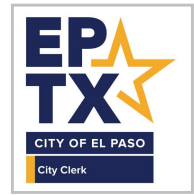


**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**



DEPARTMENT: Office of Management and Budget

AGENDA DATE: June 10, 2025

PUBLIC HEARING DATE:

CONTACT PERSON NAME: Robert Cortinas

PHONE NUMBER: 915-212-1067

2nd CONTACT PERSON NAME:

PHONE NUMBER:

DISTRICT(S) AFFECTED: All

STRATEGIC GOAL:

Goal 6: Set the Standard for Sound Governance and Fiscal Management

SUBGOAL:

6.6 Ensure continued financial stability and accountability through sound financial management, budgeting and reporting

SUBJECT:

Discussion and Action on the approval of the City of El Paso Budget Policies to include an amendment to Section 10 - Reserves, to establish fund balance guidelines for the General Fund. This item was presented to FOAC on May 8, 2025

BACKGROUND / DISCUSSION:

The amendment to the Budget Policies allow for the City to establish an appropriate fund balance policy for the general fund while defining the scope, purpose, appropriate level, use and replenishment of the funds. The City will benefit from formally establishing a best practice to ensure we continue to have an appropriate level of reserves.

COMMUNITY AND STAKEHOLDER OUTREACH:

N/A

PRIOR COUNCIL ACTION:

The prior amendment to the Budget Policies was approved by Council on May 9, 2023.

AMOUNT AND SOURCE OF FUNDING:

N/A

REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:

N/A

NAME	AMOUNT (\$)

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

WHEREAS, on May 9, 2023, the City Council approved the revised Budget Policy; and

WHEREAS, the City desires to amend the Budget Policy to allow the City to establish appropriate fund balance guidelines for the General Fund; defining the scope, purpose, appropriate level, and use and replenishment of the funds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO THAT:

That the City hereby approves the adoption the revised City of El Paso Budget Policy, attached to this resolution as Exhibit A, which establishes appropriate fund balance guidelines for the General Fund.

APPROVED this _____ **day of** _____ **2025.**


CITY OF EL PASO:

Renard U. Johnson
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Bonnie Cordova, Interim Director
Office of Management and Budget

Exhibit A

City of El Paso

Budget Policy (2025)

City of El Paso



BUDGET POLICIES

Office of Management and Budget

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BUDGET POLICIES

I. PURPOSE

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II. SCOPE

The scope of this policy spans areas of both operating and capital projects budgeting, revenue management, forecasting, internal controls, and reporting.

III. OBJECTIVES

These policies serve to guide the development of the City's budget and outline standards for revenue generation and the execution of operating expenditures as recommended by the Government Finance Officers Association (GFOA). The budget policies will also help manage financial pressures to address growing demands upon City resources, while preserving long-term fiscal stability.

IV. BUDGET PROCESS

The purpose of the budget process is to help decision makers make prudent choices about the provision of services and capital assets and to promote stakeholder participation in the process. The following is a summary of policies that will guide the process.

1. The City Manager and City Council will set parameters/priorities at the beginning of each budget cycle.
2. The Office of Management and Budget will publish annually a Budget Preparation Manual guiding departments with the development of their budgets. The manual will include an operating budget preparation calendar.
3. The budget process should include a five-year financial forecast to assess long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve City Council's goals.
4. Upon submission of the departmental requests, the City Manager reviews and evaluates all baseline budget requests to determine whether they fulfill City Council goals and objectives, improve management effectiveness, and service delivery.

5. The City Manager submits a Proposed Budget to City Council for approval which includes the City Manager's Budget Message, a concise summary of the budget, shall include:
 - a) Summary of the major changes in priorities or service levels from the current year and the factors leading to those changes.
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 - c) Identify and summarize major financial factors and trends affecting the budget, such as economic factors; long-range outlook; significant changes in revenue collections, tax rates, or other changes; current and future debt obligations; and significant use of or increase in unreserved fund balance.
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However, the budget is also balanced in situations where total expenditures/expenses are less than total revenues, which is technically a surplus. There are also instances when the City might plan to spend excess fund balances accumulated from previous years (while maintaining established reserves) on one-time or non-routine expenditures. The City considers the budget to be balanced in this case also, provided the funding from previous years is available, and a plan is in place to not include ongoing expenditures/expenses into this type of funding. This type of balanced budget is especially prevalent when capital projects are budgeted using proceeds from the issuance of bonds.

