

Commission Meeting Agenda



Mayor

Samuel D. Cobb

City Commission

Marshall R. Newman

Jonathan Sena

Patricia A. Taylor

Joseph D. Calderón

Garry A. Buie

Don R. Gerth

City Manager

J. J. Murphy

April 18, 2016



**Hobbs City Commission
Regular Meeting
City Hall, City Commission Chamber
200 E. Broadway, 1st Floor Annex, Hobbs, New Mexico**

Monday, April 18, 2016 - 6:00 p.m.

Sam D. Cobb, Mayor

Marshall R. Newman
Commissioner - District 1

Jonathan Sena
Commissioner - District 2

Patricia A. Taylor
Commissioner - District 3

Joseph D. Calderón
Commissioner - District 4

Garry A. Buie
Commissioner - District 5

Don R. Gerth
Commissioner - District 6

A G E N D A

*City Commission Meetings are
Broadcast Live on KHBX FM 99.3 Radio*

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the April 4, 2016, Regular Commission Meeting

PROCLAMATIONS AND AWARDS OF MERIT

PUBLIC COMMENTS *(For non-agenda items.)*

CONSENT AGENDA *(The consent agenda is approved by a single motion. Any member of the Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.)*

2. Resolution No. 6427 - Approving an Encroachment Agreement and an Encroachment Easement in the City Right-of-Way at Lot 17, Block 25, Second Unit, of the Dale Bellamah Addition, Located at 1500 West Berry Street as Requested by Mary Helen Little (*Kevin Robinson*)
3. Resolution No. 6428 - Authorizing an Amendment to the City of Hobbs' Cash Handling and Receipting Policy (*Toby Spears*)
4. Resolution No. 6429 - Opposing the Bureau of Land Management's Proposed Venting and Flaring Rule (*Mike Stone*)

DISCUSSION

ACTION ITEMS (Ordinances, Resolutions, Public Hearings)

5. **FINAL ADOPTION:** Ordinance No. 1094 - Amending Chapter 15.05 and Chapter 15.32 of the Hobbs Municipal Code Related to the Placement of Signs and Billboards (*Kevin Robinson*)
6. Resolution No. 6430 - Authorizing an Allocation of Lodgers' Tax Funds to Fund Various Annual Events for FY 2017 (*Toby Spears*)
7. Consideration of Approval of a Professional Services Agreement with Life Skills Fore Youth of the Pecos for the First Tee Program (*Doug McDaniel, Linda Howell*)
8. Consideration of Approval of a Business Lease with the State of New Mexico Public Lands Office to Lease the Bensing Park Municipal Recreation Site for a Period of 25 Years (*Doug McDaniel*)
9. Consideration of Approval of Contract Amendment No. 2 and Early Work Release with Haydon Building Corporation Regarding the Health Wellness and Learning Center (HWLC) (*J. J. Murphy, Todd Randall, Ronny Choate*)

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

10. Next Meeting Date:
 - ▶ Regular Meeting - **Monday, May 2, 2016**, at 6:00 p.m.

ADJOURNMENT

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the above meeting, please contact the City Clerk's Office at (575) 397-9207 at least 72 hours prior to the meeting or as soon as possible.



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 18, 2016

SUBJECT: City Commission Meeting Minutes

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: April 11, 2016
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

The following minutes are submitted for approval:

- ▶ Regular Commission Meeting of April 4, 2016

Fiscal Impact:

Reviewed By: _____
Finance Department

N/A

Attachments:

Minutes as referenced under "Summary".

Legal Review:

Approved As To Form: _____
City Attorney

Recommendation:

Motion to approve the minutes as presented.

Approved For Submittal By:



Department Director



City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____
Ordinance No. _____
Approved _____
Other _____

Continued To: _____
Referred To: _____
Denied _____
File No. _____

Minutes of the regular meeting of the Hobbs City Commission held on Monday, April 4, 2016, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico.

Call to Order and Roll Call

Mayor Cobb called the meeting to order at 6:00 p.m. and welcomed everyone in attendance to the meeting. The Deputy City Clerk called the roll and the following answered present:

Mayor Sam D. Cobb
Commissioner Marshall R. Newman
Commissioner Jonathan Sena (*via telephone*)
Commissioner Patricia A. Taylor
Commissioner Joseph D. Calderón
Commissioner Garry A. Buie
Commissioner Don Gerth

Also present:

J. J. Murphy, City Manager
Mike Stone, City Attorney
Chris McCall, Police Chief
Brian Dunlap, Deputy Police Chief
Michael Walker, Police Sergeant
Eric Enriquez, Fire Chief
Paul Thompson, Fire Captain
Ronny Choate, General Services Director
Ron Roberts, Information Technology Director
Todd Randall, City Engineer
Nicholas Goulet, Human Resources Director
Tim Woomeer, Utilities Director
Raymond Bonilla, Community Services Director
Doug McDaniel, Parks and Recreation Director
Matt Hughes, Golf Superintendent
Britt Lusk, Teen Center Supervisor
Toby Spears, Finance Director
Meghan Mooney, Director of Communications
Sandy Farrell, Library Director
Sandra Boltshauser, Record Specialist
Mollie Maldonado, Deputy City Clerk
19 citizens

Invocation and Pledge of Allegiance

Commissioner Taylor delivered the invocation and Commissioner Gerth led the Pledge of Allegiance.

Closed Session

The City Commission convened in closed session on Monday, April 4, 2016, after the conclusion of the regular Commission Meeting at approximately 6:25 p.m. for discussion of matters subject to the attorney-client privilege pertaining to pending or threatened litigation in Federal or State Courts in which the City is or may become a participant. The matters discussed in the closed meeting were limited only to discussion of matters subject to the attorney-client privilege pertaining to pending or threatened litigation in Federal or State Courts in which the City is or may become a participant. No action was taken during the meeting.

Approval of Minutes

Commissioner Calderón moved that the minutes of the following two (2) meetings be approved as presented:

1. Minutes of the March 21, 2016, Regular Commission Meeting
2. Minutes of the March 15, 2016, Joint Work Session with the Lodgers' Tax Board

There being no amendments or corrections, Commissioner Taylor seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Gerth yes, Cobb yes. The motion carried.

Proclamations and Awards of Merit

Hobbs Police Department - Lifesaving Award to Officer Jayson Hoff. Police Chief Chris McCall presented a Lifesaving Award to Officer Jayson Hoff. He stated in March, 2016, a 911 call was received regarding a woman not breathing. Chief McCall stated Officer Hoff responded to the call and found the woman was choking. Officer Hoff administered the Heimlich Maneuver and revived the woman.

Proclamation Proclaiming the Month of April, 2016, as "Fair Housing Month". Mayor Cobb proclaimed the month of April, 2016, as "FAIR HOUSING MONTH". He requested Ms. Mollie Maldonado, Deputy City Clerk, to deliver the proclamation to a representative of the Lea County Housing Authority.

PUBLIC COMMENTS

Mr. Jason Helmsly with 12 Step Recovery Group thanked Mr. J. J. Murphy, City Manager, for responding to his request within 24 hours.

CONSENT AGENDA

Mayor Cobb explained the Consent Agenda and the process for removing an item from the Consent Agenda and placing it under Action Items.

Commissioner Calderón moved for approval of the following Consent Agenda Item(s):

Resolution No. 6423 - Adopting a Policy Update for Section 3 Plan 2016.

Resolution No. 6424 - Adopting a Policy Update for Residential Anti-Displacement and Relocation Assistance Plan 2016.

Resolution No. 6425 - Adopting a Policy Update for Citizen Participation Plan 2016.

Resolution No. 6426 - Appointing Sam Cobb and Pat Taylor to the Lea County Community Improvement Corporation Board.

Commissioner Buie seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolutions and supporting documentation are attached and made a part of these minutes.

Discussion

There were no items for discussion presented.

Action Items

FINAL ADOPTION: Ordinance No. 1093 - Repealing Chapter 2.44 of the Hobbs Municipal Code in its Entirety Related to the Hobbs Industrial Air Park Board. Mr. Mike Stone, City Attorney, stated the City created the Hobbs Industrial Air Park Board (HIAP) on December 7, 1970, which has not convened since April 15, 2010. He stated the HIAP Board is similar to the Planning Board. He further stated the Planning Board and Commission will now be reviewing any requests regarding the property at HIAP. Mr. Stone recommended repealing Chapter 2.44 of the Hobbs Municipal Code in its entirety.

In reply to Commissioner Newman's question, Mr. Stone stated decisions regarding the property at HIAP would be handled by the Planning Board and the Commission.

Proper publication having been made, and there being no public comment or further discussion, Commissioner Newman moved that Ordinance No. 1093 be adopted as presented. Commissioner Buie seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Buie yes, Gerth yes, Cobb yes, Calderón yes. The motion carried. A copy of the ordinance is attached and made a part of these minutes.

Consideration of a Proposal with Ramirez & Sons, Inc., in the Amount of \$649,612.37 for North Jefferson Street Rehabilitation. Mr. Ronny Choate, General Services Director, stated North Jefferson Street is a very heavily used street in the community. He stated the section of Jefferson between Bender Blvd. to Sanger Street received extensive damage from the recent snow storm Goliath. Mr. Choate stated the combination of being a 40-year old street, only having 2" hot mix, heavy water conveyance every year due to being a major drainage way and the freeze/thaw from the storm has brought the street to almost total destruction. He stated the milling, paving and concrete work will be performed under the current annual agreement with Ramirez & Sons, paving contractors.

In reply to Mayor Cobb's inquiry, Mr. Choate stated handicap accessibility is not included in the North Jefferson Street Rehabilitation but it can be added at a higher cost.

In response to Commissioner Sena's question, Mr. Choate stated Ramirez & Sons, Inc., will contact all the affected residents of the North Jefferson Street Rehabilitation. He further stated upgrades to the drainage system are not included in this project.

In reply to Commissioner Sena's inquiry, Mayor Cobb stated the retention ponds should help to mitigate the drainage problem in the Jefferson Street area.

Commissioner Newman thanked Mr. Choate and Mr. Todd Randall, City Engineer and staff for all their work on the Jefferson Street area.

Mr. Choate stated a small portion of Jefferson Street, in front of the Jefferson Place Complex, was upgraded in 2015 and will be salvaged.

Commissioner Newman moved to accept the proposal of Ramirez & Sons, Inc., in the amount of \$649,612.37 for the North Jefferson Street Rehabilitation as presented. Commissioner Sena seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Gerth yes, Cobb yes. The motion carried. A copy of the supporting documentation is attached and made a part of these minutes.

Comments by City Commissioners, City Manager

Mr. Murphy thanked the Commission for its continuous support of Military Service Leave. He stated he assisted the New Mexico State Police with a missing person case while on Military Leave.

Commissioner Gerth stated it is fantastic that the Commission recognizes the officers of the Hobbs Police Department for saving lives. He stated it takes an extraordinary person to react in such situations.

Commissioner Sena thanked the Police Department for doing a great job on traffic calming. He stated the speeding fines need to be increased and requested the City to introduce a new ordinance increasing those fees.

Commissioner Taylor commended Mr. Murphy for assisting with a parking issue on Marland and installing school zone signs for Murray Elementary School. She stated Mr. Murphy is doing a great job as a City Manager.

Commissioner Calderón stated the Police Department always hears negative remarks on its Department and thanked Police Chief McCall for the positive remarks of his staff.

Commissioner Buie thanked the Police Department for all they do for the community and to keep up the good work.

Commissioner Newman echoed Commissioner Buie's remark and stated he has Hobbs Police/Fire Departments support pages on Facebook.

Mayor Cobb stated he has heard positive remarks regarding the Police Department's efforts on traffic calming.

There being no further discussion or business, Commissioner Newman moved that the meeting adjourn. Commissioner Gerth seconded the motion. The vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Buie yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. The meeting adjourned at 6:22 p.m.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CONSENT AGENDA



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 18, 2016

SUBJECT: RESOLUTION TO APPROVE AN ENCROACHMENT AGREEMENT TO PERMIT EXISTING STRUCTURES IN THE CITY RIGHT-OF-WAY AT PROPERTY LOCATED NORTHWEST OF THE INTERSECTION OF BERRY DRIVE AND SAN ANDRES.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: April 11, 2016
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: The City has been requested to issue an Encroachment Easement in order to facilitate a pending conveyance of property located at 1500 W. Berry. The Encroachment Easement will be granted to Mary Helen Little for existing non-habitable structures occupying public property located northwest of the intersection of Berry Drive and San Andres, Lot 17, Block 25, Second Unit, Dale Bellamah Addition.

Fiscal Impact:

Reviewed By: _____

Finance Department

The Encroachment Agreement and Encroachment Easement does not impact the City budget.

Attachments: Resolution; Encroachment Agreement; Encroachment Easement.

Legal Review:

Approved As To Form:

City Attorney

Recommendation:

Consideration of approval of the Resolution to approve the Encroachment Agreement and the Encroachment Easement.

Approved For Submittal By:

Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____
Ordinance No. _____
Approved _____
Other _____

Continued To: _____
Referred To: _____
Denied _____
File No. _____

CITY OF HOBBS

RESOLUTION NO. 6427

A RESOLUTION APPROVING AN ENCROACHMENT AGREEMENT AND AN ENCROACHMENT EASEMENT IN THE CITY RIGHT-OF-WAY AT LOT 17, BLOCK 25, SECOND UNIT, OF THE DALE BELLAMAH ADDITION.

WHEREAS, the City has been requested to approve an Encroachment Easement to permit existing non-habitable structures located in the City right-of-way at Lots 17, Block 25, Second Unit, Dale Bellamah Addition to the City of Hobbs, Lea County, New Mexico; and

WHEREAS, the City has therefore determined that the Encroachment Agreement and the Encroachment Easement should be approved.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BOARD OF THE CITY OF HOBBS, NEW MEXICO, that

1. The City of Hobbs hereby approves the Encroachment Agreement and the Encroachment Easement as attached hereto and made a part of this Resolution and the Mayor is hereby authorized to execute the same; and

2. The City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 18th day of April, 2016.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

ENCROACHMENT AGREEMENT

THIS ENCROACHMENT AGREEMENT (hereinafter "Agreement"), entered into this 18th day of April, 2016, between MARY HELEN LITTLE, 1500 W. Berry Drive, Hobbs, NM 88240, (hereinafter "Citizen") and the City of Hobbs, New Mexico, a New Mexico Municipal Corporation (hereinafter "City").

RECITALS:

WHEREAS, Citizen is the owner of certain real property located northwest of the intersection of W. Berry Drive and San Andres Drive in Hobbs, comprising Lot 17, Block 25, Second Unit, Dale Bellamah Addition;

WHEREAS, the parties recognize that certain non-habitable improvements have been constructed upon the above described property, which may encroach into the dedicated right- of-way,

NOW, THEREFORE, in consideration of the following covenants, premises, and other considerations, the parties agree as follows;

1. The City agrees to allow the encroachment of the aforementioned improvement at the location further described in Exhibit A attached hereto on the dedicated right-of-way property, and approve the Encroachment Easement, Exhibit B attached hereto, provided the Citizen complies with the terms of this Agreement.
2. City Use of City's Property and City Liability: The City has the right to enter upon the City's Property at any time and perform whatever maintenance, inspection, repair, modification or reconstruction it deems appropriate without liability to the Citizen.
3. Citizen's Responsibility for Improvement: The Citizen will be solely responsible for maintenance of the improvement as deemed necessary either by the Citizen or the City. The Citizen will be responsible for paying all related costs of said maintenance. The Citizen agrees to not permit the improvement to become or constitute a hazard to the public health or safety, and to keep the improvement properly maintained. Citizen further agrees not to interfere with the City's use of the City's Property, and to comply with all applicable laws, ordinances and regulations. Citizen agrees that no addition or extension to the improvement will be constructed, without the written consent of the City.
4. Removal or Relocation of Improvement: At some time in the future, the City may require the improvement to be removed or relocated from City's Property. Such relocation would occur at such time that the municipal infrastructure within the right – of – way is required to be reconstructed or widened, as deemed necessary by the City to insure proper and efficient maintenance thereof; or for utility improvements deemed necessary by the City.

5. Financial Responsibility for Removal and Relocation: If and when the improvement is required to be relocated in the future, financial responsibility for removal and relocation of the improvement will be the sole responsibility of the Citizen to relocate the improvement from the City's right-of-way property.

6. Condemnation of Improvement: If Citizen allows or permits the improvement to become deteriorated or to become a threat to the public health, safety and welfare, the City may institute condemnation proceedings to remove Citizen's improvement from City's Property. If any part of the Citizen's improvement is ever condemned by the City, the Citizen will forego all claims to compensation for any portion of Citizen's improvement which encroaches on City Property.

7. Notice: For purposes of giving formal written notice to the Citizen, Citizen's address shall be the address of record for ownership of property, as listed in the official records of the County Clerk's Office for Lea County, New Mexico. Notice may be given to the Citizen either in person or by mailing the notice by certified, return receipt U.S. mail, postage paid. Notice will be considered to have been received by the Citizen, when the return receipt mail card is received by the City.

8. Indemnification: The Citizen covenant and agree that they will indemnify and save the City harmless from any and all liability, damage, expense, cause of action, suits, claims or judgments arising from injury to person or death or damage to property on or off the premises, arising or resulting from Citizen's actions, usage and property located on the City right-of-way property. The indemnification required hereunder shall not be limited as a result of the specifications of any applicable insurance coverage. Nothing herein is intended to impair any right or immunity under the laws of the State of New Mexico.

9. Term: This Agreement may be terminated by removal of the improvement from the City right-of-way by either party. Termination by either party shall be effective ninety (90) days after mailing by a party of written notice of termination to the other party.

10. Binding on Citizen's Property: The obligations of the Citizen set forth herein shall be binding upon the Citizen, his/her heirs, assigns, purchasers and successors and on Citizen's Property, and constitute covenants running with Citizen's Property until released by the City.

11. Entire Agreement: This Agreement contains the entire agreement of the parties and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

12. Changes to Agreement: Changes to this Agreement are not binding unless made in writing and signed by both parties.

13. Construction and Severability: If any part of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement will remain valid and enforceable if the remainder is reasonably capable of completion.

14. Extent of Agreement: Citizen understands and agrees that the Citizen is solely responsible for ascertaining whether Citizen's Improvement encroaches upon the property or facilities of any other entity and that by entering into this Agreement, the City makes no representations or warranties that the City's property is the only property affected by the encroachment.

15. Attorney's Fees and Costs: In the event this matter is litigated the Court shall award reasonable attorney fees to the prevailing party, notwithstanding in-house counsel represent a party.

16. Choice of Law and Venue: This Agreement shall be governed by the laws of the State of New Mexico. Jurisdiction and venue relating to any litigation or dispute arising out of this Agreement shall be in the District Court of Lea County, New Mexico, only. If any part of this contract shall be deemed in violation of the laws or Constitution of New Mexico, only such part thereof shall be thereby invalidated, and all other parts hereof shall remain valid and enforceable.

Done and approved on the date first written above.

THE CITY OF HOBBS

CITIZEN

Mayor Sam D. Cobb

ATTEST:

APPROVED AS TO FORM:

Jan Fletcher, City Clerk

Michael Stone, City Attorney

STATE OF NEW MEXICO)
) (SS.
COUNTY OF LEA)

The foregoing was acknowledged before me this ____ day of _____, 2016 by _____, as owner of _____, to me personally known, who being by me duly sworn did say that he/she is the recorded owner of the property, and _____ acknowledged said instrument, and acknowledged that he executed the same as his free act and deed.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal in the County and State aforesaid and year first written above.

Notary Public

My Commission Expires:



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 18th, 2016

SUBJECT: An amendment to the City of Hobbs Cash Handling and Receipting Policy
(effective 4 18 2016)

DEPT. OF ORIGIN: Finance Department
DATE SUBMITTED: 4-6-16
SUBMITTED BY: Toby Spears, Finance Director

Summary:

The City of Hobbs has had prior audit findings as it relates to cash handling and receipting. The City of Hobbs adopted a formal written policy by resolution on June 1, 2015. To stay compliant with The Department of Justice grant funding programs, the DOJ has recommended the City of Hobbs amend the cash handling policy. The following is a detailed list of changes:

I. RESPONSIBILITIES

A. Department Directors

Ensure employees and volunteers abide by the prescribed procedures outlined herein and enforce the cash handling and receipting policy.

