges Impacting the Department:

By action of the City Council, or such other governing board of a department requesting the sale of bonds, the board of Estimate and Taxation may vote to incur indebtedness and issue and sell bonds and pledge the full faith and credit of the City for payment of principal and interest. The Board of Estimate and Taxation also established the maximum property tax levies for most City funds and maintains commissions that are component units of the City.

Primary Business: Internal Audit - Review and evaluate accounting, financial and operating policies and programs

Description of Primary Business: Internal Audit prepares an annual audit workplan, conducts reviews for audits listed on the workplan; conducts special reviews or audits as requested and assists external auditors as needed; makes presentations of audit reports for review.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Risk Assessment Matrix					
Interviews/Questionnaires					
Internal Control Points Identified					
Exceptions					
AMC Committee Reviewal					
Assessment of Internal Controls					
Adherence to Policies and Procedures					

Explanation of Key Performance Measures: Based on a risk assessment matrix, various potential audit areas are "scored" and ranked via a matrix. The Matrix is presented to the Audit Management Committee (AMC) and audits are selected for inclusion on the work plan. They are then presented to the Board of Estimate and Taxation (BET) for final approval. The work plan may extend beyond one year.

Via interviews, questionnaires, and/or flowcharting of the functional processes ensure they are working as intended. Exceptions, which may mean breakdowns in controls, are followed up on. Recommendations for corrective action are made for exceptions noted and discussed with respective audit entity management.

Special reviews and audits are usually conducted in much the same manner as those reviews in the work plan, however the time allowed for each review is agreed upon on a case by case basis between Internal Audit and the Audit Management Committee. Findings and subsequent recommendations may be made to respective management based on the outcome of the review.

After each audit a written draft report is prepared and shared with the Audit Management Committee as well as a representative from the selected audit area. It remains in draft form until all parties have read it, are given a chance to ask questions and fully understand it. Auditees are given a chance to respond in writing to any or all recommendations mentioned in the report. Their written response is concluded in the final report.

Primary Business: Board of Estimate and Taxation - Provide policy and strategic guidance to the Board and its customers. To prepare the Official Statements and issue bonds as approved by the Board

Description of Primary Business: Provide financial analysis, administration and policy support to the Board and its customers. Work with the City to coordinate and administer pre- and post-bond sale activities.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Customer satisfaction					
BET member's satisfaction					
Percentage of timely and successful closings of bond offerings. Goal is 100%					

Explanation of Key Performance Measures: These measures are also apparent and performance stated at the Bond Sales or Truth in Taxation Hearings.

Financial Analysis:

EXPENDITURE

In 2005, the Board of Estimate and Taxation budget is \$266,000, a 7% increase in expenditures. There is no change in the number of positions.

The budget for this department includes \$300 for benefits administration which was centrally budgeted in the past. For 2005, the BET has no General Fund overhead charge. If charges are phased in over 5 years, the BET's General Fund annual overhead charges are estimated to be \$58,000.

REVENUE

In 2005, the Board will receive \$100,000 from bond proceeds and \$154,000 from property taxes. The latter lies within the 4% property tax revenue limit for independent boards. The Board of Estimate and Taxation stopped receiving Local Government Aid (LGA) as of 2003.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

ADOPTED BUDGET

No changes were adopted by the Council.

**BOARD OF ESTIMATE AND TAXATION
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	2.00	2.00	2.00	2.00	0.00%	-

BOARD OF ESTIMATE & TAXATION
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	2	0	0	0		0
Total for General Fund - City	2	0	0	0		0
Special Revenue Funds						
Contractual Services	4,690	7,059	5,500	12,468	126.7%	6,968
Fringe Benefits	33,485	35,326	47,005	48,788	3.8%	1,783
Operating Costs	11,222	14,603	14,973	15,680	4.7%	707
Salaries and Wages	178,520	185,030	182,022	189,110	3.9%	7,088
Transfers	0	173	0	0		0
Total for Special Revenue Funds	227,917	242,191	249,500	266,046	6.6%	16,546
Total for BOARD OF ESTIMATE &	227,919	242,191	249,500	266,046	6.6%	16,546

BOARD OF ESTIMATE & TAXATION
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Operating Transfers In	50,000	0	0	0	0.0%	0
Other Misc Revenues	30	0	0	0	0.0%	0
Proceeds of Long Term Liabilities	0	0	95,000	100,000	5.3%	5,000
Property Taxes	116,125	136,973	148,348	154,281	4.0%	5,933
Sales and Other Taxes	11	12	0	0	0.0%	0
State Government	118,831	7,836	0	0	0.0%	0
Total for Special Revenue Funds	284,997	144,822	243,348	254,281	4.5%	10,933
Total for BOARD OF ESTIMATE & TAXATION	284,997	144,822	243,348	254,281	4.5%	10,933