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It is the policy of the City to maintain a multi-year forecast of revenues, expenditures, and reserves to help guide the decisions of City officials where the decisions impact the long-term finances of the City. The multi-year revenue and expenditure forecast shall be

reviewed at least once prior to the budget process and after adoption of the budget. The multi-year forecast will also be updated upon the approval of any capital improvement plan

submitted to City Council and should be updated based on any dramatic changes in policy, legislation and the economy. The projection will cover a minimum of three years.

The Office of Management and Budget is responsible for presenting the multi- year forecast to the City Manager and City Council as part of the Proposed Operating Budget cycle. It will outline general approaches the City should follow over the long-term to maintain and increase the ability of the City to provide services through maintaining and increasing revenues, growing the City's economy for the purpose of revenue generation, and controlling and managing the cost of services and the method of delivery of services.

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The City shall maintain a broad revenue base to distribute the revenue burden equitably to minimize the risk exposure of unforeseen down turns in any one-revenue stream supporting the City budget.

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The City shall limit the use of one-time revenues for purposes other than to maintain sustained operating expenses due to the disruptive effects on services due to the non-recurrence of these sources. Such one-time revenue sources shall be solely

utilized for the purchase of one-time expenditures, such as capital items or short-term contractual obligations of duration of less than twelve months.

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The City shall identify major revenue sources it considers unpredictable. Unpredictable revenue sources are those revenues with a more than normal risk of varying from budget by more than \$50,000. The collection of revenue shall be considered when determining whether revenue is unpredictable.

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Revenues should be estimated using a conservative approach to avoid any budget shortfalls during the fiscal year. Departments should provide estimates annually during the budget process of the revenue generated by their department. There should be a consensus by the Department, the Office of Management and Budget, and the Chief Financial Officer on the estimate prior to inclusion in the proposed budget submitted to City Council for adoption.

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Departments will review at least annually any fees associated with their department and make changes based on factors such as the impact of inflation, indirect cost adjustments, and any other related expenses that impact the cost of providing services to the public. Proposed changes must be submitted to City Attorney for review and OMB during the budget process with full disclosure on proposed changes.

New fees are to be included as part of the budget process and if approved by administration, included in the proposed budget submitted to City Council for adoption.

Fees will be set at a level to fully recover costs, except where there is a greater public benefit through use of a lower fee, such as where full recovery may adversely impact overall revenue or may discourage participation in programs where the participation benefits the overall community. In the event that a fee or license amount is limited by state statute, said fee or license will be established accordingly.

Enterprise Funds shall be self-supporting so that the relationship between costs and revenues is clearly identified.

F. COLLECTION

The City monitors recognized revenue throughout the fiscal year. When revenue is less than estimated, OMB notifies administration with expected impact on the current fiscal year budget and provides recommended corrective action. The City Manager initiates action consistent with prudent financial management and notifies City Council of such action.

G. INDIRECT COSTS

Indirect costs should be recovered from other funds. This is done in accordance with the A-87 Indirect Cost Recovery Plan developed each year by outside consultants.

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A. EXPENDITURE ESTIMATES

Expenditures shall be sufficient to provide quality services at a reasonable cost and within available financial resources. All new requests for program funding should be accompanied with concise statements of program's mission, objectives, and intended measurable outcomes.

B. SALARIES & BENEFITS "PERSONAL SERVICES"

The budget resolution shall specify the authority Department Heads will have in respect to changing their personal services budgets.

Benefits such as health insurance, life insurance, worker's compensation, and pension will be budgeted in the department.

During budget process, all personnel requests must be fully justified to show that they will either meet new program purposes or maintain or enhance service delivery. The City Manager shall approve all position additions.

C. REPLACEMENT OF ROLLING STOCK

The City has a major investment in its fleet of cars, trucks, tractors, and other similar equipment. The City anticipates having to replace the existing equipment as necessary and budgets to that end each year. Vehicle and equipment maintenance is also funded in this manner. Vehicles and equipment will be replaced when it is cost effective to do so. Vehicles and equipment purchased will be suitable for their purpose but not exceed the necessary features and capabilities required to meet the day-to-day requirements of the vehicle/equipment. When an existing vehicle is replaced by a new vehicle, every effort is made to utilize the outgoing vehicle somewhere else in the City fleet as long as its condition is suitable for the new purpose.