B. City Finance Director or his/her designee

Receive, retain, invest and disburse all City revenue and keep detailed records of all transactions; oversee the proper receipting and to safeguard all City funds; activate authorized Cash Collection Points and Petty Cash Funds; provide necessary training on the Cash Handling Policy & Procedures Manual; conduct surprise cash audits; and ensure the maintenance of and compliance with the cash receipts internal control systems and to ensure that all bank accounts owned by the City of Hobbs are maintained on the general ledger.

1. All bank accounts, in the City of Hobbs name must have a resolution approved by the Governing Body. Once the resolution is approved, the bank account will be recorded on the City of Hobbs balance sheet with approval from the Finance Director. Confirmation of the City of Hobbs bank accounts will be conducted once per year by an independent auditor through positive confirmation.

II. BANK RECONCILIATIONS

1. All Bank reconciliations, including the Inmate Trust bank account must be performed on a monthly basis; any differences must be researched and corrected in a timely manner. The adjusting journal entries from each bank reconciliation are submitted with the bank reconciliation for review and approved by the Finance Director. Once approved by the Finance Director, the adjusting journal entries are entered into the accounting system.
2. Once complete, bank reconciliations should be signed by the preparer (usually the Assistant Finance Director) and reviewed and approved by the Finance Director.

Bank statements and the supporting documentation must be stored in a monthly bank reconciliation file box and maintained per the current retention policy for future auditing purposes.

III. CASH ACCOUNT RECONCILIATIONS

1. All cash account reconciliations and the related receipts and disbursements, including all City Court cash accounts, must be performed on a monthly basis; any differences must be researched and corrected in a timely manner. The adjusting

journal entries from each cash account reconciliation are submitted with the cash account reconciliation for review and approved by the Finance Director. Once approved by the Finance Director, the adjusting journal entries are entered into the accounting system.

2. Once complete, cash account reconciliations should be signed by the preparer (usually the Assistant Finance Director) and reviewed and approved by the Finance Director.

Supporting documentation must be stored in the bank reconciliation file box and maintained per the current retention policy for future auditing purposes.

Fiscal Impact:

No fiscal impact

Reviewed By: _____

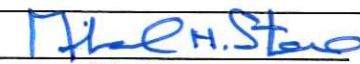

Finance Department

Attachments:

Resolution
Amended Cash Handling and Receipting/Policy and Procedures

Legal Review:

Approved As To Form: _____


City Attorney

Recommendation:

Staff recommends approval of the Amended Cash Handling and Receipting Policy

Approved For Submittal By:


Department Director

City Manager

CITY CLERK=S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____
Ordinance No. _____
Approved _____
Other _____

Continued To: _____
Referred To: _____
File No. _____ Denied

CITY OF HOBBS

RESOLUTION NO. 6428

A RESOLUTION AUTHORIZING AN AMENDMENT TO THE
CITY OF HOBBS CASH HANDLING AND RECEIPTING POLICY

WHEREAS, the City of Hobbs has had prior audit findings regarding cash handling and receipting; and

WHEREAS, the City of Hobbs has adopted a formal written policy regarding the handling and receipting of cash; and

WHEREAS, the Department of Justice has recommended that the City of Hobbs amend the cash handling and receipting policy;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized to approve the City of Hobbs Cash Handling and Receipting Policy and Procedures attached herein.

PASSED, ADOPTED AND APPROVED this 18th day of April, 2016.

SAM D. COBB, Mayor

Attest:

JAN FLETCHER, City Clerk



FINANCE DEPARTMENT

200 E. Broadway
Hobbs, NM 88240

575-397-9235 bus
575-397-9450 fax

April 11th, 2016

Mathew Gautschi
Department of Justice
Office of Justice Programs
Contractor

Dear Mr. Gautschi,

The US Department of Justice email, dated March 1, 2016 with regards to additional information needed for the June 30, 2013 Single Audit Report findings. The City of Hobbs and the Department of Justice has had numerous emails in responding to the recommendations. Enclosed, the City of Hobbs has implemented corrective action plans related to these audit findings. The City of Hobbs Cash Handling and Receipting Policy will be amended at the April 18th, 2016 Commission Meeting by resolution. The effective date of the amended policy is April 18th, 2016 and will be sent to all affected employees. The policy will also be posted on the City of Hobbs Intra-net page.

1. **Finding FS 2013-001 - Please provide a copy of formal procedures to ensure that all City Court cash accounts, and the related receipts and disbursements, are reconciled on a monthly basis; any differences are researched and corrected in a timely manner; and the reconciliations are reviewed and approved by management. The Department of Justice made recommendations and the City of Hobbs has implemented those recommendations into the Cash Handling and Receipting Policy. Please see pages 2 and 3 I. Responsibilities - B. City Finance Director or his/her Designee - 1 of the Cash Handling and Receipting Policy. Also, please see pages 15 and 16 under II and III - Bank Reconciliations and Cash Account Reconciliations procedures were amended into the Cash Handling and Receipting Policy as well. The amended policy will be approved by resolution at the April 18th, 2016 Commission Meeting. Implementation of this amended policy will be effective immediately.**
2. **Finding FS 2013-002 - Please provide a copy of formal procedures to ensure that all bank accounts, including the Inmate Trust bank account, are recorded in the general ledger and reconciled on a monthly basis; differences are researched and corrected in a timely manner; reconciliations are reviewed and approved by management; and the documentation is maintained for future auditing purposes. The Department of Justice made recommendations and the City of Hobbs has implemented those recommendations into the Cash Handling and Receipting Policy. Please see Page 2 and 3 I. Responsibilities - B. City Finance Director or his/her Designee - 1 of the Cash Handling and Receipting Policy. Also, please see pages 15 and 16, under II and III - Bank Reconciliations and Cash Account Reconciliations procedures were amended into the Cash**



FINANCE DEPARTMENT

200 E. Broadway
Hobbs, NM 88240

575-397-9235 bus
575-397-9450 fax

Handling and Receipting Policy as well. The amended policy will be approved by resolution at the April 18th, 2016 Commission. Implementation of this amended policy will be effective immediately.

3. **Finding FS 2013-005** - Please provide a copy of formal procedures to ensure that all cash receipts are timely deposited in accordance with City and State guidelines. Please see page 8 of the Cash Handling and Receipting Policy. The City of Hobbs initially adopted the Cash Handling and Receipting Policy and Procedures on June 1, 2015. Included in the policy is a procedure that states "deposits must be made on a daily basis". This is under Section V - Procedures - B Cash Receipts 10 Deposit Preparation paragraph d.
4. **Finding 2013 - 006** - Please provide a copy of formal procedures to ensure that employment agreements and contracts of independent contractors are obtained prior to commencement of work; and updated, as required, to reflect the terms and conditions of the work. I see the language in the revised procedures to address the annual review of each contract (Section 3.20.080, #9). However, I do not see the language to ensure that employment agreements and contracts of independent contractors are obtained prior to commencement of work? The City of Hobbs adopted the Procurement Policy Ordinance on 6-1-2015 and disseminated the ordinance to all employees. The ordinance is also posted on the City of Hobbs intra-net site. Page 23 of the ordinance under Contract Policy/Procedures, procedure 5 states that "Contract needs to be signed by the Department Head, Finance Director and Vendor before work is to begin.

As was previously mentioned, the Cash Handling and Receipting Policy will be approved on April 18th, 2016 by the City Commission. Once approved, I will forward the signed resolution. The policy will be implemented immediately upon approval and disseminated to all employees affected. Please contact me if you have any questions.

Cordially,

A handwritten signature in blue ink, appearing to read "Toby D. Spears", is written over the word "Cordially,".

Toby D. Spears, CPA
Finance Director

CITY OF HOBBS



CASH HANDLING AND RECEIPTING

POLICY AND PROCEDURES

April 18th, 2016

I. PURPOSE

A. To provide prescribed procedures for the management of cash receipts, and petty cash funds, which will prevent the mishandling of City funds, safeguard against loss, and protect employees and volunteers from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process.

II. POLICY

A. It is the policy of the City of Hobbs (City) to establish and maintain a strong system of internal controls to safeguard against the mishandling and mismanagement of City funds. Infraction of this policy will subject the employee to disciplinary action up to and including termination and possible litigation. Advance approval is required (in writing) from the Finance Director or his/her designee for all deviations from policy.

B. All cash collection points must be designated and approved by the Department Director in consultation with the City Finance Director or his/her designee. Employees involved with handling cash at collection points must have both an awareness of and show a commitment to strong internal controls pertaining to cash handling. Although some departments may handle cash on an intermittent basis, a designated cash collection point should still be established. The employees must follow the same minimum operating procedures provided herein.

C. Any cash receipts generated from City of Hobbs assets, labor, services must flow through the City of Hobbs general ledger cash accounts.

III. DEFINITIONS

A. Cash Collection Point

A department or other entity that handles cash on a regular basis and has been approved by the Department Directors in consultation with the City Finance Director or his/her designee.

B. Cash

U.S. coin and currency, checks, money orders, electronic payments, and credit card transactions.

IV. RESPONSIBILITIES

A. Department Directors

Ensure employees and volunteers abide by the prescribed procedures outlined herein and enforce the cash handling and receipting policy.

B. City Finance Director or his/her designee

Receive, retain, invest and disburse all City revenue and keep detailed records of all transactions; oversee the proper receipting and to safeguard **all** City funds; activate authorized Cash Collection Points and Petty Cash Funds; provide necessary training on the Cash Handling Policy & Procedures Manual; conduct surprise cash audits; and ensure the maintenance of and compliance with the cash receipts internal control systems **and to ensure that all bank accounts owned by the City of Hobbs are maintained on the general ledger.**

1. All bank accounts, in the City of Hobbs name must have a resolution approved by the Governing Body. Once the resolution is approved, the

bank account will be recorded on the City of Hobbs balance sheet with approval from the Finance Director. Confirmation of the City of Hobbs bank accounts will be conducted once per year by an independent auditor through positive confirmation.

C. Employee and Volunteer Cash Handlers

Follow all prescribed procedures outlined in the Cash Handling Policy & Procedures Manual and commit to a high level of integrity and honesty in the prevention of mishandling of cash.

V. PROCEDURES

A. Establishing Cash Collection Points

1. The City Finance Director or his/her designee will perform a due diligence review of the approved cash collection points before collection begins by ensuring the following key provisions of the Cash Handling Policy are in effect:
 - a) Appropriate segregation of job duties exists for employee positions proposed to be involved in the cash collection activities.
 - b) Effective measures are in place to safeguard cash until it is deposited.
 - c) The proposed reporting format is acceptable to the Finance Division.
 - d) Once the above provisions are satisfied, a determination will be made by the City Finance Director or his/her designee on whether or not there is a need for a change drawer and if found necessary, the amount of the change fund will be established.
2. The City Finance Director or his/her designee, in consultation with the City Manager and the appropriate Department Director, will have the authority to deny the establishment of a collection point due to nonconformance with the above key provisions. The City Finance Director or his/her designee will maintain a complete listing of all authorized cash collection points and amount of change drawers and will reserve the right to periodically perform an evaluation to determine if there is an appropriate level of cash to accommodate the level of activity of the cash collection points. These levels may be adjusted at the discretion of the City Finance Director or his/her designee.
3. Departments with temporary or seasonal cash funds must immediately return the funds at the end of the season or event for which the funds were issued.

B. Cash Receipts

1. Recording Sales and Other Cash Receipts
 - a) All sales and other transactions involving cash receipts, including passes and donations, must be entered into a cash register or the cash receipts application of the accounting system. If these methods are unavailable, then a pre-numbered multiple copy receipt form shall be used. All pre-numbered receipts must be accounted for, including voided receipts. The approved pre-numbered receipts are to be used

and obtained from the Finance Division. Only U.S. currency is accepted.

- b) Receipts must be given to customers for all sales.
- c) A clear separation of duties must be maintained at the cash collection point. An individual should not have responsibility for more than one of the cash handling components: collecting, depositing, and reconciling. In the event there is limited staff, there absolutely must be a clear separation of duties between the person collecting cash and the person performing the review and reconciliation. In this situation, it is essential the supervisor or his/her designee perform the review and reconciliation.

2. Accountability for Cash Receipts

- a) All cash must be counted daily and all cash drawers must be balanced at the end of each day or shift.
- b) Each employee who handles cash must be assigned his/her own drawer fund so that accountability for cash overages/shortages can be readily determined. If it is determined by the City Finance Director or his/her designee that a cash collection point is unable to comply with this requirement due to unique circumstances, it is the responsibility of the Department Head to ensure that the proper safeguards are in place to maintain cash handler accountability. Written justification must be submitted to the Finance Director or his/her designee for prior approval.
- c) For those locations that use a register and have multiple shifts, each employee must "audit into" the register before beginning his/her shift. To "audit into" the cash register, the employee will count and verify the beginning cash balance each day, even if that employee counted the register before leaving the prior shift.
- d) Each employee assigned a cash drawer is responsible for verifying the date on the receipt at the beginning of each shift.
- e) Each employee assigned a cash drawer is responsible for the cash deposited in his or her cash drawer.
- f) Maintaining "unaccounted for" funds or unprocessed transactions is unauthorized and may be grounds for disciplinary action.
- g) Any losses or discrepancies in cash drawers or cash bags are the sole responsibility of the employee cash handlers.

3. Balancing Cash Receipts

- a) At the end of each working day, cash receipts must be secured. The following working day, the cash receipts must be balanced by following the procedures prescribed below:
 - (1) The cash handler should first count out and separate the beginning drawer balance. All other monies remaining should balance to the cash electronic system or tape. The cash handler will complete the standard "Cash Report Form" by itemizing or listing the currency and coin by denomination, total amount of checks, and total credit card sales. If an electronic system is used, (eg: Tyler Cashiering) then the electronic balancing form must be printed out and signed. The cash handler will initial the complete the form. A similar form may be used with prior approval by the City Finance Director or his/her designee.

(2) The cash handler will complete the Cash Over & Short form when there is a cash difference which cannot be resolved at the time of closing. This form or a similar form approved by the City Finance Director or his/her designee, should be included with any supporting documentation and forwarded to the Finance Division.

(3) The immediate supervisor or his/her designee will verify, approve, and sign the Cash Report Form. The designated person must not have handled the cash anytime during the day or the shift.

(4) A supervisor or his/her designee, independent of the cashiering activity, will prepare a "Daily Cash Control Sheet", listing each cash handler by register, total cash, total checks, credit card payments, grand total, register total, and amount over or short. A similar form may be used with prior approval by the City Finance Director or his/her designee. The supervisor or his/her designee will then prepare the deposit slip from the "Daily Cash Control Sheet" and initial the deposit slip and the Daily Cash Control Sheet. If a deposit is made at a location other than where cash is received, a sign off form needs to be initialed/signed for the transfer of cash by both parties.

(5) The reporting form, which could be in an electronic format, will be prepared and forwarded to the Finance Division along with all supporting documentation, which may include, but is not limited to, the bank validated deposit slip (if available), Cash Report Form, and the Daily Cash Control Sheet. Make certain to include the "z" tape or register report from the daily close out of the cash register with the supporting documentation. A similar form may be used with prior approval by the City Finance Director or his/her designee. Documentation is due to Finance Division within two (2) business days of the transaction date.

b) Finance Division personnel will verify the cash receipt batch information into the accounting system and post. Finance Division personnel will verify that the bank deposits balance to the amount on the cash reports.

4. Credit Card Payment

a) The City Finance Director or his/her designee will authorize the use and installation of credit card terminals.

b) All departments authorized to accept credit card payments must exercise reasonable care in screening charge transactions to reduce credit card misuse and loss of funds.

c) Credit card transactions that are handled in person are not valid without an appropriate signature by the cardholder. Cash handlers are responsible for ensuring that the person using the credit card is authorized to do so. Comparison should be made between the signature on the merchant slip and the signature on the back of the credit card. If there is any doubt regarding the validity of the signature, verify the individual's signature by examining another piece of identification. When processing credit card transactions by phone, cash handlers must also retain the cardholder's name, the name of the person calling, a contact phone number and the credit card verification (CCV) security code.

- d) Any debit card presented for payment is to be processed as a credit card. Cash handlers are not allowed to give any "cash back" to customers who make payments with a debit card.
- e) Credit cards without signatures on the back of the cards are not to be accepted without proper identification.
- f) Credit card terminals must be "batched out" (settled) at the end of each business day.
- g) The original sales drafts, batch reports, and batch transmission receipts must be forwarded to the Finance Division on a daily basis. Report credit card sales on the Cash Report Form, the Daily Cash Control Sheet and the approved reporting form for your location and forward to the Finance Division for processing.
- h) Credit card information (account number, cardholder name, card expiration date, etc.) obtained to process payments in person, by phone or via the Internet, is to be adequately safeguarded to prevent unauthorized use of this information.
 - (1) Processed credit card slips should not be kept out in the open, such as on a desk or next to a cash register, but should be kept inside the cash drawer or in a locking drawer.
- i) The City's websites are to be adequately secured so that all credit card information is adequately safeguarded with respect to the transmission and the storage of this information on a server.
- j) The City Finance Director or his/her designee will maintain a complete listing of all authorized credit card terminals.

5. Check Payment

- a) Checks from employees and customers must not be cashed under any circumstance for the purpose of giving cash or change. (Note: The City is not a banking institution and such employees and customers should be referred to a bank to cash their checks). Exception: Checks written for petty cash by the City of Hobbs can be cashed if proper funds are available.
- b) Checks will not be cashed or written for more than the amount of purchase, for the purpose of giving cash or change back.
- c) Checks must be made payable to The City of Hobbs and must be endorsed promptly with a restrictive endorsement stamp "for deposit only to The City of Hobbs."
- d) Verify the check amount written agrees with the written numeric amount.
- e) No two-party checks will be accepted (i.e. checks made payable to one party and endorsed to the City).
- f) No postdated checks will be accepted.

6. Detecting a Fraudulent Check

- a) Look at the check number in the upper right hand corner. ID must be checked for all checks submitted.
- b) Check for stains and discolorations, this may mean the check has been altered.
- c) Make sure the coding on the bottom of the check matches the check number. After the routing and account number, the check number should be listed.

- d) Check for perforations on the check. Most checks will be torn from a check stub.
- e) Ask for ID on any check that looks suspicious. Check the name on the ID and write down the ID number. If in doubt, contact your supervisor.

7. Issuing Refunds

- a) For same day sales, issuing cash refunds from the drawer is strongly discouraged but it is allowed with Department Head approval.
- b) If a refund over \$19.99 is needed, the amount should be entered in an FPO and a check will be mailed to the customer.

8. Cash Overages and Shortages

- a) The following procedures are recommended to be followed for the purpose of determining a cash overage or shortage:
 - 1. Recount cash for all differences.
 - 2. Search wastebaskets, cash drawers, dumpsters and workstations thoroughly for any misplaced cash, or other proof of work. Secure trash from accidental disposal overnight if necessary.
 - 3. Check the edit reports, bill stubs, register tapes, etc. for similar amounts, double, half and third amounts, communication errors, re-entries, cancels, overrides, corrected items and attempt to mentally reconstruct the days transactions.
 - 4. With supervisor approval, contact any customer having transactions or change orders where the error may have occurred.
- b) The cashier is solely responsible for balancing out at the end of the day or shift and must balance and reconcile any cash differences.
- c) For any cash overages and shortages of \$19.99 or more per day or shift, the supervisor will perform a cash audit at the time of balancing and fill out the Report of Unlocated Cash Differences of \$19.99 or more ; this form must be signed by the employee, respective supervisor, and the Department head. A copy of this form MUST be sent to Finance Division. Finance Division will forward to HR to be filed in the employee's Personnel File.
- d) Cash overages and shortages must be recorded individually on the Cash Over & Short form and identified and recorded on a daily basis on the "Daily Cash Control Sheet" and the reporting form sent to the Finance Division.
- e) Any supporting documentation for cash overages and shortages, including the Cash Over & Short form), should be submitted along with the daily reporting form and forwarded to the Finance Division.
- f) Finance Division must be notified by the next business day when cash is missing or stolen.
- g) Cash overages and shortages will be recorded in the proper cash over/short general ledger account number on the reports sent to the Finance Division.
- h) Cash overages and shortages will be investigated by supervisors and resolved to the fullest extent. A record of overages/shortages should be maintained for each cash handler and regularly reviewed by the supervisor.

9. Deposit Bags

- a) Sealed/tamper resistant plastic deposit bags received from the City's designated bank must be used. No other type of bag is acceptable.
- b) The strip with the tracking number must be removed and retained with the other support maintained for deposits. This strip may also be attached to the daily reporting form which is forwarded to the Finance Division at the Department's discretion.

