



MEMORANDUM

DATE: April 30, 2008
TO: Mayor Gormley, City Council, and Budget Committee Members
FROM: Carole M. Benedict, Finance Director
SUBJECT: **New Financial System Transition and Terminology Changes**

The Finance Department, with extensive input, help, and I might say, very positive attitudes from all City departments, presents to you the City's first budget prepared in the City's new financial system, Logos.net!

With the new system, there comes some new transition and terminology changes that I'd like to quickly summarize for you to help you navigate your way through the budget again this year.

Fund Changes ---

- **Property Tax Fund Changes** --- All property tax operating levy supported functions have been moved into the General Fund; i.e., Fire Department, Parks and Recreation Department, Parks Maintenance, and Improvements.
- **Building Fund Change** --- The Building Division has been moved into a separate enterprise fund.

2008 Amended Budget instead of 2008 Adopted Budget --- Very effective automated budget appropriation controls are available in Logos.net. With the use of these budget appropriation controls, departments are unable to write purchase orders once appropriation levels are met unless the Finance Director makes a Budget Adjustment. The 2008 Amended Budget, as presented in the Proposed Budget, reflects the original 2007 – 2008 Adopted Budget and all Budget Adjustments made through April 15, 2008.

Terminology Changes ---

- **Organization Sets** --- Many of the departments are now divided into Organization Sets which basically are sub-sections of departments. Four levels are available (fund, department, section, program) and are used to varying degrees by different department directors to develop department managerial controls and financial reporting.
- **“Assigned or Dedicated” Revenues** --- Revenues can now be attached directly to Organizations Sets; that is, to a fund, department, section, or program. You will see this in the budget most obviously as now “assigned or dedicated” revenues are presented just before their associated expenditures within an Organization Set.
- **Non-Departmental Organization Set** --- In departmentalized funds, all “non-assigned” revenues and expenditures are presented in a Non-Departmental Organization Set. In General Fund, for example, property taxes, franchise fees, and state shared revenues, along with many other revenues, are presented as non-departmental as these revenues support all General Fund operations and as such are not “assigned or dedicated” to an Organization Set.

Payroll Allocation Changes --- Logos.net allows easy direct allocation of salary and wage distributions along with fringe benefits

Payroll Allocation Changes (Continued)

to specified Organization Sets. Initially, only operating departments personal services are directly allocated to Organization Sets and transfers between funds continue to allocate the support departments of City Administration, Finance, Engineering, Planning, Parks & Recreation Administration, and Information Services. Direct personal service distributions will be re-visited as the City continues to refine how we use the new system.

Budget Review Tips --- The Proposed Budget includes an extensive amount of information for your review and is presented to accommodate for a variety of review styles from “big picture” to detailed. I would recommend you start with the “big picture” focus; that is, with City Manager Taylor’s Budget Message found in the Budget Overview Tab; the Financial Overview Tab, that presents some good “big picture” charts; and then focus on the Budget Summaries, particularly the Budget Highlight and Short- and Long-Term Issue Sections; and finally the Historical Highlights found behind each Fund/Department Tab. This will give you a good sense of what’s included in the 2008 - 2009 Proposed Budget. For a more detailed review, the Personal Services Tab, the Core Services listed on the different Fund/Department Budget Summaries, and the line-item 2008 – 2009 Proposed Budget are available for those interested in looking at that level of detail.

Invitation --- Also, please call or email me if you have any questions you would like clarified before the Budget Committee Meeting on Thursday, May 22, 2008:

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