IX. OPERATING CONTINGENCY

The City will establish as per budget resolution, an operating contingency account, to offset expenditures for unexpected maintenance or other unanticipated expenses that might occur throughout the fiscal year. Expending from the contingency account must have approval from the City Manager or Chief Financial Officer.

X. RESERVES

RESTRICTED: Each year an amount equal to five percent of the prior year's adopted general fund operating expenditure budget shall be appropriated for the purpose of creating a cash reserve fund to provide coverage for unexpected expenses. Borrowing from the Cash Reserve Fund for unanticipated expenditures requires that funds be paid in full within a year, according to the City Charter.

Per the City Charter, each year an amount equal to five percent of the prior year's adopted general fund operating expenditure budget shall be appropriated for the purpose of creating a cash reserve fund; provided the funds are maintained and may be used in accordance with Section 7.4 of the City Charter. B. The cash reserve fund must be maintained as a separate entity in accounting records. Additionally, the balance on deposit in the cash reserve fund must be invested in accordance with state guidelines and income from such investments will remain within the fund, except as may be expended in accordance with Section 7.4 of the City Charter. C. Withdrawals from the cash reserve fund, whether it has attained the required size or not, may be made from time to time to meet current expenses until sufficient taxes are collected. Such withdrawals must be approved by city council action.

As soon as practical after collection of taxes, the amount so withdrawn shall be repaid to the cash reserve fund so as to keep the fund available for use in the following year.

The reserved and unreserved general fund balance will be maintained to respond to emergencies of general fund expenditures. The City shall have a plan in place to maintain reserves level.

Flexibility will be allowed in the use of fund balance but its use should be prioritized in the following order:

1. Unforeseen events or emergencies
2. Capital Expenditures
3. Future year budgets

Funding of this reserve will come from one-time revenues, excess fund balance and revenues in excess of expenditures.

UNRESTRICTED: An adequate and financially responsible fund balance in this category shall be set to provide the City with financial stability that helps manage finances more effectively, preventing unsustainable budgeting practices and ensuring the ability to handle unexpected costs or revenue fluctuations. The appropriate level of unrestricted reserve shall provide service continuity during economic downturns and improve or maintain bond ratings at a level that lowers the cost of borrowing to reduce the overall debt financial burden on the community.

The City shall maintain an unrestricted General Fund balance of no less than 17% of operating expenditures. The reserve level shall be calculated using the prior fiscal year-end unrestricted fund balance (defined as the combined total of unassigned, assigned, and committed fund balances) as a percentage of the succeeding fiscal year's adopted General Fund budget appropriations. The General Fund reserve is intended to provide financial stability and shall be used to: (1) provide resources for one-time capital outlay expenditures; (2) meet emergency expenditures resulting from catastrophic events; (3) address major economic downturns while expenditure reductions are implemented, or alternative revenue sources are identified (4) or as a planned use of fund balance adopted with the budget resolution. City Council approval is required prior to any use of the reserve for these purposes.

The City Manager or designee shall review the General Fund balance no later than 180 days following the end of each fiscal year and submit a recommendation to the City Council if the unrestricted fund balance falls below the minimum threshold or significantly exceeds the threshold. If the balance falls below 17%, the City Manager shall present a plan for replenishment, and the City Council shall adopt a replenishment plan within 12 months. If the balance exceeding the threshold is determined to be significant, the City Manager may recommend the use of excess reserves for one-time expenditures, capital investments, or other non-recurring purposes consistent with the City's strategic plan. Restoration of the General Fund balance to within the target range shall be the City's highest priority when allocating General Fund surpluses.

XI. OPERATING AND DEBT STABILIZATION FUND

The City will establish an operating and debt stabilization fund as a reserve of surplus revenues to be used with the purpose of 1) minimizing future tax rate impact for maintenance and operations as well as debt service, 2) protecting against raising charges for services and fees and 3) providing available funding for specific circumstances as needed to maintain the same levels of service. In such case, the use of the fund resources will be determined and approved by Council action.

The operating and debt stabilization fund serves as a source of financial support for the City's budget in times of slow or declining revenue growth, as a safeguard to continue funding priorities included in the strategic plan, and as the primary source of protection against having to make drastic cuts in City services in periods of economic downturns.

The amount of funds to be committed and transferred will be recommended by the Chief Financial Officer or designee to the City Council during the year. The City Council will have final approval of the amount maintained in the fund, as well as the planned uses of the fund.