10. Deposit Preparation

- a) Deposits must be prepared by authorized personnel, independent of the cash handling function and each location should have more than one person who is authorized to prepare the deposit.
- b) The completed deposit slips must be initialed by the person preparing the deposit.
- c) All deposits must be taken to the nearest designation point for courier pickup. The designated location for courier pickup is approved by the City Finance Director or his/her designee. Any deviation from the courier pickup location must be approved by the City Finance Director or his/her designee.
- d) Deposits must be made on a daily basis. If it is determined by the City Finance Director or his/her designee that a cash collection point is unable to comply with this due to unique circumstances, it is the responsibility of the Department Head to ensure that the proper safeguards are in place to maintain accountability. Written justification must be submitted to the City Finance Director or his/her designee for advance approval.
- e) A separate deposit slip and supporting documentation must be filled out for monies received. More than one day of sales should never be combined onto one deposit slip.
- f) To check for mathematical accuracy, verify the total line on the deposit slip matches the bank authenticated amount. If there are any discrepancies, Finance Division must be notified.
- g) In the event that a deposit is not made, the Finance Division must be notified. Written notification, which can be sent in the form of an e-mail, must be made by the following morning explaining why the deposit was not made.
- h) Deposit slips must be locked up when not in use.
- i) All donations, cash bonds and court released forfeitures/seized monies must be deposited immediately into the City's authorized bank account.

11. Keys and Combinations

- a) The keys to each facility with a Cash Collection Point and the keys/combinations to each safe must be assigned by the immediate supervisor or Division/Department Head.
- b) Access to keys and combinations must be limited to as few employees as possible.
- c) A list of employee names that have keys and combinations must be maintained by the Division/Department Head and kept in a locked desk or cabinet for security reasons.
- d) Keys should be in the physical possession of the assigned employee or locked in a drawer or a safe.
- e) Combinations must be memorized. Records of combinations must be kept in a locked safe or drawer, which is only accessible by the Division/Department Head.

- f) It is recommended that locks and combinations be changed when a Cash Handler who has been assigned keys or with knowledge of the combinations no longer needs access or leaves the employment of the City.

12. Physical Security of Cash

- a) All cash drawers must have some form of physical security, such as a lock, which secures the cash receipts.
- b) Cash drawers must be locked when they are unattended. The employee responsible for the cash drawer must keep the key to the cash drawer in his/her possession. The employee must log off his/her computer if the cash drawer is controlled by a computer.
- c) Deposits that are kept overnight and/or over the weekend must be kept in a safe that is locked. The keys to the safe must be kept in the physical possession of the person authorized to have the key.
- d) Individual drawer funds must be segregated and identified for those locations with more than one drawer fund. Locking bags or locking boxes must be used for each drawer fund.
- e) All cash drawers must be closed after each transaction is completed.

13. Surprise Cash Audits

- a) Finance Division personnel will conduct surprise cash audits periodically. Furthermore, it is recommended that the immediate supervisor should also conduct surprise cash audits.
- b) The results of the audits will be communicated with the Department Head. Any deficiencies found are to be resolved and corrected by the immediate supervisor in consultation with the Department Head. A written notice of the corrective action taken is to be communicated with the City Finance Director or his/her designee.
- c) All cash audits will be properly documented and reported. Records are to be kept and maintained of all cash audits in accordance with state record retention regulations.

14. Transporting Cash

- a) Cash receipts must be transported in sealed/tamper resistant plastic deposit bags issued by the bank designated by the City Finance Director or his/her designee.
- b) Certain Cash Collection Points with large cash deposits may desire to use an armored car service at the discretion of the Department Head and with prior approval from the City Finance Director or his/her designee. It is recommended that the route to the bank and the schedule for making deposits be kept confidential and changed periodically.

15. Voided Transactions

- a) No front line personnel are to void transactions.
- b) Transactions that are voided must have supervisory approval; the supervisor's initials or signature by the voided transaction will signify approval.
- c) All transactions that have been voided must be entered into the cash register. Only the designated supervisor of the cash handler has the authority to void a transaction on a batch that has been entered into the accounting system. For those locations with limited staffing, there

should be internal controls in place to ensure that the person who has entered a transaction on a batch is not the same person who voids a transaction on a batch that has been entered into the accounting system.

- d) Only Finance Division personnel have the authority to void an entire batch that has been entered into the accounting system.
- e) Support for voided transactions must be included with the rest of the supporting documentation maintained for cash receipts and forwarded to the Finance Division.

C. Cash handling

1. Accepting Cash

- a) The amount of cash accepted must be verbalized to the customer before it is placed in the cash drawer.

Example: If a customer pays with a twenty-dollar bill, the employee accepting the cash must state "out of twenty."

2. Large Bills

- a) For those that utilize cash registers and/or drawers, large bills (\$50's and \$100's) must be placed between the cash tray and the drawer of the register for improved security.
- b) Cash drawers should be organized left to right, larger to smaller denominations (i.e. twenties to ones and quarters to pennies.)

3. Counterfeit Currency

- a) Cash handlers should exercise caution in accepting currency and be aware of distinguishing characteristics in order to better identify an attempt to pass a counterfeit bill. Before accepting any large bills (\$20's, \$50's and \$100's) a counterfeit bill detector pen should be used to ensure the validity of the currency. Another common method of "counterfeiting" money is the practice of creating "raised notes", which is when genuine paper currency is altered in an attempt to increase its face value.
- b) If the cash handler suspects that a customer is attempting to pass counterfeit currency or raised notes, she or he should ask for another bill or alternative payment method. If the customer insists on using the currency, accept it and follow procedures for robbery attempts. If a suspected counterfeit bill is received, initial and date the back of the bill in the bottom border (this way it can be identified if it goes to trial).

4. Returning Change

- a) Change must be verbally counted back to the customer; and should be carried out in the manner most comfortable to the cashier.

Example: Your change is \$12.15 – that is ten, eleven, twelve dollars and fifteen cents.

5. Safeguarding Large Cash Accumulations

- a) Excessive amounts of cash should never be kept in cash drawers and the cash collection points should have rules regarding the cash limits that may be kept in the cash drawer at any one time. Currency in excess of these amounts should be removed in a prescribed manner after balancing and be stored in a secure vault or safe for final balance.

D. Petty Cash

1. Establishing Petty Cash Funds

- a) The City Finance Director or his/her designee will perform a due diligence review of the proposed petty cash funds before activity begins by ensuring the following key provisions of the Cash Handling Policies are in compliance:
 - (1) Appropriate segregation of job duties exists for employee positions proposed to be involved with the petty cash activities.
 - (2) Effective operating procedures are in place to safeguard the petty cash fund.
 - (3) The proposed reporting format is acceptable to the Finance Division.
- b) The amount of the petty cash fund will be determined by the City Finance Director or his/her designee. The City Finance Director or his/her designee, in consultation with the City Manager, will have the authority to deny the establishment of a petty cash fund due to noncompliance.
- c) The City Finance Director or his/her designee will maintain a complete listing of all authorized petty cash funds, including amount and name of custodian.

2. Proper Uses of Petty Cash

- a) Petty cash can be used for authorized reimbursable small expenditures, such as goods and supplies, not to exceed \$50.00.
- b) Petty cash can be used for change, but cash must be exchanged for cash at the time of the exchange.
- c) Funds cannot be used from petty cash for personal use.

3. Using Petty Cash

- a) A Petty Cash Form must be completed in ink and signed by the person requesting the petty cash reimbursement. The petty cash form will include the amount, date, account number, description of transaction, signature of person requesting the reimbursement, and signature of authorizing supervisor.
- b) An authorized supervisor must approve the petty cash form. An authorized supervisor is defined as the supervisor who has FPO and requisition authorization approval for the account number being charged for the item.
- c) Supporting itemized receipts for all petty cash expenditures must be attached to the completed authorized petty cash form.
- d) The petty cash custodian will exchange petty cash to an individual only after receiving the completed authorized petty cash form:

(1) as a reimbursement in which case the employee must attach itemized receipts or

(2) as an advance to purchase supplies. For advances, the employees must return the itemized receipts of the actual purchases with any unused petty cash fund advances immediately after the purchases are made.

4. Balancing Petty Cash

- a) Petty cash must be balanced, at a minimum, on a monthly basis. The sum of the itemized receipts, attached to the authorized petty cash forms, and the cash must equal the established amount of the petty cash fund.
- b) A supervisor or his/her designee other than the petty cash custodian must perform the balancing of the petty cash fund.
- c) A worksheet (Attachment H) must be maintained to document the dates that the petty cash fund was balanced. The worksheet will contain the date of balancing, amount the petty cash fund was over or short, and the signature of the supervisor or the designee who balanced and reconciled the fund. A similar form may be used with the prior approval by the City Finance Director or his/her designee.

5. Physical Security of Petty Cash

- a) Petty cash must be segregated from other drawer funds and must be identified as "petty cash."
- b) Petty cash must be kept in a locked safe or locked drawer when it is not in use.
- c) The petty cash custodian must maintain keys and/or combinations to locking bags, locked boxes, safes, and locked drawers in a secure location.

6. Replenishment of Petty Cash Funds

- a) The petty cash custodian will enter an FPO in the accounting system using the account numbers and descriptions from the completed, authorized petty cash forms with attached itemized receipts. The vendor will be the City of Hobbs.
- b) The authorized supervisor will approve the FPO only after reviewing that all itemized receipts and authorized petty cash forms are complete and balance to the amount of the FPO.
- c) All itemized receipts with attached authorized petty cash forms will be forwarded to the Finance Division after the authorized supervisor has approved the FPO.
- d) Checks will be made payable to the City of Hobbs. The Finance Division will send the check to the designated department and the department will receive the cash back in the denominations specified by the department.

7. Returning a cash drawer or petty cash

- a) Check with Finance Division for the correct general ledger account number.
- b) Deposit the cash at the City Clerk's office using the correct general ledger account number.
- c) Deliver the deposit receipt and petty cash receipts, if any, to the Finance Division.

8. Surprise Petty Cash Audits

- a) Finance Division personnel will conduct surprise petty cash audits on a periodic basis. The results of the audits will be communicated with the Department Head. Any deficiencies found are to be resolved and corrected by the Department Head. A notice of the corrective action taken is to be communicated with the City Treasurer or his/her designee.
- b) All petty cash audits must be properly documented and reported. Records are to be kept and maintained by the Department and the City Finance Director or his/her designee.

E. Security Procedures

1. Robbery

- a) Anytime cash is handled in a public place, a threatening situation can occur that puts personal safety in danger. In the event of a robbery, it is critical to remember that the preservation of human life and safety is of the utmost importance. Always assume that there is a weapon even if one is not in view. Be polite, accommodating and do exactly as the robber asks. Attempt no heroics, but try to pay attention to any distinguishing features of the robber.
- b) After the robber has left the building, hit the alarm button (if one is available); close the cashier window and lock the premises, if possible. Notify the respective supervisor about the robbery. Call 911 and stay on the line until police arrive. Do not speak to anyone, other than your immediate supervisor, until Police have been spoken to and the required police reports have been completed.

2. Fire/Bomb Threat/Sprinklers

- a) In the event of a fire or bomb threat, the cash handler should secure all money by locking the cash drawer and vacate the building as soon as possible. If there is adequate time, secure the money in a safe or vault. Remember to use personal judgment; the preservation of life and safety is the highest priority. Do not remove funds from the premises.

3. Emergency Procedures

- a) Every department that has a cash collection point should have written emergency procedures in place in case of fire, bomb threat or natural disaster. These emergency procedures should be approved by the respective Department Heads and discussed with the cash handlers (i.e., cash handlers should know where all the exits are at his/her facility).

F. Miscellaneous

1. Inventoried Items

- a) An inventory system is required for incidental items that are sold, such as trash bags.
- b) Consult with the City Finance Director or his/her designee to determine whether an inventory system is required.

2. Passes/Gift Certificates

- a) For those City facilities that issue and/or permit passes/gift certificates for certain activities, all passes/gift certificates must be physically verified.
- b) All passes/gift certificates should be pre-numbered in sequential order and kept in a log (i.e., an excel spreadsheet). Winners need to sign the log when receiving awards, gift cards, or passes.
- c) All passes/gift certificates must be verified for name and expiration date.

3. Use of the City of Hobbs Tax Identification Number

- a) All bank accounts using the City's tax identification number will be authorized and opened only by the City Finance Director or his/her designee. The use of the City's tax identification number on unauthorized bank accounts is prohibited.

VI. PERFORMANCE REVIEWS AND CORRECTIVE ACTIONS

A. Documentation for Performance Review

- 1. Cash balancing records/corrective actions will be maintained by the supervisor for documentation purposes and for employee cashing performance review purposes.

B. Investigation/Disciplinary Action

- 1. Any cash differences may result in an administrative investigation, disciplinary action per Article 7 in the Personnel Rules, and/or criminal investigation.

VII. VIOLATIONS OF POLICY

A. Disciplinary Action

- 1. Violation of this policy will subject the employee to administrative disciplinary action up to and including termination as prescribed in the Personnel Rules and Regulations.

B. Employee Cooperation

- 1. Employees are required to cooperate fully with any administrative investigation. Failure to cooperate will be considered grounds for termination.

C. Criminal Investigation

- 1. In addition to an administrative investigation and depending on the circumstances, incidents will be investigated criminally and may result in prosecution for violations of criminal law. Civil remedies may also be explored depending on the circumstances.

D. Polygraph Testing

- 1. Polygraph testing may be required at any time, for any unbalanced amount, for all personnel involved, including those with access to the safe, keys, etc. Refusal to participate in the polygraph testing will be considered grounds for termination.

E. Surveillance Equipment

- 1. The City reserves the right to install electronic surveillance equipment at cash collection points.

VIII. EXEMPTIONS

A. Police Informant Funds

1. Cash monies used by the Police Department for investigative purposes are exempt from the scope of these policies and procedures. These monies are subject to an annual internal audit process to insure accountability and maintain internal control.

IX. WRITTEN DEPARTMENTAL PROCEDURES

1. In addition to the cash handling procedures established in this document, it is highly recommended that each cash collection point has its own specific procedures. Written procedures should minimally include a clear separation of duties in the handling of cash receipts, guidelines for the safekeeping of funds and procedures for handling overages and/or shortages including instructions on notifying the appropriate City authority in the event of a loss.

X. BANK RECONCILIATIONS

1. ~~Bank reconciliations must be performed timely and signed by the Finance Director. (note: timely means within 25 days within the following month).~~

1. **All Bank account reconciliations, including the Inmate Trust bank account, must be performed on a monthly basis; any differences must be researched and corrected in a timely manner. The adjusting journal entries from each bank reconciliation are submitted with the bank reconciliation for review and approved by the Finance Director. Once approved by the Finance Director, the adjusting journal entries are entered into the accounting system.**
2. **Once complete, bank reconciliations should be signed by the preparer (usually the Assistant Finance Director) and reviewed and approved by the Finance Director.**

Bank statements and the supporting documentation must be stored in a monthly bank reconciliation file box and maintained per the current retention policy for future auditing purposes.

B. CASH ACCOUNT RECONCILIATIONS

1. **All cash account reconciliations and the related receipts and disbursements, including all City Court cash accounts, must be performed on a monthly basis; any differences must be researched and corrected in a timely manner. The adjusting journal entries, from each cash account reconciliation, are submitted with the cash account reconciliation for review and approved by the Finance Director. Once approved by the Finance Director, the adjusting journal entries are entered into the accounting system.**

2. **Once complete, cash account reconciliations should be signed by the preparer (usually the Assistant Finance Director) and reviewed and approved by the Finance Director.**

Supporting documentation must be stored in the bank reconciliation file box and maintained per the current retention policy for future auditing purposes.

PROCUREMENT POLICY ORDINANCE



Contract Background

Typically, the City of Hobbs requires contracts for any labor/services over \$20,000. There are some cases that might require a contract under \$20,000 if the department and vendor need to detail out certain attributes that would otherwise not reflect on the purchase order (examples of these are timelines, quantity amounts, methods of payment, scope of work, expectations etc.) **Contracts are not to be artificially divided to shift the classification of the purchase into an inappropriate expenditure category.** In obtaining a contract the following procedures must be followed as to make your department and vendor, an enjoyable experience with the Finance Department.

Procedure:

1. Determine if labor or services are over the \$20,000 dollar threshold.
2. If over the \$20,000 dollar threshold, three written quotes (use quote/purchase request form) must be obtained. (Note: Professional services are exempt from three written quotes but cannot exceed \$60,000. All professional service contracts below \$60,000 must be signed by the City Manager)
2. Obtain an electronic version contract on the City's Intra-net page or contact Finance for a pro-forma contract. (Note: the contract pro forma version has been vetted through the Finance Department and Legal Department. Any other contract form used will be subject to additional review by the Legal/Finance Department)
3. Update the contract with the vendor, scope of service, amounts, quantity or any other language is deemed necessary for clarification.
4. Check budget for available funds and update contract with coding instructions.
5. Contract needs to be signed by the Department Head, Finance Director and Vendor before work is to begin. If a contract is obtained through a bidding process or RFP process then the Mayor must sign contract.
6. Once signatures are obtained, the Contract must be forwarded to Purchasing (along with the three written quotes) for encumbering into the MUNIS system. This assures that the City of Hobbs has the most current status of contractual liabilities owed to vendors.
7. Invoices associated with the contracts will be submitted to accounts payable and disseminated to the Department who issued the contract.
8. The Department Head will sign off on the invoice verifying the work was complete and satisfactory. The Department Head will then forward to accounts payable for payment. (Note: all invoices must be paid within 15 days of receipt of payment per ordinance)

9. All contracts will be drafted for a one year term with a three year option to re-new (when applicable). Before the contract year, a reminder notice will be sent by the Finance Department to the department who initiated the contract for review. The department will review and update any terms, scope of services, or any other terms set in the initial contract. Once reviewed, the department will sign the contract reminder notice along with the vendor. This constitutes exercising one of the three year options. Any significant changes to the initial contract will need to be reflected in an amendment to the initial contract, identifying any updates. The amended contract must be signed by all parties listed in the initial contract.

Employment Contracts vs. Contracts of Independent Contractors

All contracts will be subject to review by the City Manager, Personnel Director and Finance Director as it relates to determining whether a contract is considered to be an employment contract or a contract with an independent contractor. (IRS rules apply) Employment contracts will be reviewed annually by the City Manager during his/her evaluation process for the employee. Contracts with an independent contractor will follow the review procedure mentioned in procedure 9 Section VIII of procedures for obtaining a contract.

Toby Spears

From: Gautschi, Mathew <Mathew.Gautschi@usdoj.gov>
Sent: Thursday, March 24, 2016 1:17 PM
To: Toby Spears
Cc: Sam Cobb; JJ Murphy; Deborah Corral
Subject: FW: Audit Report for FY 06/30/13 (TJ-50-14-121)
Attachments: RESPONSE TO DOJ 10 27 2015.pdf; TJ-50-14-121_102115 Follow Up Memo to Grantee.pdf

Hello Mr. Spears,

Please provide an update on the status of your response as we would like to avoid designating the City as a high-risk grantee.

Please call if you have any questions.

Mathew Gautschi
Department of Justice
Office of Justice Programs
Contractor
202 514 8820

From: Gautschi, Mathew
Sent: Tuesday, March 01, 2016 11:51 AM
To: 'Toby Spears' <tspears@hobbsnm.org>
Cc: 'scobb@hobbsnm.org' <scobb@hobbsnm.org>; 'jjmurphy@hobbsnm.org' <jjmurphy@hobbsnm.org>; 'dcorral@hobbsnm.org' <dcorral@hobbsnm.org>
Subject: Audit Report for FY 06/30/13 (TJ-50-14-121)

Hello Mr. Spears,

Thank you for your response, dated October 27, 2015, to address the remaining recommendations included in your Single Audit Report for FY 06/30/13 (see Attachment). After a review of the response, some additional information is needed in order to close the remaining recommendations, and the audit report as a whole. In order to close each finding, the Office of the Inspector General (OIG), who makes the final determination in closing the findings, requires formal written procedures which specifically address each aspect of each recommendation. As such, please see the comments below related to each of the remaining recommendations.

Recommendation Number 2 - Finding FS-2013-001 - Please provide a copy of formal procedures to ensure that all City Court cash accounts, and the related receipts and disbursements, are reconciled on a monthly basis; any differences are researched and corrected in a timely manner; and the reconciliations are reviewed and approved by management.

Recommendation Number 3 – Finding FS-2013-002 - Please provide a copy of formal procedures to ensure that all bank accounts, including the Inmate Trust bank account, are recorded in the general ledger and reconciled on a monthly basis; differences are researched and corrected in a timely manner; reconciliations are reviewed and approved by management; and the documentation is maintained for future auditing purposes.

Recommendation Number 5 – Finding FS-2013-005 - Please provide a copy of formal procedures to ensure that all cash receipts are timely deposited in accordance with City and State guidelines.

Recommendation Number 6 – Finding FS-2013-006 - Please provide a copy of formal procedures to ensure that employment agreements and contracts of independent contractors are obtained prior to commencement of work; and updated, as required, to reflect the terms and conditions of the work. I see the language in the revised procedures to address the annual review of each contract (Section 3.20.080, #9). However, I do not see the language to ensure that employment agreements and contracts of independent contractors are obtained prior to commencement of work?

If you are drafting new or revised procedures, feel free to submit a draft copy of the procedures for review to ensure they contain the appropriate language and adequately address each recommendation, before you have them formally approved, implemented, and incorporated into your formal response.

Please note your formal response, must include the following: be on official letterhead; be signed by a City official; include a copy of the new or revised procedures; include the implementation date of the procedures; and include documentation to support that the procedures have been communicated to the appropriate staff.

In addition, as our previous memos have stated, grantees with audit reports open for more than one year are designated as a high-risk grantee by the U.S. Department of Justice. As this audit report is over one year old, we must receive an adequate response to close the remaining recommendations by April 15, 2016, in order to avoid designating the City as a high-risk grantee.

Please call if you have any questions.

Mathew Gautschi
Department of Justice
Office of Justice Programs
Contractor
202 514 8820

-----Original Message-----

From: Toby Spears [mailto:tspears@hobbsnm.org]
Sent: Tuesday, October 27, 2015 2:21 PM
To: Gautschi, Mathew
Cc: Chris McCall; JJ Murphy; Nikki Sweet
Subject: FW:

The following attachment is the City of Hobbs response to your email dated October 14th, 2015. If there are any questions, please do not hesitate to call.

Toby Spears, CPA - Finance Director
City of Hobbs
575 397 -9235
tspears@hobbsnm.org

-----Original Message-----

From: financescan@hobbsnm.org [mailto:financescan@hobbsnm.org]
Sent: Tuesday, October 27, 2015 10:10 AM
To: Toby Spears

Subject:

This E-mail was sent from "RNP28BC81" (Aficio MP 4001).

Scan Date: 10.27.2015 12:09:35 (-0400)

Queries to: financescan@hobbsnm.org



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 18, 2016

SUBJECT: A Resolution Opposing the Bureau of Land Management's Proposed Venting and Flaring Rule

DEPT. OF ORIGIN: Legal Department
DATE SUBMITTED: April 12, 2016
SUBMITTED BY: Michael Stone, City Attorney

Summary:

This resolution opposes the Bureau of Land Management's ("BLM") proposed Venting and Flaring Rule. A significant portion of the City's economy is directly and indirectly related to exploration, development and production of petroleum. The oil and gas industry provides countless jobs for Lea County residents. The tax streams associated with the oil and gas industry fund major portions of the budgets of local governments and educational institutions. The recent drop in oil prices has hampered our local economy. Unfortunately, the BLM's proposed Venting and Flaring Rule will create risks of premature closure of some wells and will inhibit exploration by the associated increased production costs.

The potential impact of the proposed Venting and Flaring Rule will be catastrophic to New Mexico. Approximately 63% of New Mexico's natural gas production and 54% of oil production originates from federal mineral leases that returned over \$600 million in royalties to New Mexico in 2014. If the rule passes, our State elected leaders will have little or no say in how the rule will impact New Mexico.

Currently, we can influence BLM's proposed rule by offering comments on the proposal. This Resolution will be provided to the BLM; Senators Tom Udall and Martin Heinrich; Congressmen Ben Ray Lujan and Steve Pierce; and Congresswoman Michelle Lujan Grisham.

Fiscal Impact:

There is no fiscal impact associated with this resolution.

Reviewed By: _____

[Signature]
Finance Department

Attachments:

Resolution

Legal Review:

Approved As To Form: _____

[Signature]
City Attorney

Recommendation:

The Commission vote to adopt the resolution

Approved For Submittal By:

[Signature]

Department Director

[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____
Ordinance No. _____
Approved _____
Other _____

Continued To: _____
Referred To: _____
Denied _____
File No. _____

CITY OF HOBBS

RESOLUTION NO. 6429

A RESOLUTION OPPOSING THE BUREAU OF LAND
MANAGEMENT'S PROPOSED VENTING AND FLARING RULE

WHEREAS, the Bureau of Land Management ("BLM") has proposed a Venting and Flaring Rule ("Flaring Rule"), if approved, will become Onshore Order 9, that would add a profound and significant risk of premature closure of Permian Basin oil and gas wells and will inhibit exploration by the associated increased production costs;

WHEREAS, a significant portion of the City of Hobbs' economy is directly and indirectly related to the exploration, development and production of petroleum;

WHEREAS, the oil and gas industry provides countless jobs for Lea County residents;

WHEREAS, the tax streams associated with the oil and gas industry fund major portions of the budgets of Lea County local governments and educational institutions;

WHEREAS, approximately 63% of New Mexico's natural gas production and 54% of oil production originates from federal mineral leases that returned over \$600 million in royalties to New Mexico in 2014; and

WHEREAS, the Hobbs City Commission opposes the proposed Flaring Rule and desires to offer its comments of opposition to the BLM and our Federal legislators.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the City of Hobbs opposes the BLM's proposed Flaring Rule and City staff is directed to distribute a copy of this resolution to the BLM; Senators Tom Udall and Martin Heinrich; Congressmen Ben Ray Lujan and Steve Pierce; and Congresswoman Michelle Lujan Grisham.

PASSED, ADOPTED AND APPROVED this 18th day of April, 2016.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



ACTION ITEMS



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 18, 2016

SUBJECT: FINAL ADOPTION OF AN ORDINANCE TO AMEND CHAPTER 15.05 AND CHAPTER 15.32 OF THE CITY OF HOBBS MUNICIPAL CODE IN THEIR ENTIRETY.

DEPT. OF ORIGIN: Planning Department
DATE SUBMITTED: April 11, 2016
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: Chapter 15.05 Definitions and Chapter 15.32 Signs contain the developmental regulations for the placement of signs and billboards on private property located within the Municipal Boundaries. The majority of the revisions are syntactical in nature to provide continuity and clarity of the regulations, however major changes were made in regards to the placement of billboards, electronic signage and portable signs.

The City of Hobbs Planning Board reviewed this issue on June 16, 2015 and voted 5 to 0 to recommend approval of the Ordinance Amending Chapter 15.05 and Chapter 15.32 of the Hobbs Municipal Code in their entirety. The City Commission approved publication of the Ordinance on June 29, 2015. Adoption of the Ordinance was tabled on August 3, 2015 and directed back to the Planning Board. The City of Hobbs Planning Board reviewed this issue on March 15, 2016 and voted 5 to 0 to recommend approval of the Ordinance, the City Commission voted to publish the Ordinance on March 21, 2016.

Fiscal Impact: Reviewed By: [Signature] Finance Department

No Fiscal impact.

Attachments: Ordinance.

Legal Review: Approved As To Form: [Signature] H. Steve City Attorney

Recommendation: Staff recommends consideration of the Adoption of the Ordinance Amending Chapter 15.05 and Chapter 15.32 of the Municipal Code in their entirety.

Approved For Submittal By: [Signature] Department Director
[Signature] City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN
Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

ORDINANCE NO. 1094

AN ORDINANCE TO AMEND CHAPTER 15.05 AND CHAPTER 15.32 OF THE HOBBS MUNICIPAL CODE IN THEIR ENTIRETY.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the following Chapters of the Hobbs Municipal Code be and is hereby amended in their entirety.

15.05.010 Definitions.

For the purposes of this title the following words and phrases shall have the meanings respectively ascribed to them by this section:

"Banner" means any temporary sign of a lightweight fabric or similar material on which a sign is painted or printed and is mounted to a pole or building.

"Billboard" means a sign which directs attention to a business, activity, commodity, service, entertainment or communication which is not conducted, sold or offered at the premises on which the sign is located, or which does not pertain to the premises upon which the sign is located.

"Building code" means the International Building Code promulgated by the International Code Council, New Mexico Building Code and any other code adopted by this jurisdiction.

"Building inspector/building official" means the officer or other designated authority charged with administration and enforcement of this Code.

"Building mounted sign" means a sign entirely supported by or through a building including a canopy sign, marquee sign, projecting sign, roof sign and wall sign.

"Combination sign" means any sign incorporating any combination of the features of pole, projecting and roof signs.

"Community service sign" means any sign which solicits support for or advertises a nonprofit community use, public use or social institution.

"Construction sign" means a sign erected on the premises on which construction is taking place, during the period of such construction, indicating the names of the architects, engineers, landscape architects, contractors or similar artisans, and the owners, financial supporters, sponsors and similar individuals or firms having a role or interest with respect to the structure or project.

"Curb line" means the line at the face of the curb nearest to the street or roadway. In the absence of a curb line, the curb line shall be established by the City Engineer.

"Directional/Monument sign" means a sign limited to on site directional and informational messages, principally for pedestrians or vehicular traffic excluding signs erected by governmental entities.

"Display surface" means the area made available by the sign structure for the purpose of displaying the advertising message.

"Electric sign" means any sign containing electrical wiring, excluding signs illuminated by an exterior light source.

"Fire Marshal" means the officer or designated authority charged with administration and enforcement of the International Fire Code.

"Freestanding sign" means any sign not affixed to a building or structure, supported by a structure that are placed on or anchored in the ground and that are independent from any building or other structures, and having its lowest edge ten (10) feet or more above the elevation of the top of curb of the nearest roadway or if no curb the City Engineer will establish the elevation.

"Ground sign" means a sign, including its supporting structure, six (6) feet or less in height measured from the curb, which is placed upon, or supported by the ground independent of a principal building.

"Height of sign" means the vertical distance from the top of the curb to the highest point of the sign.

"Illegal sign" means any sign not meeting the requirements of this title.

"Illuminated sign" means any sign which is directly lighted by any on-premises electrical light source, internal or external, except light sources specifically and clearly operated for the purpose of lighting the general area in which the sign is located rather than upon the sign itself.

"Lease" means any agreement whether oral or written by which one party gives to another party the right to erect or maintain an outdoor advertising device on the property of the party owning or controlling the property.

"Marquee" means a permanent roofed structure attached to and supported by the building and projecting over public property.

"Multi-business sign" means a sign that promotes a plaza, mall or similar use with multiple tenants' advertisements.

"Nonconforming sign" means a sign which violates one (1) or more provisions of this title any other requirement contained in, or adopted by reference within, the Hobbs Municipal Code.

"Official signs and notices" means signs and notices erected and maintained by public officers or public agencies within their territorial or zoning jurisdiction and pursuant to and in accordance with direction or authorization contained in Federal, State or local law for the purposes of carrying out an official duty or responsibility.

"Off-premise sign" means a sign, the content of which does not refer to a business or merchant doing business on the premises where the sign is displayed.

"On-premises sign" means a sign which advertises or directs attention to a business, product, service or activity which is available on the premises where the sign is located.

"Permanent sign" means a sign which is designated and intended to be anchored to the ground, building or other structure for the duration of the use of the premises.

"Political sign" means a temporary sign pertaining to any national, State or local election or cause which is displayed for a limited period of time.

"Portable signs" means a sign that is designed to be transported and attached temporarily to the ground, a structure or another sign.

"Projecting sign" means a sign other than a wall sign, which projects from and is supported by a wall of a building or structure.

"Projection" means a distance by which a sign extends over public property or beyond the building line.

"Public utility signs" means warning sign, informational sign, notice or markers which are customarily

erected and maintained by publicly or privately owned public utilities, as essential to their operations but is not advertising a product.

"Real estate sign" means a sign intended to be displayed for a limited period of time which advertises the financing, development, sale, transfer, lease, exchange or rent of real property or properties and with a maximum of sixteen (16) square feet for residential property and forty (40) square feet for commercial property.

"Roof sign" means a sign erected upon or above a roof or parapet of a building or structure.

"Sign" means any sign which is used or intended to be used to attract attention to the subject matter for advertising purposes with a minimum of four (4) square feet or greater, other than painting on the surface of a building or temporary use.

"Sign copy" means the letters, numbers, symbols or geometric shapes, either in permanent or changeable form, on a sign face.

"Sign structure" means any structure which supports or is capable of supporting any sign defined in this title.

"Temporary sign" means any sign made of any material intended to be displayed for a limited period of time.

"IBC Standards" means the International Building Code Standards, promulgated by the International Code Council as adopted by this jurisdiction.

"Wall sign" means any sign attached to or erected against the wall of a building or structure, with the exposed face of the sign in a plane parallel to the plane of the wall.

Chapter 15.32

SIGNS

Sections:

- 15.32.010 Purpose and intent.
- 15.32.020 Application for permit.
- 15.32.030 General provisions for signs.
- 15.32.040 Design and construction.
- 15.32.050 Requirement of plans.
- 15.32.060 Maintenance.
- 15.32.070 Exempted signs.
- 15.32.080 Abandoned signs.
- 15.32.090 Notice period.
- 15.32.100 Removal of signs.
- 15.32.110 Expense of removal.
- 15.32.120 Nonconforming signs.
- 15.32.130 Sign illumination.
- 15.32.140 Reconstruction of sign.
- 15.32.150 Fees.
- 15.32.160 Appeals or waivers requests.
- 15.32.010 Purpose and intent.

Regulation of the location, size, placement and certain features of signs is necessary to enable the public to locate goods, services and facilities in the City without difficulty and confusion, to encourage the general attractiveness of the community and to protect property value therein. Accordingly, it is the intention of this chapter to establish regulations governing the display, location, maintenance and inspection of signs which will:

- A. Prevent the construction and projection of sign into, above or within public right-of-way and

property lines.

B. Protect the public health and general welfare.

15.32.020 Application for permit.

Application for a sign permit shall be made in writing upon forms furnished by the building official. Such application shall contain the location by street address of the proposed sign and as well as the names and addresses of the owner of the premises where the sign is to be located, the permittee and the sign contractor. The building official will require the filing of plan as stated on Sections 15.32.050 and any other pertinent information as is necessary to insure compliance.

Every application shall be executed and the representations made therein certified to be true by both the owner of the premises upon which the sign is to be constructed, the permittee and the sign company and contractor authorized to erect the structure. Every application shall contain a statement of the owner, the permittee, the sign company and the contractor that the sign and structure does not violate any applicable deed restriction, restricted covenants, setback requirements or State codes.

A plot plan must be furnished as a part of the application that shows location of the sign and structure in relation to subject property boundary lines, improvements, easements, curb lines and rights-of-way.

If the location, plans and specifications set forth in any application for permit conforms to all of the requirements of this chapter and other applicable provisions and ordinances, the building official shall issue the permit. However, the applicants shall be solely responsible for conformance to requirements.

Any permit for construction of a sign shall become null and void unless construction of the sign and structure is completed within one hundred eighty (180) days of the issuance of a permit or the permit is renewed for an additional one hundred eighty (180) days and payment of one-half of original fee.

15.32.030 General provisions for signs.

Except as otherwise specifically provided in the City code, the following provisions apply for all signs:

A. Signs Shall Not Constitute Traffic Hazards. No sign or other advertising structure as regulated by this chapter shall be erected or continued to be displayed at the intersection of any street or within any alley or driveway in such a manner as to obstruct free and clear vision; or at any location where, by reason of the position, shape or color, such sign may interfere with, obstruct the view of, or be confused with any authorized traffic sign, signal or device.

1. On premise entrance, exit, monument and directional signs constructed and maintained in accordance with an approved sign plan shall be allowed on all parcels developed for commercial use. Such signs shall not exceed six square feet in sign area, nor exceed the height restrictions for a structure located within the building setback if located therein.

2. Any signs, signals or devices erected by governmental entities, public schools and utility companies are exempt from the provisions of this chapter and shall be controlled by other applicable laws, regulations and ordinances.

B. Placing Signs on Public Property. No signs other than signs placed by agencies of government shall be erected on or above any public property; provided, that directional signs may be erected upon City street name supports, or upon traffic signposts under the following conditions:

1. The sign directs the reader to the location of a public facility attended principally by out-of-town patrons, to a facility relating to the public health, safety or welfare or to scenic or historic trails.

2. The signs are installed at locations where they would not constitute a traffic hazard.

3. The signs conform to the manual on uniform traffic control devices. Nothing contained in this section shall supersede, modify or nullify any of the provisions of contracts and agreements heretofore entered into by the City with the Highway and Transportation Department of the State of New Mexico and the U.S. Bureau of Public Roads concerning such property signs, banners, billboards and awnings.

C. Placing Signs on Private Property. No signs shall be placed on any private property without a permit and shall meet the following:

1. Each commercially developed site may have no more than one free-standing sign; provided, however, that sites with more than three hundred (300) feet of public street frontage may have one additional free-standing sign for each three hundred (300) feet of additional frontage or a fraction thereof.

2. No free-standing sign shall exceed thirty-five (35) feet in height and shall not exceed one hundred forty-four (144) square feet per sign. Wall sign shall not exceed one hundred forty four (144) square feet per leased space facade.

3. The main multi-business sign on malls, shopping centers, strip malls, or similar uses shall not exceed more than one hundred forty-four (144) square feet and the total of tenant signs shall not exceed one hundred forty-four (144) square feet.

4. Signs erected on private properties fronting a minor residential roadway and within a residential area shall not exceed fifteen (15) feet in height or forty-eight (48) square feet per sign and be located wholly within the prescribed building setback. Wall signs shall not exceed forty-eight (48) square feet maximum.

D. Placing Billboards on Private Property. No billboards shall be placed on any private property containing a free standing sign. Billboards shall only be placed on private property fronting a Major Arterial as specified within the City of Hobbs Major Thoroughfare Plan and shall meet the following:

1. Each site shall have no more than one billboard; provided, however, that sites with more than eight hundred (800) feet of public street frontage may have one additional billboard providing an eight hundred (800) foot linear separation is maintained between all proposed or existing billboards adjacent to and oriented perpendicular to a Major Arterial, regardless of ownership.

2. A billboard shall not be permitted to be placed within eight hundred (800) linear feet of any existing billboard adjacent to and oriented perpendicular to a Major Arterial.

3. No billboard shall exceed thirty-five (35) feet in height or three hundred (300) square feet per billboard. All billboards shall be constructed of metal.

4. Billboards on residential streets are prohibited.

5. Billboards unable to secure an advertiser for a period of 120 days shall be considered abandoned. The building official shall issue the property owner written notice of abandonment and said billboard shall be removed at the owner's expense within thirty (30) days.

E. Placing Signs on Trees, Rocks, Retaining Walls or Fences Located on Public Property. No signs shall be placed or painted on any tree, rock, retaining wall, fence or natural formation which is located on or above public property.

F. Placing Signs on Utility Poles. No sign shall be placed on any utility pole except for utility identification purposes and installed by utility agencies or in accordance with Section 15.32.070(C)(2).

G. Signs on Public Right-of-Way. With the exception of signs lawfully permitted or erected prior to the passage of the ordinance codified in this chapter, it is unlawful to place a sign upon or above a public street, bridge, grounds, sidewalk, alley, right-of-way, curb or other public improvement, or on any public building or structure of any kind belonging to the City, or in any public place or public improvement except as stated on subsection H of this section or a written consent by the City Commission. Any unlawful sign found within, upon or above such public property and easements shall be removed if so ordered by a court of competent jurisdiction as specified under Sections 15.32.090 through 15.32.110. The City is authorized to impound any signs found on any public property and transport or causes same to be transported to a location to be designated by the building official for storage. Records shall be maintained on where such signs were located, when they were so impounded, and the date on which they were so impounded and the City shall hold the same in a storage area for a period of not more than thirty (30) days. At the end of thirty (30) days, such signs will be disposed of as abandoned property.