XII. PENSION STABILIZATION FUND

The City will establish a pension stabilization fund as a reserve of surplus revenues from all City's funds (governmental and enterprise funds), to the extent permitted by law, to be used with the sole purpose of making payments to the civilian, firemen and policemen's retirement pension plans on an annual basis commencing in the fiscal year 2023. The pension stabilization fund is created to fund additional contributions to the City Employees Retirement Trust and to the Firemen and Policemen's Pension Fund. The goal is to reduce the current unfunded pension liability and sustain the City's bond rating.

The amount of funds to be committed and transferred will be recommended by the Chief Financial Officer or designee to the City Council for approval during the year. The balance in the fund should be invested in accordance with the City's investment policy and all investment earnings should be used for the purpose of the fund.

XIII. PAY FOR FUTURES FUND

The City will establish a pay for futures fund as a reserve of surplus revenues from the City's general fund to the extent permitted by law, to serve as a source of funds for the City's budget with a sole purpose to support Police, Fire and civilian compensation increases. The amount of funds to be committed and utilized each year will be recommended by the Chief Financial Officer and approved by City Council. The approved amount will be committed for the purpose outlined above from September 1, 2023 (FY 2024) and concluding on August 31, 2028 (FY 2028) with any unused funds returning to the unassigned fund balance on September 1, 2028.

XIV. BUDGET ADOPTION

The budget shall be adopted by resolution, subject to the Mayor's veto, not later than the day before the first day of the City's fiscal and budget year; but, in the event the budget is not adopted, the appropriation for personnel and essential operating supplies made in the previous year shall be extended until the new budget is adopted.

XV. BUDGET CONTROLS AND ACCOUNTABILITY

Each department director, appointed by the City Manager, will be responsible for the strategic plan and goals adopted by City Council as part of the budget and for monitoring their individual departmental budget for compliance with spending limitations.

The Chief Financial Officer and the City Manager may transfer funds within the operations and maintenance or capital line items of a departmental budget category, in accordance with the budget resolution. All other transfers of appropriation or budget amendments that alter the original adopted budgets at the fund level require City Manager and City Council approval as outlined in the following section.

XVI. AMENDMENTS TO THE BUDGET

Before adoption:

After the public hearing, the City Council may adopt the budget with or without amendments. In amending the proposed budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service, provided that no amendment to the proposed budget shall increase expenditures to an amount greater than the estimated income (including the use of available Fund Balance).

After adoption:

- a. Department Heads are authorized to make budget transfers not exceeding an established dollar limit. Those exceeding this limit will require City Council or City Manager approval, as per Budget Resolution.
- b. A budget transfer of personal services appropriations or impacting revenue accounts requires the approval of the City Manager or his/her designee.
- c. A budget transfer must be approved prior to the occurrence of the expenditure except for emergency expenditures when approved by the City Manager or his/her designee and ratified by the City Council.
- d. The City Manager shall have the authority to establish the budget for any capital projects that are approved by the City Council.

- e. Budget transfers submitted to City Council shall be accompanied by an explanation from the department, approval by OMB, and a recommendation from the City Manager or his/her designee. The department's explanation must be sufficiently clear and provide sufficient detail for the members of City Council to determine the need for the transfer.
- f. The City Manager or his/her designee is authorized to establish budgets and staffing table changes for grants and similar awards when the applications for such grants and awards have been previously approved by the City Council or the City Manager. All grant applications requiring City Council approval shall be prepared in accordance with established procedures. The agenda item shall state clearly the type and amount of the required City match and the funding source of the grant match.

XVII. REPORTING

Departments will submit to the Office of Management and Budget an expenditure and revenue analysis, if necessary, no later than 10 days after the accounting period has been closed.

The Office of Management and Budget will monitor expenditures monthly and report to City Council on a quarterly basis. Quarterly reports will be made available through OMB's homepage: <http://www.elpasotexas.gov/omb>. These reports will include the current status of revenues and expenditures to-date compared with the corresponding budgets for each fund.

City of El Paso



BUDGET POLICIES

Office of Management and Budget

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During budget process, all personnel requests must be fully justified to show that they will either meet new program purposes or maintain or enhance service delivery. The City Manager shall approve all position additions.