15.32.040 Design and construction.

It shall be the responsibility of the building official to determine, prior to the issuance of any final approval, that any sign erected, constructed or structurally altered is of such construction and is so supported and erected as to be safe for the area in which it is placed. If the building official finds that any

sign is being erected, constructed, supported or maintained in such a manner as to become dangerous to the public or the surrounding area, then the building official shall give written notice to the sign applicant, owner or contractor erecting, constructing, altering or maintaining such sign, and upon such notice the notified party shall immediately act to either make such sign safe or remove same.

15.32.050 Requirement of plans.

The following are the City requirements for a sign permit.

A. Two sets of plans and/or specifications shall be submitted with the application for each sign permit. One copy of the plans shall be returned to the applicant at the time the permit is granted. The plan shall indicate the size, height, material used, the method of attachment or support and location.

B. Plans for supporting any freestanding sign in excess of 24 foot in height or having a sign face in excess of 128 square feet or billboard sign shall be accompanied by a structural computation and shall be certified by a New Mexico licensed architect or engineer. Sufficient data shall be submitted to show that supporting surfaces and other members of an existing building to which the sign is to be attached are in good condition and are adequately strong to support the sign loads.

15.32.060 Maintenance.

All signs and sign support structures, together with all of their supports, braces, guys and anchors, shall be kept in repair and in proper state of preservation.

15.32.070 Exempted signs and Portable Signs.

The following signs shall not require a sign permit. These exemptions shall not be construed as relieving the sign permittee, owner of the sign and owner or lessee of the property upon which the sign and structure is located from the sole responsibility for its erection and maintenance, and its compliance with the provisions of this chapter or any other law or ordinance regulating same.

A. Painting, repainting, maintenance or cleaning of an advertising structure thereon shall not be considered an erection or alteration;

B. Temporary signs, including political, construction and real estate signs as defined;

C. Temporary banner signs may be used; provided, however, that such use satisfies all other parts of this chapter applicable thereto and the requirements of all other ordinances. Banner shall not be installed for more than sixty (60) days. The owner/contractor shall not install, support, or anchor the banner to any City or utility owned poles, prior to obtaining a written consent from the City Manager or his or her designated representative.

Portable signs shall be permitted by the building official. Portable signs are intended to be displayed for a short period of time only. Portable signs shall not be installed for more than a sixty (60) day period at any one location. A single location is allowed to contain a single Portable sign for a sixty (60) day period; thereafter the location shall not contain a portable sign for a thirty (30) day period. A portable sign shall be located a minimum of five (5) feet from the property line or fifteen (15) feet from the street curb or pavement edge or as directed by the Engineering Department to minimize visibility hindrances. All portable signs containing electrical wiring shall be subject to the provisions of the National Electrical Code and all other applicable codes and the electrical components used shall bear the label of an approved testing agency. Sign design, material and construction shall comply with the provision of this code. All portable signs shall be stabilized and anchored to the ground to restrict displacement by the wind or other accidental force. If the portable sign is used for a period of sixty (60) days or more than, it must be permitted as a permanent sign for the location and meet all provisions of this code as such.

15.32.080 Abandoned signs.

A sign is considered abandoned when the business, event or purpose the sign advertises no longer applies, no longer in business or when the face of the sign no longer contains advertising material and remains in such condition for a period of six months and is constituting a hazard to life, safety and/or property. The building official shall issue a written notice to the sign or property owner, which notice shall

state that such sign shall be removed or repaired within thirty (30) days. If the property owner fails to comply with such notice to the building official is authorized to cause removal of such sign as defined under Section 15.32.100.

15.32.090 Notice period.

The notice period for removal of temporary signs and portable signs is forty-eight (48) hours. The notice period for removal of abandoned signs is thirty (30) days. Property owners will receive a written notice stating that their property does not meet the standards set forth in this chapter. A second notice may result in the issuance of a citation. If the sign permittee or owner of the premises upon which the sign is located has not demonstrated to the satisfaction of the building official that the sign has been removed or brought into compliance with the provisions of this chapter by the end of the notice period, the building official shall certify the violation to the City Attorney for proper action.

15.32.100 Removal of signs.

The building official is authorized to request removal of any illegal, nonconforming and abandoned sign as defined by this chapter.

Before requesting the removal of a sign, the building official shall give written notice to the sign owner or the owner of the premises on which such sign is located. The notice shall state the reasons and grounds for removal, specifying the deficiencies or defects in such sign with reasonable definiteness, and the violation charges. Such notice shall specify what repairs will make such an installation conform to the requirements of this chapter and specify that the sign must be removed or made to conform to the provisions of this chapter within the notice period provided herein. Service of notice may be made personally on the permittee and the property owner, or by certified mail addressed to the owner or permittee at the address specified in the permit or at such address as the owner or permittee may have given written notice or at the address shown on the property tax rolls.

15.32.110 Expense of removal.

If the owner, occupant or agent fails to remove or repair the nonconforming sign as required by this code and the City is forced to remove or repair such structures. All the actual cost and expense, including court costs and attorney fees, of any such removal or repairs incurred by the City shall be borne by the owner, occupant, agent of such sign and the owner of the premises on which the sign is located, shall be liable therefore, and an action for recovery thereof may be brought by the City Attorney upon proper certification thereof to him or her by the building official. The City shall have a lien against the property upon which such sign or structure is located which may be perfected and foreclosed in the same manner as other municipal liens.

15.32.120 Nonconforming signs.

A. Any existing sign or structure which violates or does not conform to the provisions of this chapter is considered nonconforming. Nonconforming signs and structures may continue in place as long as the following conditions are met:

1. No change in business name or use occurs;
2. The sign remains in good condition and does not constitute hazard to life and safety;
3. No major repair or alterations are made to the supporting structure of the sign.

B. Any nonconforming sign or sign structure that is in ruins, damaged and is danger to public safety and health shall be removed as stated in Section 8.24.010.

15.32.130 Sign illumination.

The light from any light source intended to illuminate a sign shall be shaded, shielded, dimmed and directed whereby the light intensity and brightness shall not adversely affect surrounding and facing premises, or adversely affect safe vision of pedestrians and operators of vehicles moving on public and private streets, driveways and parking areas. There should be no direct glare onto adjoining properties or in the eyes of motorists and pedestrians. Electronic signs shall display a static message for no less than 8

seconds for all signs except message boards which shall display for no less than 2 seconds. Electronic signs shall not utilize animation; neither shall the transition from one message to another be animated. Electronic features of monument and portable signs are permissible providing said sign is located fully within the setbacks as prescribed in the City of Hobbs Major Thoroughfare Plan.

15.32.140 Reconstruction of sign.

When any existing sign is damaged, blown down or otherwise destroyed or taken down or removed for any purpose other than maintenance operation, such sign and structure, shall not be re-erected, reconstructed or rebuilt without first obtaining a permit and shall be in full conformance with this chapter and all other applicable codes.

15.32.150 Fees.

A sign permit fee shall be in accordance with Section 15.28.050 as established by the City.

15.32.160 Variances and waivers.

Following a duly conducted public hearing, the City of Hobbs Planning Board may grant a waiver(s) or a variance(s) to the requirements herein, providing that sufficient justification is presented to the Planning Board and a finding is made by the Planning Board that approving the waiver or variance to the requirements herein is not inconsistent with the purpose and intent of the chapter.

PASSED, ADOPTED AND APPROVED this ___ day of _____, 2016

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 18th, 2016

SUBJECT: Authorizing an allocation of Lodgers' Tax funds to fund various annual events for Fiscal Year 2017

DEPT. OF ORIGIN: Finance
DATE SUBMITTED: April 12th, 2016
SUBMITTED BY: Toby Spears, Finance Director

Summary:

On March 15th, 2016, the City Commission held a joint work session with the Lodgers' Tax Board. Entities presented and discussed their funding requests for the 2017 lodgers' tax year. On April 13th, 2016, the Lodgers' Tax Board met and recommended awarding to the Commission, various annual events for Fiscal Year 2017. The organizations and requests are listed on Exhibit A.

Fiscal Impact:

Reviewed By: 
Finance Department

March 31, 2016 Cash Balance (per Lodgers' Tax ordinance) for the Lodgers' Tax Fund is as follows:

Security and Sanitation (15%)	\$ 0.00
Non-Profit/For Profit/Public Entity (20%)	\$ 34,998.02
City and County (40%)	\$ 62,996.44
Airline (25%)	\$ <u>41,997.62</u>
TOTAL CASH AVAILABLE	\$ <u>139,992.08</u>

The 2017 budgeted lodgers' tax revenues are projected to be \$950,000.00

Attachments:

Exhibit A
Financial Report for March 31, 2016
Resolution

Legal Review:

Approved As To Form: _____
City Attorney

Recommendation:

To be determined by City Commission.

Approved For Submittal By:


Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____	Continued To: _____
Ordinance No. _____	Referred To: _____
Approved _____	Denied _____
Other _____	File No. _____

CITY OF HOBBS

RESOLUTION NO. 6430

A RESOLUTION AUTHORIZING ALLOCATION OF
LODGERS' TAX FUNDS FOR FISCAL YEAR 2016

WHEREAS, the Lodgers' Tax Advisory Board met on April 13, 2016 and recommends awarding fund to various annual events for fiscal year 2017; and

WHEREAS, the City Manager recommends the following funding be approved in order to promote various annual events for the Fiscal Year 2017;

	Amount Requested	City Managers Recommendation	Lodger's Tax Board Recommendation	City Commission Recommendation
EDC – Airline Subsidy	\$500,000.00	279,497.62	279,497.62	_____
EDC – Promotion of Airline	75,000.00			_____
City of Hobbs – Rockwind Golf Course-Community Links Concert	75,000.00	75,000.00	75,000.00	_____
City of Hobbs Slam & Jam Gus Macker	78,500.00	78,500.00	78,500.00	_____
Lea County Event Center	150,000.00	50,000.00	50,000.00	_____
Lea County Fair & Rodeo Board	150,000.00			_____
African American Chamber of Commerce	15,000.00			_____
Community Players of Hobbs (Community Playhouse)	17,900.00			_____
Hobbs Chamber of Commerce - Hobbs Holiday Tournament/Beer & Wine Fest	21,672.42	8,443.43	8,443.43	_____
Hispano Chamber of Commerce Mariachi Christmas	19,000.00	13,450.00	8,450.00	_____
Hispano Chamber of Commerce Fiesta De Septiembre	25,000.00	17,500.00	12,500.00	_____
Hobbs Kennel Club	2,600.00	2,600.00	2,600.00	_____
Lea County Commission of the Arts	40,389.00	10,000.00	10,000.00	_____
Light of Lea County	11,900.00	10,000.00	10,000.00	_____
Southwest Symphony	77,443.00	25,000.00	25,000.00	_____
Hobbs USSSA (138,250.00	60,000.00	70,000.00	_____
Western Heritage Museum Complex	78,595.00	20,000.00	20,000.00	_____
Southwest Stone Carving Association	2,500.00			_____
Cycle City Promotions	38,000.00	35,000.00	35,000.00	_____
IMPACTO – JAG Promotions	9,500.00	4,500.00		_____

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized to allocate Lodgers' Tax Funds in the total amounts as specified herein.

PASSED, ADOPTED AND APPROVED this 18th day of April, 2016.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

City of Hobbs
 Analysis of Annual Lodgers' Tax Requests/Quarterly Funding Requests

Exhibit A

Non Profit/For Profit Entities 2017 Funding Annual RFP:													
	City Commission Recommended	City Manager Recommended	Lodgers' Tax Board Recommended	Lodgers' Tax Vote Tally	(Proposed) FY 2017 Requested Funding	(current) FY 2016 Approved Funding	(current) FY 2015 Approved Funding	(current) FY 2014 Approved Funding	(current) FY 2013 Approved Funding	Difference from 2015 to 2016	Category		
1	EDC - Airline Subsidy		279,497.62	279,497.62	no vote set by ordinance	500,000.00	500,000.00	500,000.00	500,000.00	250,000.00	-	airline	
	EDC - Promotion of Airline					75,000.00	107,000.00	107,000.00	107,000.00	179,338.00	(32,000.00)	airline	
	TOTAL ALLOCATION FOR EDC	-	279,497.62	279,497.62		575,000.00	607,000.00	607,000.00	607,000.00	429,338.00	(32,000.00)		
	City of Hobbs Parks and Recreation-Nat. Fastpitch Assoc.						17,400.00				-	local govt	
2	City of Hobbs-Rockwind Golf Course Marketing/Community Links Concert		75,000.00	75,000.00	5-0	75,000.00	132,559.10	504,314.44			(429,314.44)	local govt	
	City of Hobbs - Taylor Ranch ***										-	local govt	
	City of Hobbs - NMML						175,000.00						
3	Hobbs Downtown Slam & Jam Gus Macker Basketball Tour.		78,500.00	78,500.00	4-1	78,500.00	100,000.00	125,300.00	19,645.00	46,315.00	(46,800.00)	local govt	
4	Lea County Event Center ***		50,000.00	50,000.00	5-0	150,000.00	50,000.00	175,000.00	163,600.00	100,000.00	(25,000.00)	local govt	
	Lea County Fairgrounds							9,000.00	9,540.00	9,250.00	(9,000.00)	local govt	
5	Lea County Fair & Rodeo Board				5-0	150,000.00	175,000.00	175,000.00	150,000.00	50,000.00	(25,000.00)	local govt	
	Lea County Subsidy for Lea County Airport Hanger									250,000.00	-	local govt	
	TOTAL ALLOCATION FOR LEA COUNTY/CITY OF HOBBS	-	203,500.00	203,500.00		453,500.00	649,959.10	988,614.44	342,785.00	455,565.00	(535,114.44)		
	575 Roller Babes (Awarded 3,500 dollars by Lodgers Board < 10 K)						3,500.00	3,500.00	3,500.00		(3,500.00)	NP	
6	Juneteenth (Awarded 7,383 dollars by Lodgers Board < 10k)				5-0	8,100.00	7,383.00	7,383.00	7,383.00	7,003.00	717.00	NP	
7	African American Chamber of Commerce				5-0	15,000.00	19,250.00	34,000.00	100,000.00	14,795.00	(19,000.00)	NP	
	Casa of Lea County										-	NP	
8	Community Players of Hobbs (Community Playhouse)				5-0	17,900.00	17,900.00	17,900.00	17,900.00	-	-	NP	
9	Hobbs Chamber of Commerce -Holiday Tourn/Beer & Wine Fest.		8,443.43	8,443.43	5-0	21,684.42	16,600.00	16,580.00		-	5,104.42	NP	
	(note: 3 - 0 with one Lodgers' Tax Board abstaining)							15,000.00	62,900.00	16,800.00	(15,000.00)	NP	
10	Hispano Chamber of Commerce - Mariachi Christmas		13,450.00	8,450.00	3-2	19,000.00	23,500.00	24,125.00	20,000.00	20,000.00	(5,125.00)	NP	
11	Hispano Chamber of Commerce - Fiestas De Septiembre		17,500.00	12,500.00	4-1	25,000.00	26,000.00	26,025.00	25,000.00	26,000.00	(1,025.00)	NP	
12	Hobbs Kennel Club (Awarded 2,500 dollars by Lodgers Board < 10 K)		2,600.00	2,600.00	5-0	2,600.00	2,500.00		4,000.00	4,000.00	2,600.00	NP	
13	Lea County Commission of the Arts		10,000.00	10,000.00	5-0	40,389.00	25,000.00	40,000.00		9,174.00	389.00	NP	
	Lea County Museum						25,000.00	25,000.00	50,000.00	50,000.00	(25,000.00)	NP	
14	Light of Lea County		10,000.00	10,000.00	5-0	11,900.00	19,553.54	15,804.30			(3,904.30)	NP	
15	Southwest Symphony		25,000.00	25,000.00	5-0	77,443.00	79,770.00	83,792.00	92,990.00	45,522.00	(6,349.00)	NP	
16	United Way - Chili Fest (Awarded 9,500 dollars by Lodgers Board < 10 K)				4-1	9,500.00	9,500.00		9,475.00	9,425.00	9,500.00	NP	
17 *	Hobbs USSSA		60,000.00	70,000.00	4-1	138,250.00	123,000.00		3,500.00		138,250.00		
18	Western Heritage Museum Complex (***) see Notes)		20,000.00	20,000.00	4-1***	78,595.00	50,000.00	121,850.00	96,850.00	46,500.50	(43,255.00)	public entity	
	Hobbs Jaycees Community Fund						8,150.00						
	Cinco De Mayo						10,000.00						
19	Southwest Stone Carving Association				4-1 abstain	2,500.00							
	TOTAL ALLOCATION FOR NON-PROFITS	-	166,993.43	166,993.43		465,361.42	448,456.54	309,109.30	396,648.00	210,244.00	156,252.12		
20	Tuff Hedeman Championship Bull Riding		18,000.00	18,000.00	5-0	20,000.00	20,000.00			20,000.00	20,000.00	P	
	Kassis Entertainment - Vanilla Ice/Naughty by Nature									25,000.00	-	P	

Non Profit/For Profit Entities 2017 Funding Annual RFP:

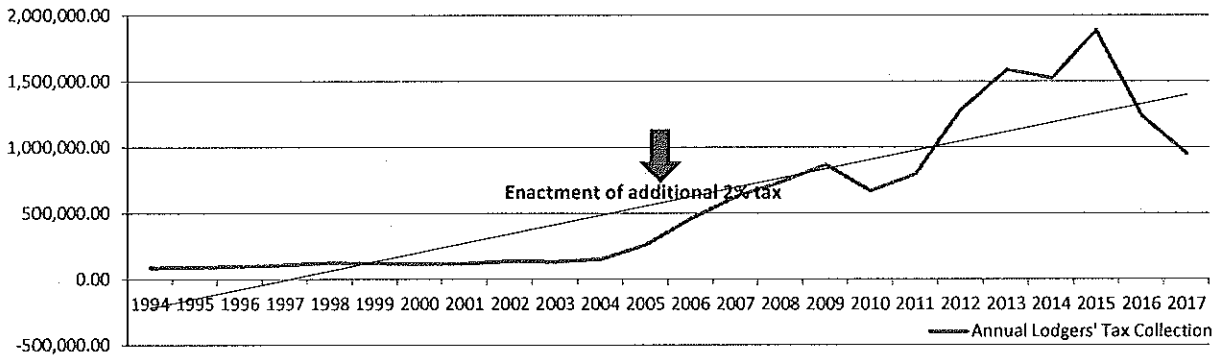
	City Commission Recommended	City Manager Recommended	Lodgers' Tax Board Recommended	Lodgers' Tax Vote Tally	(Proposed) FY 2017 Requested Funding	(current) FY 2016 Approved Funding	(current) FY 2015 Approved Funding	(current) FY 2014 Approved Funding	(current) FY 2013 Approved Funding	Difference from 2015 to 2016	Category
21		35,000.00	35,000.00	5-0	38,000.00	50,000.00	50,000.00	47,700.00		(12,000.00)	P
	(note original requests 116,000 only 50,000 on profit entities)										
22		4,500.00	-	fund	9,500.00	9,500.00					
	TOTAL ALLOCATION FOR FOR-PROFITS										
	-	57,500.00	53,000.00		67,500.00	70,000.00	50,000.00	47,700.00	45,000.00	8,000.00	
				no vote set							
	City of Hobbs - Fire and Police (15% allocation)										
		142,500.00	142,500.00	by ordinance	142,500.00	169,742.00	195,000.00	228,604.86	257,602.80	(52,500.00)	security
	TOTAL REQUESTED ALLOCATION										
	-	849,991.05	845,491.05		1,703,861.42	1,945,157.64	2,149,723.74	1,622,737.86	1,397,749.80	(445,862.32)	

Ordinance Caps:	3-31-2016 Beginning Cash	2017 Cap Amount	2017 Cap Amount plus Beginning Cash	Requested 2017 Amount	City Manager 2017 Recommend	Lodgers' Board 2017 Recommend	Lodgers Recommend (Under)/Over Cap/Cash
Security and Sanitation (15%)	-	142,500.00	142,500.00	142,500.00	142,500.00	142,500.00	-
Non-Profit/For Profit/Public Entity (20%)	34,998.02	190,000.00	224,998.02	532,861.42	224,493.43	219,993.43	5,004.59
City and County (40%)	62,996.44	380,000.00	442,996.44	453,500.00	203,500.00	203,500.00	239,496.44
Airline (25%)	41,997.62	237,500.00	279,497.62	575,000.00	279,497.62	279,497.62	-
TOTAL	139,992.08	950,000.00	1,089,992.08	1,703,861.42	849,991.05	845,491.05	244,501.03

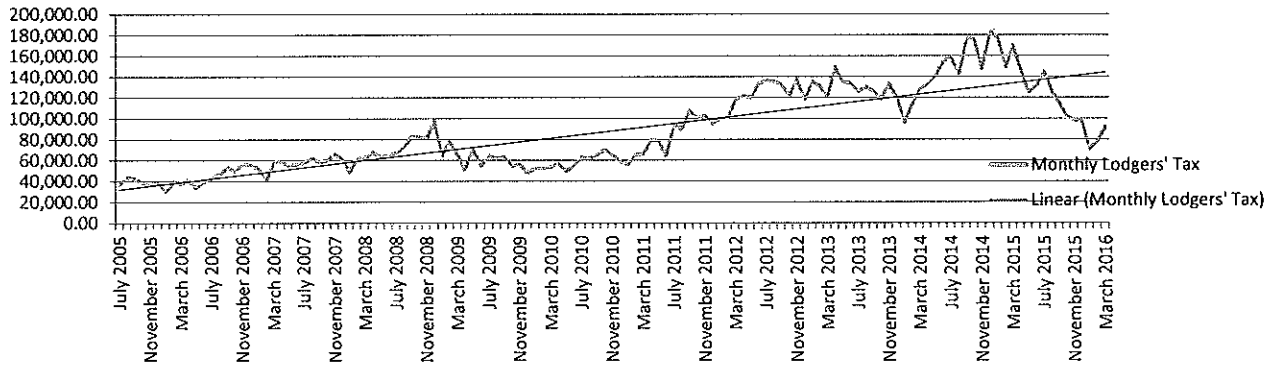
* = quarterly monitoring of lodgers' tax will determine if more allocations can be awarded.