C. REPLACEMENT OF ROLLING STOCK

The City has a major investment in its fleet of cars, trucks, tractors, and other similar equipment. The City anticipates having to replace the existing equipment as necessary and budgets to that end each year. Vehicle and equipment maintenance is also funded in this manner. Vehicles and equipment will be replaced when it is cost effective to do so. Vehicles and equipment purchased will be suitable for their purpose but not exceed the necessary features and capabilities required to meet the day-to-day requirements of the vehicle/equipment. When an existing vehicle is replaced by a new vehicle, every effort is made to utilize the outgoing vehicle somewhere else in the City fleet as long as its condition is suitable for the new purpose.

IX. OPERATING CONTINGENCY

The City will establish as per budget resolution, an operating contingency account, to offset expenditures for unexpected maintenance or other unanticipated expenses that might occur throughout the fiscal year. Expending from the contingency account must have approval from the City Manager or Chief Financial Officer.

X. RESERVES

RESTRICTED: Each year an amount equal to five percent of the prior year's adopted general fund operating expenditure budget shall be appropriated for the purpose of creating a cash reserve fund to provide coverage for unexpected expenses. Borrowing from the Cash Reserve Fund for unanticipated expenditures requires that funds be paid in full within a year, according to the City Charter.

Per the City Charter, each year an amount equal to five percent of the prior year's adopted general fund operating expenditure budget shall be appropriated for the purpose of creating a cash reserve fund; provided the funds are maintained and may be used in accordance with Section 7.4 of the City Charter. B. The cash reserve fund must be maintained as a separate entity in accounting records. Additionally, the balance on deposit in the cash reserve fund must be invested in accordance with state guidelines and income from such investments will remain within the fund, except as may be expended in accordance with Section 7.4 of the City Charter. C. Withdrawals from the cash reserve fund, whether it has attained the required size or not, may be made from time to time to meet current expenses until sufficient taxes are collected. Such withdrawals must be approved by city council action.

As soon as practical after collection of taxes, the amount so withdrawn shall be repaid to the cash reserve fund so as to keep the fund available for use in the following year.

The reserved and unreserved general fund balance will be maintained to respond to emergencies of general fund expenditures. The City shall have a plan in place to maintain reserves level.

Flexibility will be allowed in the use of fund balance but its use should be prioritized in the following order:

1. Unforeseen events or emergencies
2. Capital Expenditures
3. Future year budgets

Funding of this reserve will come from one-time revenues, excess fund balance and revenues in excess of expenditures.

UNRESTRICTED: An adequate and financially responsible fund balance in this category shall be set to provide the City with financial stability that helps manage finances more effectively, preventing unsustainable budgeting practices and ensuring the ability to handle unexpected costs or revenue fluctuations. The appropriate level of unrestricted reserve shall provide service continuity during economic downturns and improve or maintain bond ratings at a level that lowers the cost of borrowing to reduce the overall debt financial burden on the community.

The City shall maintain an unrestricted General Fund balance of no less than 17% of operating expenditures. The reserve level shall be calculated using the prior fiscal year-end unrestricted fund balance (defined as the combined total of unassigned, assigned, and committed fund balances) as a percentage of the succeeding fiscal year's adopted General Fund budget appropriations. The General Fund reserve is intended to provide financial stability and shall be used to: (1) provide resources for one-time capital outlay expenditures; (2) meet emergency expenditures resulting from catastrophic events; (3) address major economic downturns while expenditure reductions are implemented, or alternative revenue sources are identified (4) or as a planned use of fund balance adopted with the budget resolution. City Council approval is required prior to any use of the reserve for these purposes.

The City Manager or designee shall review the General Fund balance no later than 180 days following the end of each fiscal year and submit a recommendation to the City Council if the unrestricted fund balance falls below the minimum threshold or significantly exceeds the threshold. If the balance falls below 17%, the City Manager shall present a plan for replenishment, and the City Council shall adopt a replenishment plan within 12 months. If the balance exceeding the threshold is determined to be significant, the City Manager may recommend the use of excess reserves for one-time expenditures, capital investments, or other non-recurring purposes consistent with the City's strategic plan. Restoration of the General Fund balance to within the target range shall be the City's highest priority when allocating General Fund surpluses.

XI. OPERATING AND DEBT STABILIZATION FUND

The City will establish an operating and debt stabilization fund as a reserve of surplus revenues to be used with the purpose of 1) minimizing future tax rate impact for maintenance and operations as well as debt service, 2) protecting against raising charges for services and fees and 3) providing available funding for specific circumstances as needed to maintain the same levels of service. In such case, the use of the fund resources will be determined and approved by Council action.

The operating and debt stabilization fund serves as a source of financial support for the City's budget in times of slow or declining revenue growth, as a safeguard to continue funding priorities included in the strategic plan, and as the primary source of protection against having to make drastic cuts in City services in periods of economic downturns.

The amount of funds to be committed and transferred will be recommended by the Chief Financial Officer or designee to the City Council during the year. The City Council will have final approval of the amount maintained in the fund, as well as the planned uses of the fund.

XII. PENSION STABILIZATION FUND

The City will establish a pension stabilization fund as a reserve of surplus revenues from all City's funds (governmental and enterprise funds), to the extent permitted by law, to be used with the sole purpose of making payments to the civilian, firemen and policemen's retirement pension plans on an annual basis commencing in the fiscal year 2023.

The pension stabilization fund is created to fund additional contributions to the City Employees Retirement Trust and to the Firemen and Policemen's Pension Fund. The goal is to reduce the current unfunded pension liability and sustain the City's bond rating.

The amount of funds to be committed and transferred will be recommended by the Chief Financial Officer or designee to the City Council for approval during the year. The balance in the fund should be invested in accordance with the City's investment policy and all investment earnings should be used for the purpose of the fund.

XIII. PAY FOR FUTURES FUND

The City will establish a pay for futures fund as a reserve of surplus revenues from the City's general fund to the extent permitted by law, to serve as a source of funds for the City's budget with a sole purpose to support Police, Fire and civilian compensation increases. The amount of funds to be committed and utilized each year will be recommended by the Chief Financial Officer and approved by City Council. The approved amount will be committed for the purpose outlined above from September 1, 2023 (FY 2024) and concluding on August 31, 2028 (FY 2028) with any unused funds returning to the unassigned fund balance on September 1, 2028.

BUDGET ADOPTION

The budget shall be adopted by resolution, subject to the Mayor's veto, not later than the day before the first day of the City's fiscal and budget year; but, in the event the budget is not adopted, the appropriation for personnel and essential operating supplies made in the previous year shall be extended until the new budget is adopted.

XIV. BUDGET CONTROLS AND ACCOUNTABILITY

Each department director, appointed by the City Manager, will be responsible for the strategic plan and goals adopted by City Council as part of the budget and for monitoring their individual departmental budget for compliance with spending limitations.

The Chief Financial Officer and the City Manager may transfer funds within the operations and maintenance or capital line items of a departmental budget category, in accordance with the budget resolution. All other transfers of appropriation or budget amendments that alter the original adopted budgets at the fund level require City Manager and City Council approval as outlined in the following section.

XV. AMENDMENTS TO THE BUDGET

Before adoption:

After the public hearing, the City Council may adopt the budget with or without amendments. In amending the proposed budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service, provided that no amendment to the proposed budget shall increase expenditures to an amount greater than the estimated income (including the use of available Fund Balance).

After adoption: Not a new section, just page adjustment

- a. Department Heads are authorized to make budget transfers not exceeding an established dollar limit. Those exceeding this limit will require City Council or City Manager approval, as per Budget Resolution.
- b. A budget transfer of personal services appropriations or impacting revenue accounts requires the approval of the City Manager or his/her designee.
- c. A budget transfer must be approved prior to the occurrence of the expenditure except for emergency expenditures when approved by the City Manager or his/her designee and ratified by the City Council.

- d. The City Manager shall have the authority to establish the budget for any capital projects that are approved by the City Council.
- e. Budget transfers submitted to City Council shall be accompanied by an explanation from the department, approval by OMB, and a recommendation from the City Manager or his/her designee. The department's explanation must be sufficiently clear and provide sufficient detail for the members of City Council to determine the need for the transfer.
- f. The City Manager or his/her designee is authorized to establish budgets and staffing table changes for grants and similar awards when the applications for such grants and awards have been previously approved by the City Council or the City Manager. All grant applications requiring City Council approval shall be prepared in accordance with established procedures. The agenda item shall state clearly the type and amount of the required City match and the funding source of the grant match.

XVI. REPORTING

Departments will submit to the Office of Management and Budget an expenditure and revenue analysis, if necessary, no later than 10 days after the accounting period has been closed.

The Office of Management and Budget will monitor expenditures monthly and report to City Council on a quarterly basis. Quarterly reports will be made available through OMB's homepage: <http://www.elpasotexas.gov/omb>. These reports will include the current status of revenues and expenditures to-date compared with the corresponding budgets for each fund.