*** = qualified award with additional research needed on "Titantic" for 37,500

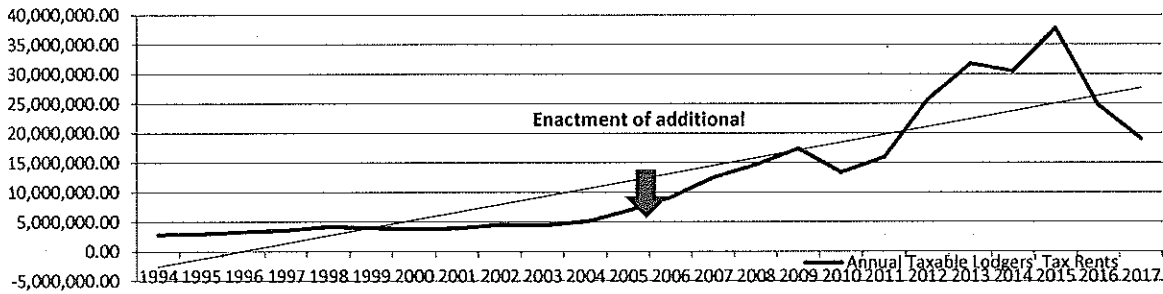
Annual Lodgers' Tax Collection



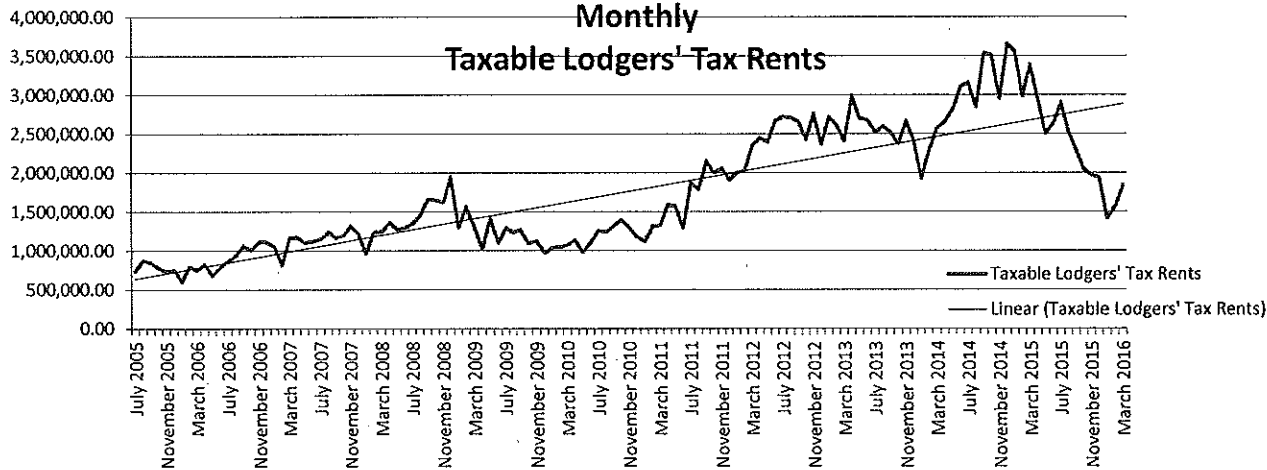
Monthly Lodgers' Tax Collection



Annual Taxable Lodgers' Tax Rents



Monthly Taxable Lodgers' Tax Rents



CITY OF HOBBS LODGERS' TAX REPORT

March 31, 2016

		RECEIPTS 239999-				EXPENDITURES			NET CHANGE		Cash
Month	Month	Gross Taxable Revenue	Lodgers' Tax	Other Income	TOTAL	Contract for Services	Advert & Promotion	TOTAL	For Month	YTD	Balance
SUBTOTAL		15,364,272.60	768,213.63	527.46	768,741.09	0.00	762,619.97	762,619.97			
CASH BALANCE	06/30/2014	1,046,187.97	1,522,951.39	1,188.11	1,524,139.50		1,573,328.84	1,573,328.84			
July 2014		3,159,550.20	157,977.51	166.68	158,144.19		12,189.63	12,189.63	145,954.56	145,954.56	1,192,142.53
August 2014		2,849,733.20	142,486.66	117.90	142,604.56		47,966.80	47,966.80	94,637.76	240,592.32	1,286,780.29
September 2014		3,539,271.40	176,963.57	116.90	177,080.47		290,400.26	290,400.26	(113,319.79)	127,272.53	1,173,460.50
October 2014		3,512,479.60	175,623.98		175,623.98		19,391.12	19,391.12	156,232.86	283,505.39	1,329,693.36
November 2014		2,955,754.40	147,787.72	209.71	147,997.43		35,419.72	35,419.72	112,577.71	396,083.10	1,442,271.07
December 2014		3,656,135.80	182,806.79	185.17	182,991.96		361,308.53	361,308.53	(178,316.57)	217,766.53	1,263,954.50
SUBTOTAL		19,672,924.60	983,646.23	796.36	984,442.59	0.00	766,676.06	766,676.06			
January 2015		3,560,372.60	178,018.63	141.48	178,160.11		58,903.18	58,903.18	119,256.93	337,023.46	1,383,211.43
February 2015		2,989,102.20	149,455.11	170.66	149,625.77		107,324.31	107,324.31	42,301.46	379,324.92	1,425,512.89
March 2015		3,388,411.80	169,420.59	154.17	169,574.76		93,121.38	93,121.38	76,453.38	455,778.30	1,501,966.27
April 2015		2,947,497.20	147,374.86	155.71	147,530.57		146,226.29	146,226.29	1,304.28	457,082.58	1,503,270.55
May 2015		2,504,198.80	125,209.94	179.59	125,389.53		285,011.65	285,011.65	(159,622.12)	297,460.46	1,343,648.43
June 2015		2,639,262.20	131,963.11	171.83	132,134.94		762,239.51	762,239.51	(630,104.57)	(332,644.11)	713,543.86
SUBTOTAL		18,028,844.80	901,442.24	973.44	902,415.68	0.00	1,452,826.32	1,452,826.32			
CASH BALANCE	06/30/15	713,543.86	1,885,088.47	1,769.80	1,886,858.27		2,219,502.38	2,219,502.38			
July 2015		2,900,131.40	145,006.57	96.18	145,102.75		8,042.29	8,042.29	137,060.46	137,060.46	850,604.32
August 2015		2,529,784.20	126,489.21	111.19	126,600.40		144,675.09	144,675.09	(18,074.69)	118,985.77	832,529.63
September 2015		2,295,191.20	114,759.56	91.70	114,851.26		156,289.41	156,289.41	(41,438.15)	77,547.62	791,091.48
October 2015		2,048,496.80	102,424.84	125.40	102,550.24		89,784.47	89,784.47	12,765.77	90,313.39	803,857.25
November 2015		1,963,598.60	98,179.93	90.85	98,270.78		67,821.32	67,821.32	30,449.46	120,762.85	834,306.71
December 2015		1,934,861.20	96,743.06	92.58	96,835.64		559,250.02	559,250.02	(462,414.38)	(341,651.53)	371,892.33
SUBTOTAL		13,672,063.40	683,603.17	607.90	684,211.07	0.00	1,025,862.60	1,025,862.60			
January 2016		1,419,554.60	70,977.73	126.28	71,104.01		40,866.67	40,866.67	30,237.34	(311,414.19)	402,129.67
February 2016		1,567,179.80	78,358.99	231.91	78,590.90		228,045.55	228,045.55	(149,454.65)	(460,868.84)	252,675.02
March 2016		1,836,594.80	91,829.74		91,829.74		204,512.68	204,512.68	(112,682.94)	(573,551.78)	139,992.08
April 2016		0.00			0.00			0.00	-	(573,551.78)	139,992.08
May 2016		0.00			0.00			0.00	-	(573,551.78)	139,992.08
June 2016		0.00			0.00			0.00	-	(573,551.78)	139,992.08
SUBTOTAL		4,823,329.20	241,166.46	358.19	241,524.65	0.00	473,424.90	473,424.90			
CASH BALANCE	03/31/16	139,992.08	924,769.63	966.09	925,735.72		1,499,287.50	1,499,287.50			

CITY OF HOBBS LODGERS' TAX PROGRAM						
3/31/2016	AWARD				ACTUAL	
	PROJECT	DATE	AMOUNT	ACTUAL EXPENSE	OUTSTANDING GRANT	CATEGORY
3/31/2016	CASH BALANCE					139,992.08
Proof of Cash:						
Beginning Cash Available for Profit, Non-Profit, and Public Entities (20%)						
16-1	AFRICAN AMERICAN CHAMBER OF COMMERCE	4/20/2015	19,250.00	19,250.00	0.00	NP
16-2	COMMUNITY PLAYERS OF HOBBS - 2016	4/20/2015	17,900.00	0.00	17,900.00	NP
16-3	HOBBS CHAMBER OF COMMERCE - HOBBS HOLIDAY TOURNEY	4/20/2015	16,600.00	8,434.42	8,165.58	NP
16-4	HISPANO CHAMBER OF COMMERCE - MARIACHI CHRISTMAS	4/20/2015	23,500.00	18,701.13	4,798.87	NP
16-5	HISPANO CHAMBER OF COMMERCE - FIESTA DE SEPTIEMBRE	4/20/2015	26,000.00	22,218.54	3,781.46	NP
16-6	LEA COUNTY COMMISSION OF THE ARTS	4/20/2015	29,500.00	28,618.22	881.78	NP
16-7	LEA COUNTY MUSEUM - 2016	4/20/2015	25,000.00	6,079.23	18,920.77	NP
16-8	LIGHT OF LEA COUNTY	4/20/2015	19,553.54	18,702.72	850.82	NP
16-9	SOUTHWEST SYMPHONY	4/20/2015	79,770.00	71,339.59	8,430.41	NP
16-10	HOBBS USSSA (17 EVENTS)	4/20/2015	123,000.00	96,421.16	26,578.84	NP
16-11	WESTERN HERITAGE MUSEUM COMPLEX - 2016	4/20/2015	50,000.00	50,000.00	0.00	NP
16-12	CYCLE CITY PROMOTIONS	4/20/2015	50,000.00	50,000.00	0.00	P
16-13	UNITED WAY CHILI FEST	4/20/2015	9,500.00	8,673.43	826.57	NP
16-22	575 ROLLER BABES - 2016	4/8/2015	3,500.00	2,629.64	870.36	NP
16-23	JUNETEENTH 2015	4/8/2015	7,383.00	7,057.00	326.00	NP
16-24	HOBBS KENNEL CLUB - 2016	4/8/2015	2,500.00	2,134.47	365.53	NP
16-25	HOBBS JAYCEES COMMUNITY FUND, (CITY MGR APPROVED)	9/21/2015	8,150.00	8,000.00	150.00	NP
16-26	TUFF HEDEMAN	07/8/2015	20,000.00	0.00	20,000.00	P
16-27	CINCO DE MAYO COMMITTEE (CITY MGR APPROVED)	1/15/2016	10,000.00	0.00	10,000.00	NP
TOTAL REMAINING ALLOCATION FOR PROFIT, NON-PROFIT AND PUBLIC ENTITIES			541,106.54	418,259.55	122,846.99	
Add:	20% Monthly Tax Revenue (starting April 1st, 2013)				185,147.14	
	Cash Available for Allocation				<u>62,300.15</u>	
Beginning Cash Available for Local Government (City and County) (40%)						
15-15	LEA COUNTY EVENT CENTER	4/21/2014	175,000.00	154,214.40	20,785.60	LOCAL GOV
16-21	LEA COUNTY EVENT CENTER - 2016 *verbal reduction with JJ Murphy	4/20/2015	50,000.00	50,000.00	0.00	LOCAL GOV
16-22	LEA COUNTY FAIR AND RODEO - 2016	4/20/2015	150,000.00	150,000.00	0.00	LOCAL GOV
15-19	CITY OF HOBBS ROCKWIND GOLF COURSE MARKETING	4/21/2014	504,314.44	488,549.23	15,765.21	LOCAL GOV*
15-20	CITY OF HOBBS PUBLIC TRANSPORTATION TAXI	4/21/2014	0.00	0.00	0.00	LOCAL GOV
16-18	CITY OF HOBBS NATIONAL FASTPITCH ASSOCIATION	4/20/2015	17,400.00	11,533.48	5,866.52	LOCAL GOV
16-19	CITY OF HOBBS TAYLOR RANCH PROJECT	4/20/2015	0.00	0.00	0.00	LOCAL GOV
16-20	CITY OF HOBBS SLAM AND JAM 2016	4/20/2015	100,000.00	18,549.70	81,450.30	LOCAL GOV
16-21	CITY OF HOBBS NMML 2016	1/19/2016	175,000.00	5,000.00	170,000.00	LOCAL GOV
16-19	CITY OF HOBBS ROCKWIND GOLF COURSE MARKETING	1/19/2016	132,559.10	0.00	132,559.10	LOCAL GOV
TOTAL REMAINING ALLOCATION FOR LOCAL GOVERNMENT			1,304,273.54	877,846.81	426,426.73	
Add:	40% Monthly Tax Revenue (starting April 1st, 2013)				370,294.29	
	Cash Available for Allocation				<u>(56,132.44)</u>	
Beginning Cash Available for Fire, EMS, Sanitation (15%)						
	CITY OF HOBBS - FIRE AND POLICE SUBSIDY 2016		138,715.44	138,715.44	0.00	
Add:	15% Monthly Tax Revenue (starting April 1st, 2013)		125,018.28	102,617.77		
	Cash Available for Allocation				<u>0.00</u>	
Beginning Cash Available for Airline subsidy (25%)						
	EDC - 2015 AIRLINE SUBSIDY	4/21/2014	500,000.00	500,000.00	0.00	A/L
	EDC - 2015 MARKETING	4/21/2014	107,000.00	107,000.00	0.00	A/L
	EDC-2016 AIRLINE SUBSIDY	4/20/2015	500,000.00	500,000.00	0.00	A/L
	EDC-2016 MARKETING	4/20/2015	107,000.00	61,671.94	45,328.06	A/L
TOTAL REMAINING ALLOCATION FOR AIRLINE SUBSIDY			1,214,000.00	1,168,671.94	45,328.06	
Add:	25% Monthly Tax Revenue				231,433.93	
	Cash Available for Allocation				<u>186,105.87</u>	

CITY OF HOBBS LODGERS' TAX PROGRAM						
3/31/2016		AWARD				
		PROJECT	DATE	AMOUNT	ACTUAL EXPENSE	ACTUAL OUTSTANDING GRANT CATEGORY
3/31/2016	CASH BALANCE					139,992.08
						192,273.58



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 18th, 2016

SUBJECT: CONSIDER ENTERING INTO A PROFESSIONAL SERVICES AGREEMENT WITH LIFE SKILLS FORE YOUTH OF THE PECOS FOR THE FIRST TEE PROGRAM AT ROCKWIND COMMUNITY LINKS.

DEPT. OF ORIGIN: Parks and Recreation / Legal
DATE SUBMITTED: April 12, 2016
SUBMITTED BY: Doug McDaniel, Parks & Recreation Director
Linda Howell, Rockwind Community Links General Manager/PGA Golf Professional

Summary:

With the opening of Rockwind Community Links, one of the goals is to engage the youth of Hobbs, Lea County, southeast New Mexico and west Texas in the game of golf by offering various golf instructional programs, clinics and camps.

The Rockwind Community Links Golf Course will also allow the City of Hobbs to partner with Life Skills Fore Youth Of The Pecos to not only teach golf skills, but to also teach life skills through the nationally renowned First Tee Program. The First Tee's Nine Core Values, Nine Healthy Habits and Code of Conduct will have a positive impact on all that participate in the First Tee Program.

The City of Hobbs and Life Skills Fore Youth of the Pecos have previously entered into a one year agreement that was renewable for three additional one year periods. The current agreement is being amended to reflect that the funded amount be paid in three equal payments and those payment dates are defined as April 19, August 19 and December 19 during each term.

By renewing this agreement, Rockwind Community Links will continue to be officially designated as a, "The First Tee of Southeastern New Mexico Program Location" and will receive all considerations normally associated with First Tee Program locations as described in the attached agreement. The City of Hobbs will provide facilities for both golf and classroom instruction in addition to the City's other contributions also described in the agreement.

The City of Hobbs will fully fund the First Tee Program at an approximate cost of \$109,560. The City of Hobbs will also provide a maximum of two (2) fundraising golf events per year to benefit The First Tee.

Fiscal Impact

Reviewed by: 
Finance Department

The City of Hobbs has included \$109,560 in the Rockwind Community Links budget for the operation of the First Tee program.

Attachments: Copies of the Professional Services Agreement and the Annual Budget for The First Tee of Southeastern New Mexico

Legal Review:

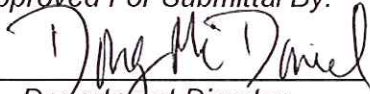
Approved As To Form:


City Attorney

Recommendation:

Staff recommends that the Commission consider renewing the Professional Services Agreement for the operation of the First Tee Program at Rockwind Community Links.

Approved For Submittal By:



Department Director



City Manager

**CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN**

Resolution No. _____

Continued To: _____

Ordinance No. _____

Referred To: _____

Approved _____

Denied _____

Other _____

File No. _____

PROFESSIONAL SERVICES AGREEMENT

CITY OF HOBBS – LIFE SKILLS FORE YOUTH OF THE PECOS

WHEREAS, Section 3-17-1, NMSA 1978, provides that cities are granted those powers necessary and proper to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the City and its inhabitants; and

WHEREAS, the City Commission of the City of Hobbs, Lea County, New Mexico, has determined that the services to be provided by the contracting party pursuant to this Agreement are needed by certain segments of the population of the City and are necessary to contribute to the quality of life of the citizens of the City of Hobbs; and

WHEREAS, the City of Hobbs, through its management staff, and pursuant to Section 13-1-126, NMSA 1978, as amended, has conducted a good faith review of available sources and resources within Lea County and has determined that there is only one source within Lea County for the services needed.

NOW, THEREFORE, the City of Hobbs (hereinafter referred to as "City") and Life Skills Fore Youth of the Pecos (hereinafter referred to as "Life Skills") hereby do agree as follows:

1.0 SCOPE OF SERVICES

1.1 Life Skills will provide the following services:

1.1.1 Provide coaches to deliver golf skills and life skills instruction to the youth of the City of Hobbs under The First Tee of Southeastern New Mexico program;

1.1.2 Provide all equipment, instructional materials and other programming materials for The First Tee of Southeastern New Mexico program;

1.1.3 Provide all program management resources including scheduling of class sessions and staff, registration, collection of program fees and supervision for The First Tee of Southeastern New Mexico program;

1.1.4 Provide all coach and volunteer training required for The First Tee of Southeastern New Mexico program delivery. Additionally, perform comprehensive background checks of all coaches and volunteers to help ensure the safety and well-being of the participants of The First Tee of Southeastern New Mexico program ;

1.1.5 Allow for The First Tee of Southeastern New Mexico brand and logo usage on Rockwind Community Links marketing materials;

1.1.6 Provide official designation of Rockwind Community Links as a “The First Tee of Southeastern New Mexico Program Location”;

1.1.7 Provide on-site signage regarding The First Tee of Southeastern New Mexico;

1.1.8 Recognize Rockwind Community Links in marketing and sponsorship materials including The First Tee web site;

1.1.9 Provide accounting services to assure accurate statements of income and expense and make that information available to the City of Hobbs at regularly agreed intervals.

1.2 All persons retained by Life Skills to provide the services required by this Agreement shall be employees, volunteers or contractors of Life Skills, which shall be solely responsible for their acts and omissions, as well as all compensation, taxes and benefits associated with their work for Life Skills.

1.3 It is expressly understood and acknowledged that Life Skills is an independent contractor, that it is not an instrumentality, agent or employee of City, and that it will not so represent itself to the public.

1.4 This Agreement shall not preclude funding or other contracts from other sources.

2.0 CITY’S CONTRIBUTION

2.1 The City of Hobbs will fully fund The First Tee program’s budget as in the attached document (\$109,560). This sum will be paid in three (3) equal payments of \$36,520.00 that will be paid on May 1, September 1 and January 1, during each term. Life Skills will be required to invoice the City on these dates after service is provided.

2.2 City will provide access to dedicated driving range and practice areas to deliver The First Tee of Southeastern New Mexico program including the Life Skills Experience. Access to the driving range and practice areas shall be coordinated and approved by the Rockwind Community Links General Manager.

2.3 City will allow members of The First Tee during non-program times, to use the driving range/golf course located at Rockwind Community Links at a discounted First Tee rate. This rate will be designated by Rockwind Community Links and Rockwind Community Links will retain this income.

2.4 City will provide areas at Rockwind Community Links to certify program participants and to deliver life skills classroom instruction. The designation and use of such areas at Rockwind Community Links will be at the sole discretion of the Rockwind Community Links General Manager.

2.5 City will strive to provide Rockwind Community Links staff time for program instruction and/or other programming organizational needs if possible. The designation and use of such staff will be at the sole discretion of the Rockwind Community Links General Manager.

2.6 City will provide the use of the Rockwind Community Links golf course facility for a maximum of two (2) special fundraising golf events specifically for The First Tee. The designation of dates and use of the facility for such fundraising events shall be coordinated and approved by the Rockwind Community Links General Manager.

2.7 City will assist with raising awareness of The First Tee through City marketing materials, marketing programs and appropriate signage.

2.8 City will strive to provide opportunities, where appropriate, for participant employment and career training in golf course operations.

2.9 City will help to identify and recruit program volunteers to assist with program delivery, transportation and other tasks related to programming.

2.10 Life Skills shall make no claim against City for any expense incurred by it in providing the services required by this Agreement. Specifically, Life Skills shall make no claim against City for staffing, program materials, operating expense, travel expense, duplication costs, telephone costs, secretarial assistance, office supplies or any other cost not specifically allowed herein.

3.0 INSURANCE

Life Skills shall provide the City of Hobbs with a Certificate of Insurance naming the City of Hobbs as an additional insured on all general and/or professional liability and workers' compensation insurance policies.

4.0 TERM

The duration of this agreement will be for one year from the date of signatures below with the option to renew, by mutual agreement between the City and Life Skills for two additional one year terms. Either party may terminate this agreement by giving notice at least 120 days prior to the end of any one-year term.

5.0 LOGO USAGE

Under the terms of this agreement, there are specific uses of The First Tee of Southeastern New Mexico logo that are allowable. Misuse of the logo could result in breach of contract. The following requirements must be followed anytime The First Tee of Southeastern New Mexico logo is utilized:

5.1 All of the name "The First Tee of Southeastern New Mexico" must be used rather than dropping "The" or "of Southeastern New Mexico" from the name;

5.2 The ® must be included with the first usage of the trademark text unless the logo appears before the text;

5.3 Never use the individual elements of the logo alone or in less than the full design;

5.4 The Chapter must reproduce the secondary mark from artwork or digital files initially obtained from the home office.

6.0 MISCELLANEOUS PROVISIONS

6.1 Life Skills shall timely notify City of any change as to its principal place of business, the identity of all its directors, officers and members, any change of its corporate status, any change of its tax-exempt status with the Internal Revenue Service, any change in programming and any pending litigation or asserted claims or any other matter that might affect the continued rendition of services to City residents under this Agreement.

6.2 Life Skills represents and warrants that the information given to City in support of its request for City's contribution as outlined in this agreement is true and correct; further, that its staff is competent to render the services which are the subject of this Agreement, and finally, that there is no other provider in Lea County of the kind of services contemplated by this Agreement.

6.3 Life Skills agrees to abide by all state and federal rules, regulations and statutes pertaining to equal opportunity. In accordance with these laws and regulations, Life Skills agrees to assure that no person shall, on the grounds of race, color, national origin, sex, age, handicap or medical condition, be excluded from participation in programs and services to be rendered by Life Skills pursuant to this Agreement.

6.4 Life Skills shall give City prompt and timely notice of any claim made or suit instituted against Life Skills which may in any way, directly or indirectly, contingently or otherwise, result in a judgment against City.

6.5 Life Skills agrees to and shall indemnify, defend and hold the City, the City Commission of the City of Hobbs, its individual commissioners, its officers, employees and agents harmless from any and all causes of action, suits, claims, judgments, losses, costs, expenses and liens, of every kind and nature, including but not limited to court costs and reasonable attorneys' fees arising or alleged to have arisen out of performance of Life Skills rendition of services or failure to render services pursuant to this Agreement or any breach of this Agreement.

6.6 This Agreement shall be construed pursuant to the laws of the State of New Mexico and the parties agree that any dispute arising out of this agreement shall be heard in the Fifth Judicial District Court of Lea County, New Mexico.

6.7 The parties agree that any changes or modifications to this Agreement suggested or required by any supervising state entity, such as the New Mexico Attorney General's office or

the New Mexico Department of Finance and Administration, shall be made in order to fully comply with the law as such agencies might interpret and define it to the parties. City may cancel this Agreement without further responsibility to provide services on behalf of Life Skills if the legality of such is challenged.

6.8 If Life Skills obtains an audit or other type of financial review of its affairs, then City shall receive a copy of same. This provision does not otherwise obligate Life Skills to secure such services.

6.9 This is a personal services contract and neither City nor Life Skills may assign this Agreement, or any interest herein, without prior written approval of the other.

6.10 This Agreement reflects all covenants, understandings and agreements between the parties. This Agreement may not be altered except by another writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____ day of April 2016.

ATTEST:

THE CITY OF HOBBS, NEW MEXICO

JAN FLETCHER, City Clerk

By: _____
SAM D. COBB, Mayor

J.J. MURPHY, City Manager

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

MICHAEL H. STONE, City Attorney

ATTEST:

LIFE SKILLS FORE YOUTH OF THE PECOS

By: _____
ADRIENNE FIELDS, Executive Director
The First Tee of Southeastern New Mexico



**The First Tee of Southeastern New Mexico
at Rockwind Community Links Annual Operating Budget**

EXPENSES	ACTUAL OR ESTIMATED	DESCRIPTION of EXPENSE
Program Salary and Wages	\$75,000	Program Director salary, First Tee Mentors/Coaches' salaries and hourly wages.
Camps, Clinics, Life Skills Education	\$3,500	Scholarships, tournament costs, participant prizes/incentives, medals/trophies, volunteer recognition, clinics, camps, National School Program
Teaching Aids and Program Supplies	\$8,500	Life Skills materials, Additional SNAG equipment, First Tee curriculum, program equipment and supplies, food and snacks, apparel, teaching aids, etc.
Communications and Marketing	\$2,500	Brochures, fliers, radio/TV/newspaper ads, printing and publications, The First Tee signage
Technology	\$1,000	Chapter web sites (Members First), computer, computer software, digital camera, etc.
Transportation	\$3,600	Mileage and Fuel
Education, Travel, Entertainment	\$4,000	Education-related travel and entertainment; Network Meetings, Regional Meetings, The First Tee Coaches training, Life Skills training, The First Tee University, other seminars/classes
Administrative Supplies	\$1,500	Cleaning supplies, postage, copying fees, printing, uniform related items, etc.
Sub-total	\$99,600	Sub-total of above budget items
10% Administration Fee	\$9,960	Insurance coverage for First Tee programming at Rockwind (including General Liability, Auto, Officers and Directors, and Workers Compensation), Accounting/Bookkeeping Fees, Payroll, and overall Program Management, including compliance with all First Tee National requirements, reporting and standards.
TOTAL EXPENSE	\$109,560	



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 18, 2016

SUBJECT: CONSIDER ENTERING INTO A BUSINESS LEASE WITH THE STATE OF NEW MEXICO PUBLIC LANDS OFFICE TO LEASE THE BENSING PARK MUNICIPAL RECREATION SITE FOR A PERIOD OF 25 YEARS

DEPT. OF ORIGIN: Parks and Recreation Department
DATE SUBMITTED: 04-12-2016
SUBMITTED BY: Doug McDaniel, Parks & Recreation Director

Summary:

The State of New Mexico owns the land that it has designated as the Bensing Park Municipal Recreation Site. This site has recently been upgraded with the addition of new ball fields, new concession stand building, covered spectator areas and parking. It is the Parks and Recreation Department's desire to continue to use this facility for youth baseball league play and possible tournament play in the years ahead. A five (5) year lease for the site was previously executed and has expired. With the expiration of the previous lease, the State of New Mexico has proposed to lease this site to the City of Hobbs for a period of twenty-five (25) years and wishes to enter into a Business Lease with the City of Hobbs for this site. The annual fees to lease the site from the State of New Mexico start at \$7,000 a year at the beginning of the lease and escalate to \$14,227 in the 25th and final year of the lease.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

There are funds budgeted for the lease of lands in the Sports Fields budget (01-0321-42275) to fund this expenditure during the current fiscal year. The annual payments will be funded in future years via budget requests and included in the Parks Division annual budget.

Attachments: Copy of New Mexico Public Land Office's Business Lease

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Consider approving a Business Lease with the State of New Mexico Public Land Office for use of the Bensing Park Municipal Recreation Site

Approved For Submittal By:

[Signature: Doug McDaniel]
Department Director
[Signature: J.J. [unclear]]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

11 February 2016

SENT VIA CERTIFIED MAIL

#7012 3460 0003 1310 2289

Mr. Kevin Robinson
City of Hobbs
200 East Broadway
Hobbs, NM 88240

Re: State Business Lease No. BL-1923
Bensing Park Municipal Recreation Facility

Dear Mr. Robinson,

Enclosed for your execution are duplicate originals of the lease contract for the above referenced business lease. The City of Hobbs is being offered a twenty-five year lease with an annual rental as outlined in the contract attachment labeled "Exhibit B" and beginning with rent in the amount of \$7,000.00 for the period from December 1, 2015 through November 30, 2016.

Please sign both documents before a notary public and return both original contracts together with a check in the amount of \$7,000.00 representing the first year's annual rental. Once the business lease is returned and signed in my office, a fully executed original will be provided for your records.

If you have any questions, please contact April Elliott at (505) 827-5797 or via email at aelliott@slo.state.nm.us.

Thank you for your continued interest in doing business with the State Land Office. We appreciate the support you provide to our beneficiaries.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aubrey Dunn".

Aubrey Dunn
Commissioner of Public Lands

AD/ale
Encl. (2)
Cc: BL-1923 File



**Aubrey Dunn, Commissioner of Public Lands
State of New Mexico**

BUSINESS LEASE

Lease No. BL-1923

THIS LEASE, dated **December 1, 2015** is made and entered into by and between the Commissioner of Public Lands, hereinafter referred to as "Lessor", and **City of Hobbs** whose address is **200 East Broadway, Hobbs, New Mexico 88240** hereinafter referred to as "Lessee".

Lessor and Lessee agree and covenant as follows:

1. **LEASE.** For and in consideration of and subject to the terms, conditions, covenants and reservations contained herein, Lessor leases to Lessee the following described tract of land, hereinafter referred to as the "leased premises" and identified as "Tract 2" on Exhibit A of this lease:

A tract of land located in the Southwest Quarter of the Northeast Quarter of Section 33, Township 18 South, Range 38 East, N.M.P.M., City of Hobbs, Lea County, New Mexico being more particularly described as follows:

Beginning at the northeast corner of the herein described tract of land, which lies south 89°12'30" West 1,319.96 feet and South 00°50'35" East 1,321.77 feet from the northeast corner of Section 33, Township 18 South, Range 38 East, N.M.P.M., City of Hobbs, Lea County, New Mexico; then South 00°50'35" East 454.38 feet; then South 89°15'58" West 553.91 feet; then South 24°00'14" West 154.42 feet; then South 00°18'39" West 122.41 feet; then South 86°38'42" West 139.89 feet; then South 00°45'08" East 594.43 feet to the most southeasterly corner of this tract; then South 89°07'59" West 563.28 feet to the southwest corner of this tract; then North 00°45' 26" West 1,319.18 feet to the northwest corner of this tract; then North 89°15'58" East 1,321.94 feet to the point of beginning. Containing 25.93 acres more or less.

The rights granted herein are subject to all valid existing rights in the leased premises.

2. **WATER RIGHTS.** No water rights shall be used, placed or developed on the leased premises without the express, written consent of Lessor. All water appropriated shall be pursuant to state law and regulations. Any water rights used, placed or developed on the Lease Premises are herein and hereby deemed to belong to the Lessor, and all such rights shall be developed in the name of the Lessor.

3. **RESERVATIONS.** Lessor reserves the right to execute leases for the exploration, development and production of geothermal resources, oil and gas, sand, gravel, coal, shale, clay, rock, building stone or materials, potassium, sodium, phosphorus, salt or any other minerals or deposits of whatsoever kind located in, under or upon the leased premises and all rights of access, ingress and egress through or across the leased premises that are necessary or convenient to such exploration, development or production. Lessor further reserves the right to grant rights-of-way and easements over, upon, or across the leased premises for public highways, railroads, tramways, telephone, telegraph and power lines, irrigation works, sewer lines, drainage ditches, mining, logging, and for other purposes.

4. **TERM.** The term of this lease shall begin on the date of this lease and end at midnight on **November 30, 2040** unless terminated or canceled earlier as herein provided. Nothing contained herein shall limit the right of Lessor to sell or exchange the leased premises during the lease term.

5. **RENT.** Lessee shall pay to Lessor as rent for the leased premises and for the rights and privileges granted hereunder according to the rental schedule attached as Exhibit B, due and payable in advance on or before the **1st of December** of each year during the term of this lease. Time is of the essence in the performance of this agreement. Interest on delinquent rent payments shall accrue from the date the payment becomes due at the rate of one percent a month or any fraction of a month. Lessee shall also pay a late processing fee of **\$50.00** for any delinquent payment of rent, in accordance with the Lessor's schedule of fees.

6. **PERMITTED USE.** Lessee shall use the leased premises for the sole and exclusive purpose of *operation and maintenance of the Bensing Park municipal recreation facility*. No other uses shall be permitted.

7. **IMPROVEMENTS.** Lessee may place the following improvements on the leased premises:

- Four (4) baseball fields and facilities,
- One (1) mixed use baseball/soccer facility,
- One (1) soccer field,
- One (1) paved basketball court,
- One (1) sand volleyball court,
- One (1) playground area with playground equipment,
- Mixed use sports fields,
- Splash-pad water feature,
- Picnic areas and benches,
- Support buildings, and
- Parking areas, fencing and lighting.

No other improvements shall be placed on the leased premises without the prior amendment of this lease pursuant to Paragraph 20 hereof to permit such improvement

placement. Lessee shall maintain and protect from waste and trespass all improvements placed on the leased premises. In the event improvements other than those authorized herein are placed on the leased premises, Lessor may either declare title to such improvements in Lessor without payment of compensation to Lessee or Lessor may order the removal of such improvements and the restoration of the leased premises to their condition existing prior to the placement of said improvements at Lessee's expense. The foregoing rights of Lessor shall be cumulative to Lessor's right to cancel this lease as herein provided.

8. **LIEN.** To secure the payment of any rent amount that becomes due, and to satisfy all reasonable costs incurred by Lessor in recovering said rent amount, Lessor shall have a first and prior lien on any and all improvements, fixtures and equipment placed on the leased premises.

9. **IMPROVEMENT REMOVAL AND FINAL RECLAMATION.** Prior to termination of this Lease, Lessee shall remove all improvements placed on the Leased Premises and shall restore the Leased Premises to their condition existing prior to the placement of said improvements; provided, however, if any rent amount is due and unpaid at the time of Lease cancellation or termination, Lessee shall remove improvements and restore the Leased Premises as herein provided only at such time, in such manner, and under such conditions, as Lessor may in writing demand. All costs, fines and fees incurred by Lessor as a result of improvements left on the Leased Premises without Lessor's approval, and all costs, fines and fees incurred as a result of damage or waste to trust lands and their improvements during the term of the Lease, or arising from or in connection with Lessee's use and occupancy of the Leased Premises, shall remain the sole liability of the Lessee and shall be deemed additional rent due. Lessee hereby waives, and shall not assert, any right to compensation for improvements on the Leased Premises under Section 19.7.14, NMSA (1978). This paragraph shall survive termination or relinquishment of this Lease.

10. **RELINQUISHMENT.** Lessee, if not in default under this lease, may at any time apply to relinquish the lease to Lessor and be relieved of further obligations under the lease, provided, however, such relinquishment shall not be valid or effective until approved in writing by Lessor. Lessee must file an application to relinquish the Lease at least 30 days prior to the date on which the Lessee requests the relinquishment to go into effect. Lessor may condition relinquishment on any terms he deems reasonable. Relinquishment shall be made on a form prescribed by Lessor and shall be accompanied by the required relinquishment fee as set forth in Lessor's schedule of fees. Upon relinquishment Lessee shall not be entitled to the refund of any rent previously paid.

11. **ASSIGNMENT.** Lessee shall not assign this lease, any part thereof, or assign any improvements located on the leased premises without the prior amendment of this lease pursuant to Paragraph 20 hereof to permit such assignment. Any lease assignment without lease amendment shall be null and void. Lessor may condition such lease amendment upon an increase in the rent amount and the modification or addition of other lease provisions.

12. **SUBLEASE.** Lessee shall not sublease the rights granted hereunder, any part thereof, any portion of the leased premises or any improvements located on the leased premises without the prior amendment of this lease pursuant to Paragraph 20 hereof to permit such sublease. Any sublease without lease amendment shall be null and void. Lessor may condition such lease amendment upon an increase in the rent amount and the modification or addition of other lease provisions.

13. **COLLATERAL ASSIGNMENT.** Lessee shall obtain approval of Lessor in accordance with State Land Office Rule 19.2.9.15 NMAC before making any collateral assignment or mortgage of its interest in this Lease or its improvements, and any such collateral assignment or mortgage shall be subject to the conditions, limitations and requirements set forth in the State Land Office rules. Lessor's approval of a collateral assignment or mortgage shall not release Lessee from any of its obligations under this Lease, except as agreed to in writing by Lessor. If Lessor gives Lessee a notice of default, Lessor shall simultaneously provide a copy of the notice to an approved collateral assignee or mortgagee, which shall have the right to cure the default within the time provided, subject to the requirements of State Land Office rules. An approved collateral assignee or mortgagee may succeed to the rights and duties of Lessee, and it may assign the lease in accordance with Paragraph 11, above, and State Land Office rules governing assignments.

14. **DEFAULT AND CANCELLATION.** Upon Lessee's violation of any of the terms, conditions or covenants contained herein, including the failure to pay the rent when due, Lessor may cancel this lease after providing Lessee thirty (30) days' notice of the default by registered mail. The mailing of such notice as herein provided shall constitute notice of Lessor's intention to cancel the lease and no proof of receipt of such notice shall be necessary in order for Lessor to enter lease cancellation thirty days after the mailing of the notice if Lessee has not cured the default to Lessor's satisfaction within said thirty day period. Lessee agrees that if a court of competent jurisdiction determines that Lessee has breached any of the terms, conditions or covenants of this lease, Lessee shall pay the costs incurred by Lessor in litigating the default, including reasonable attorney fees. In the event of a breach of the terms of this Lease by the Lessee, the Lessor also shall have all remedies available at law or equity.

15. **WAIVER.** No employee or agent of Lessor has the power, right or authority to orally waive any of the terms, conditions, or covenants hereof and no waiver by Lessor of any of the terms, conditions or covenants hereof shall be effective unless in writing and executed by Lessor. Lessor's waiver of Lessee's breach or default of any of the terms, conditions or covenants hereof shall not constitute or be construed as a waiver of any other or subsequent breach or default by Lessee. The failure of Lessor to enforce at any time any of the terms, conditions or covenants hereof or to exercise any option herein provided, or to require at any time performance by Lessee of any of the terms, conditions, or covenants hereof shall not constitute or be construed to be a waiver of such terms, conditions, or covenants, nor shall it affect the validity of this lease or any part thereof, or Lessor's right to thereafter enforce each and every such term, condition and covenant.

16. **COMPLIANCE WITH LAWS.** Lessee shall fully comply with all federal and state laws, regulations, rules, ordinances and requirements, applicable to the leased premises or to Lessee's operations thereon, including but not limited to all applicable laws governing water; endangered or threatened species; hazardous materials; environmental protection; land use; health and safety; cultural, historic or archeological / paleontological properties; waste; trespass; and all New Mexico State Land Office Rules and Regulations, including those that may be hereafter promulgated. Lessee's obligations under this paragraph include but are not limited to compliance with NMSA 1978 Section 19-6-5, requiring a lessee of State Trust Land to protect the leased premises from waste or trespass. Lessee's compliance with all laws, regulations and policy shall be at its own expense.

17. **WAIVER, RELEASE AND PROTECTION OF THE LEASED PREMISES.** Lessee is leasing the leased premises based on Lessee's own inspection and investigation of and judgment regarding the leased premises. Lessor makes no warranties or representations of any kind or nature with regard to the leased premises or with regard to this transaction.

If accidental discharge, release, spill, or fire or any other event having environmental consequence occurs, Lessee agrees to provide notice to Lessor at the same time and in the same manner as Lessee is required to provide to the federal, state or local agency having responsibility for enforcing compliance with environmental laws, regulations and policy. Lessee agrees that, upon request by Lessor, Lessor shall have access to all reports, documents, test data and all other materials provided by Lessee to or received by Lessee from a governmental agency having responsibility for enforcing compliance with environmental or other laws.

In the event Lessor is required to incur any cost or expense to enforce the provisions of this lease, including but not limited to consultants, engineers, soil, air or water sampling and attorney's fees and costs, Lessee shall be liable for and reimburse Lessor for said costs and expenses.

18. **INDEMNIFICATION; INSURANCE.**

A. Lessee shall hold harmless, indemnify and defend the State of New Mexico, Lessor and Lessor's employees, agents, and contractors, in both their official and individual capacities, from any and all liabilities, claims, losses, damages, or expenses, including but not limited to reasonable attorneys' fees, loss of land value, third party claims, penalties or removal, remedial or restoration costs arising out of, alleged to arise out of or indirectly connected with a) the operations hereunder of Lessee or Lessee's employees, agents, contractors, or invitees, b) the activities of third parties on the leased premises, whether with or without Lessee's knowledge or consent. In the event that any action, suit or proceeding is brought against Lessee, Lessee shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of Lessor and the Risk Management Division of the New Mexico General Services Department by certified mail. This Paragraph 18(A) shall survive the termination, cancellation or relinquishment of this Lease, and any cause of action of Lessor to enforce this provision shall not be deemed to accrue until Lessor's actual discovery of said liability, claim, loss, damage, or expense.

B. During the Term of this Lease, Lessee shall, at Lessee's cost and expense, obtain and maintain at all times with insurers authorized to do business in the State of New

Mexico commercial general liability insurance (in the broadest form then available in New Mexico) that names the Lessor ("New Mexico State Land Office") as an insured party, protecting the Lessor against claims for bodily injury, personal injury, death and property damage. Such an insurance policy must specifically provide coverage for the Lessor and its employees and agents in minimum amounts of \$200,000 for damage to or destruction of each legally described real property arising out of a single occurrence with an aggregate of \$1,000,000; \$1,000,000 per occurrence/aggregate for bodily injury, personal injury or death; and \$1,000,000 with respect to any one occurrence. Higher coverage for the Lessor may be reasonably required by the Lessor from time to time, including but not limited to increases needed to provide complete coverage for Lessor's maximum liability under the New Mexico Tort Claims Act, Section 41-4-1 et seq. NMSA 1978. Insofar as the above-described insurance provides protection against liability for damages to third parties for personal injury, death, and property damage, lessor shall be included as an additional insured, provided such liability insurance coverage shall also extend to damage, destruction and injury to Lessor-owned or Lessor-leased property and Lessor personnel, and caused by or resulting from work, acts operations or omissions of Lessee. Lessor shall have no liability for premiums charged for such coverage, and inclusion of Lessor as an insured party is not intended to, and shall not make Lessor a partner or joint venturer with Lessee in its operations.

C. The policy of insurance required to be maintained by Lessee pursuant to Paragraph 18(B) shall be reasonably satisfactory to Lessor and shall (a) provide for the benefit of Lessor that thirty (30) days prior written notice of suspension, cancellation, termination, modification, non-renewal or lapse or material change of coverage shall be given to all insured parties and that such insurance shall not be invalidated by any act or neglect of Lessor, nor by any foreclosure or other proceedings or notices thereof relating to the Land, leasehold or improvements, nor by occupation of the Land for purposes more hazardous than are permitted by such policy; (b) not contain a provision relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Land, leasehold or improvements against the peril involved, whether collectable or not; and (c) include a contractual liability endorsement evidencing coverage of Lessee's obligation to indemnify Lessor pursuant to Paragraph 18(A).

D. In addition, the Lessee must obtain at its own expense, insurance coverage adequate to protect its operations, property, employees and agents in amounts Lessee finds sufficient. Lessee shall be solely responsible for obtaining insurance policies that provide coverage for losses of Lessee-owned property, including improvements. Lessor shall not be required to provide such insurance coverage or be responsible for payment of Lessee's costs for such insurance.

E. Within ten (10) days after the execution of this Lease by Lessor and delivery to Lessee, Lessee shall deliver to Lessor original or duplicate certificates of insurance evidencing all the insurance which is required to be maintained under this Lease by Lessee certifying that all requirements set forth herein have been complied with, and within ten (10) days prior to the expiration of any such insurance, other original or duplicate certificates evidencing the renewal of such insurance. Unless waived by the Lessor, in its sole discretion, Lessee shall deliver to Lessor copies of the relevant insurance policies and policy riders/endorsements. A certificate, policy, endorsement or rider which states that failure to give Lessor notice imposes no liability or obligation on the insurer shall not be

in compliance with this Lease. For example, certificates or policies stating that the insurer shall "endeavor to notify" and that "failure to give such notice imposes no obligation" on the insurer are unacceptable to Lessor. Failure to comply with the insurance specifications in this Lease is a material breach of the Lease. Different types of required insurance may be written in one or more policies.

19. **SCOPE OF AGREEMENT.** This lease incorporates all the agreements, covenants and understandings between Lessor and Lessee concerning the subject matter hereof and all such agreements, covenants and understandings are merged into this written lease. No prior agreement or understanding between Lessor and Lessee shall be valid or enforceable unless expressly embodied in this lease.

20. **AMENDMENT.** This lease shall not be altered, changed or amended except by an instrument executed by both Lessor and Lessee.

21. **APPLICABLE LAW.** This lease shall be governed by the laws of the State of New Mexico.

22. **EXHAUSTION OF ADMINISTRATIVE REMEDIES.** In the event that Lessee is aggrieved by a decision of Lessor to cancel this Lease, Lessee shall within thirty (30) days after the date of such decision file an administrative contest pursuant to NMSA 1978, § 19-7-64 and State Land Office Rule 15 (19.2.15 NMAC). Lessee shall initiate no court action regarding this Lease except to appeal a final decision of the Commissioner of Public Lands rendered pursuant to such a contest proceeding, and as provided by NMSA 1978, § 19-7-64.

23. **SUCCESSORS IN INTEREST; THIRD PARTIES.** All terms, conditions and covenants of this lease and all amendments thereto shall extend to and bind the heirs, successors and assigns of Lessee and Lessor. There are no third party beneficiaries of this Lease.

24. **RE-LEASE.** At the expiration of the term of this lease, Lessee may re-lease the leased premises provided Lessor has determined to offer the leased premises for the same uses as permitted herein, Lessee is not in default under this lease, Lessee agrees to the terms offered by Lessor, and Lessee has bettered any offer to lease the leased premises made by a third party.

25. **HOLDING OVER.** If Lessee enters upon the leased premises after the termination or cancellation of this lease for any purpose, or leaves any equipment, buildings, materials, property or debris on the leased premises after the termination or cancellation of this lease, the rent due Lessor for such entry or presence shall be \$77.96 for each day or any part of a day. Nothing contained herein shall be construed as the grant to Lessee of the right to enter the leased premises for any purpose after the termination or cancellation of this lease without the prior written consent of Lessor.

26. **LEASE ENTERED INTO UNDER STATE LAND OFFICE RULE 9.**

This Lease is entered into pursuant to New Mexico State Land Office Rule 9, "Business Leasing" (19.2.9 NMAC), and the provisions of that rule control the interpretation and application of the terms of this Lease, except that in the event of a conflict between a provision of this Lease and a provision of Rule 9, the Lease provision controls.

Executed in duplicate.

LESSEE:

CITY OF HOBBS

LESSOR:

NEW MEXICO COMMISSIONER OF
PUBLIC LANDS

Signature

AUBREY DUNN

Name: **SAM D. COBB**

Title: **Mayor**

[The remainder of this page intentionally left blank.]

ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY

State of _____

County of _____

This instrument was acknowledged before me on the _____ day of _____ (month), 20__ by _____ (name).

(seal)

(Signature of notarial officer)

My commission expires: _____

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

State of **NM**

County of **LEA**

This instrument was acknowledged before me on the **18** day of **APRIL** (month), 20 **16** by **SAM D. COBB** (name) as **MAYOR** (title) of **CITY OF HOBBS, NM** (name of party on behalf of whom instrument is executed).

(seal)

(Signature of notarial officer)

My commission expires: _____

Exhibit B: Rental Schedule

BL-1923, City of Hobbs
Bensing Park Municipal Recreation Facility

<u>Lease Year</u>	<u>Annual Rental</u>	<u>Due Date</u>
1	\$7,000.00	December 1, 2015
2	\$7,210.00	December 1, 2016
3	\$7,426.00	December 1, 2017
4	\$7,649.00	December 1, 2018
5	\$7,878.00	December 1, 2019
6	\$8,115.00	December 1, 2020
7	\$8,358.00	December 1, 2021
8	\$8,609.00	December 1, 2022
9	\$8,867.00	December 1, 2023
10	\$9,133.00	December 1, 2024
11	\$9,407.00	December 1, 2025
12	\$9,689.00	December 1, 2026
13	\$9,980.00	December 1, 2027
14	\$10,279.00	December 1, 2028
15	\$10,587.00	December 1, 2029
16	\$10,905.00	December 1, 2030
17	\$11,232.00	December 1, 2031
18	\$11,569.00	December 1, 2032
19	\$11,916.00	December 1, 2033
20	\$12,273.00	December 1, 2034
21	\$12,641.00	December 1, 2035
22	\$13,020.00	December 1, 2036
23	\$13,411.00	December 1, 2037
24	\$13,813.00	December 1, 2038
25	\$14,227.00	December 1, 2039



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 18th, 2016

SUBJECT: CONSIDERATION OF APPROVAL OF A CONTRACT AMENDMENT No. 2 & EARLY WORK RELEASE WITH HAYDON BUILDING CORPORATION REGARDING THE HEALTH WELLNESS AND LEARNING CENTER (HWLC)

DEPT. OF ORIGIN: Office of the City Manager
DATE SUBMITTED: April 19th, 2016
SUBMITTED BY: JJ Murphy – City Manager

Summary:

Haydon Building Corporation was awarded the CMAR contract for the HWLC on **June 15th, 2015**, which the RFQ and RFP included the City of Hobbs and Partners throughout the bidding documents. The Contract with Haydon was amended on the August 25th, 2015 to add the NMJC and HMS as "Owners" to the Contract.

Amendment No. 2 Description: This Amendment addresses four areas of the contract based on 50% Construction Documents and changes in the scope of work from the original RFP (Request for Proposals). Haydon Building Corporation (HAYDON) has provided updated construction estimates for the Schematic and Design Development Design phases. With each step the Quality of Life Committee and Design Team has reviewed, questioned and deliberated any changes in costs provided by HAYDON. The following is a brief description of Amendment No. 2:

1. MACC Adjustment:

- a. **Original** \$45,000,000
- b. **Proposed** \$50,231,733
- c. **Justification:** The original \$45M was a benchmark number for the RFP process to create a basis for comparison of the CMAR Fee and total costs from all offers.

2. Contract Time Adjustment:

- a. **Original** 460 Calendar Days
- b. **Proposed** 630 Calendar Days
- c. **Justification:** The original 460 Calendar Days was based on early schematic design discussion. Through the Design Development Phase it has been determined that 630 Calendar Days will be needed to complete the project.

3. General Condition Costs Adjustment:

- a. **Original** \$1,954,384
- b. **Proposed** \$2,571,210
- c. **Justification:** Modified to align with increased construction time, additional bonding, insurance, and increase construction costs.

4. CMAR Fee

- a. **Original** 2.9%
- b. **Proposed** 2.9% (Maximum not to exceed \$1,359,804)

5. Justification: HAYDON has agreed to cap their CMAR Fee based on the Design Development Budget, which was an overall total budget of \$61M. Current Construction Documents and Budget estimates are approximately \$63.5M

Early Work Release: In order to keep the Construction Schedule proposed and avoid assumed costs by the Contractor and/or Potential Subcontractor, we have received an Early Work Release request from HAYDON for the following:

1. Structural Steel Detailing / Shop Drawings:	\$250,000
2. Design Fee for Play Feature / Structural Foundation Details:	\$12,000
	Cost \$262,000
	CMAR Fee \$7,598
	Subtotal \$269,598 (Not Including GRT)

Fiscal Impact:

Reviewed By: 
Finance Department

Amendment No. 2 and Early Work Release are already incorporated in the Preliminary Budget.

- **Budget Line Item (Fund 16 HWLC):**
 - #00228 HWLC CONSTRUCTION \$45,566,696.78
 - #00200 HWLC Design / Construction \$15,433,303.22
- **Budget Line Item (Fund 44):**
 - #00200 HWLC Off-Site Improvements \$4,000,000
- **SUERTE AGREEMENT (9-2-14 Comm. Meeting):**
 - Roadway / Utilities & RR Crossing: \$2,200,000
 - Drainage Improvements: \$1,800,000
- **ASSOCIATED REVENUE AND FUTURE COST SHARE:**
 - Developer Fair Share assessment: \$1,000,000
 - Drainage Pond Construction: \$250,000 (Est. Value)
 - RR License Agreement (Payment to COH) \$300,000
 - 25+ Acres Deeded or dedicated to COH (12+ acre drainage pond & 13 acres HWLC site)
- **HW&LC FACILITY (Final Programming TBD):**
 - 13+ Acre Site
 - Est. Facility Size: 150,000+ sq. ft.
 - Est. Cost of HWLC Facility: \$61M to \$63.5M
 - Est. Off-Site Improvement (Noted above) \$4M
 - Est. Revenue (Annual) TBD *
 - Est. Expenditures (Annual) TBD **
 - Est. Net Reoccurring Costs \$1.4M / yr ***

* An estimated \$1.7M in revenue is from the May 9, 2014 City of Hobbs Community Recreation Center Feasibility Study by Ballard*King, which is based on 180,000+ sq.ft. Facility. Part of the programming re-alignment will determine new estimated revenue

** An estimated \$3.5M in expenditures is from the May 9, 2014 City of Hobbs Community Recreation Center Feasibility Study by Ballard*King, which is based on 180,000+ sq.ft. Facility, which included an ice rink. NOTE: The proposed project does not include an ice rink.

***No more than \$1.4M in net reoccurring costs is a goal for this project, which would be shared costs with City of Hobbs, NMJC, Lea County and Hobbs Schools. Final programming and fee schedules for the proposed uses will determine final estimated revenue and expenditure.

Attachments: Contract Amendment No. 2 and Early Work Release

Legal Review:

Approved As To Form:



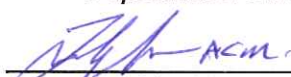
City Attorney

Recommendation:

Commission consideration for the approval of a contract amendment No. 2 with the Haydon for CMAR Services and Early Work Release on Design Details / Shop Drawings

Approved For Submittal By:

Department Director



City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____	Continued To: _____
Ordinance No. _____	Referred To: _____
Approved _____	Denied _____
Other _____	File No. _____



**Agreement between the Owner
and the Construction Manager at Risk
Contract Amendment #2 and Early Work Release Amendment
(Prior to GMP Amendment)**

THIS AMENDMENT is made and entered into by and between the City of Hobbs / New Mexico Junior College / Hobbs Municipal Schools (the "Owner") and Haydon Building Corp (the "CMAR"). The date of this Amendment shall be the date when it is approved by the Owner. Amendment Date: **April 18th, 2016.**

MACC ADJUSTMENT

- Maximum Allowable Construction Cost (MACC) adjustment:
 - Delete all references to the Owner's MACC amount and replace with the following:
 - Owner's MACC: \$50,231,733.00

ARTICLE 5 – DATE OF COMMENCEMENT; SUBSTANTIAL AND FINAL COMPLETION

Delete paragraph 5.2 and replace with following:

- 5.2 Completion of Project.** The Construction Manager at Risk shall achieve Substantial Completion of the entire Work not later than **630 days after the effective date of the Notice to Proceed** and shall achieve Final Completion not later than **forty five days** after the earlier of (i) Substantial Completion or (ii) the required date for Substantial Completion. **No additional days shall be granted due to weather days and shall be based on Calendar Days.**

ARTICLE 6 – CONTRACT SUM AND GMP

Delete paragraph 6.3 and replace with following (subparagraphs of Article 6.3 shall remain, which includes 6.3.1 / 6.3.2 / 6.3.3 / 6.3.4 / 6.3.5):

- 6.3 Construction Manager at Risk Fee.** The Construction Manager at Risk shall submit a number on the Form of Proposal which represents the Construction Manager at Risk's Fee stated as a percentage of the Cost of the Work. That fee shall be converted to a fixed dollar sum to be identified in the GMP Amendment, and shall be calculated as a **percentage (2.9 %)** of the negotiated Cost of the Work at the time of the establishment of the GMP **and not to exceed \$1,359,804.00**. In making such calculation, the Cost of the Work shall exclude the Preconstruction Fee, the fixed cost for Specified General Conditions, the Construction Manager at Risk Fee itself, but shall include CM at Risk Field Work, Allowances, selected alternates, and reasonable Construction Manager at Risk contingencies as designated in the GMP Supporting Documents. The Construction Manager at Risk Fee shall include the following:

Delete paragraph 6.6 and replace with following:

- 6.6 Payment of Fixed Cost for Specified General Conditions Work.** Construction Manager at Risk shall be paid a fixed sum of **\$2,571,210** as payment for the Specified General Conditions Work, including all associated labor, materials, and direct and indirect costs. The Fixed Cost for Specified General Conditions shall be paid in equal installments monthly over the number of months of the scheduled Construction Phase, commencing with the first progress biffing after commencement of the Construction Phase.

EARLY WORK AUTHORIZATION:

The CMAR is authorized to proceed with the following Early Work Amendment:

- Play Structure Design and Detailed Shop Drawings: **\$12,000**
- Structural Design Details / Shop Drawings: **\$250,000**

The CMAR Fee and current GRT shall be applied to the above costs. Estimated total costs are as follows:

Subtotal	\$262,000.00
CMAR Fee (2.9%)	\$7,598.00
Subtotal	\$269,598.00
NMGRT(6.8125%)	\$18,366.36 (GRT to be applied at time of billing)
Total	<u>\$287,964.36</u>

IN WITNESS WHEREOF, the parties have executed this Agreement on April 18th, 2016.

CITY OF HOBBS

CONSTRUCTION MANAGER AT RISK (CMAR)

SAM D. COBB, MAYOR

HAYDON BULDING CORP.

ATTEST:

CITY CLERK