

# Commission Meeting Agenda



## *Mayor*

Samuel D. Cobb

## *City Commission*

Marshall R. Newman

Christopher R. Mills

Larron B. Fields

Joseph D. Calderón

Dwayne Penick

Don R. Gerth

## *Acting City Manager*

Manny Gomez

***May 18, 2020***



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

**Monday, May 18, 2020 - 6:00 p.m.**  
**Virtual Meeting Held by Video Conference**

Sam D. Cobb, Mayor

Marshall R. Newman  
Commissioner - District 1

Christopher R. Mills  
Commissioner - District 2

Larron B. Fields  
Commissioner - District 3

Joseph D. Calderón  
Commissioner - District 4

Dwayne Penick  
Commissioner - District 5

Don R. Gerth  
Commissioner - District 6

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**A G E N D A**

City Commission Meetings are  
Broadcast Live on KHBX FM 99.3 Radio  
and Available via Livestream at [www.hobbsnm.org](http://www.hobbsnm.org)

**CALL TO ORDER AND ROLL CALL**

**INVOCATION AND PLEDGE OF ALLEGIANCE**

**APPROVAL OF MINUTES**

1. Minutes of the May 4, 2020, Regular Commission Meeting

**PROCLAMATIONS AND AWARDS OF MERIT**

2. Recognition of City Employees - Milestone Service Awards for the Month of May, 2020 (*Manny Gomez, Acting City Manager*)
  - ▶ 5 years - Gary Hendley, Traffic Department
  - ▶ 10 years - William Griffin, Wastewater Treatment Plant

3. Proclamation Proclaiming the Week of May 17 - 23, 2020, as "*Emergency Medical Services Week*" with the Theme "*EMS Strong: Ready Today. Preparing for Tomorrow*" (Barry Young, Deputy Fire Chief)
4. Proclamation Proclaiming Monday, May 18, 2020, as "*Hobbs High School Class of 2020 Day - Light Up the Night*"

### **PUBLIC COMMENTS**

Due to the current COVID-19 State of Emergency and the orders of the New Mexico Department of Health, public comment should be submitted in writing via email to the City Clerk at [jfletcher@hobbsnm.org](mailto:jfletcher@hobbsnm.org) or via fax at (575) 397-9334 no later than 4:30 p.m. on May 18, 2020.

**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.*)

5. Resolution No. 6937 - Authorizing Submission of the Fire Prevention and Safety Grant to the U. S. Department of Homeland Security (*Barry Young, Deputy Fire Chief*)

### **DISCUSSION**

6. FY 20-21 Funding Requests by Economic Development and Marketing Entities (*Exempt Entities, HMC 3.25.030*)
  - Economic Development Corporation of Lea County
  - Hobbs Chamber of Commerce
  - Hobbs Hispano Chamber of Commerce

### **ACTION ITEMS** (Ordinances, Resolutions, Public Hearings)

7. Resolution No. 6938 - Adopting Preliminary Budget for FY 2020-2021 (*Toby Spears, Finance Director*)
8. Resolution No. 6939 - Authorizing FY 20-21 Funding Appropriations to Various Social Service Agencies (*Mayor Sam Cobb*)
9. Resolution No. 6940 - Approving a Development Agreement with ALJO, LLC, for Market Rate Family Housing in the Amount of \$200,000.00 (*Kevin Robinson, Planning Department*)

## COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

10. Next Meeting Date:

- ▶ City Commission Regular Meeting  
***Monday, June 1, 2020***, 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. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk's Office if a summary or other type of accessible format is needed.



# CITY OF HOBBS

## COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 18, 2020

**SUBJECT:** City Commission Meeting Minutes

DEPT. OF ORIGIN: City Clerk's Office  
DATE SUBMITTED: May 12, 2020  
SUBMITTED BY: Jan Fletcher, City Clerk

**Summary:**

The following minutes are submitted for approval:

- ▶ Regular Commission Meeting of May 4, 2020

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

Minutes of the regular meeting of the Hobbs City Commission held on Monday, May 4, 2020, in Hobbs, New Mexico. This was a virtual meeting held by video conferencing and viewable to the public via Livestream on the City's website at [www.hobbsnm.org](http://www.hobbsnm.org).

### **Call to Order and Roll Call**

Mayor Cobb called the virtual meeting to order at 6:00 p.m. and welcomed everyone viewing through Livestream. Mayor Cobb called the roll and the following identified themselves as participating remotely through video conferencing and answered present:

Mayor Sam D. Cobb  
Commissioner Marshall R. Newman  
Commissioner Christopher Mills  
Commissioner Larron B. Fields  
Commissioner Joseph D. Calderón  
Commissioner Dwayne Penick  
Commissioner Don Gerth

The following staff members participated remotely in the meeting via video conference:

Manny Gomez, Acting City Manager/Fire Chief  
Efren Cortez, City Attorney  
Kevin Robinson, Development Director  
Toby Spears, Finance Director  
Todd Randall, City Engineer  
Jan Fletcher, City Clerk

Mayor Cobb explained the guidelines issued by the New Mexico Attorney General's Office, Open Government Division (OGD), regarding the virtual public body meeting through video conferencing. He stated the following guidelines must be followed:

- At the start of the meeting, the Mayor should announce the names of those members of the public body participating remotely.
- All members of the public body participating remotely must identify themselves whenever they speak and must be clearly audible to the other members of the public body and to the public.
- Members of the public should be afforded remote access, via livestream.
- Mayor should suspend discussion if the audio or video is interrupted.
- All votes of the public body must be a roll call vote.
- The public body should produce and maintain a recording of the open session of the meeting.

\*\*For the record, it is noted that all of these guidelines were strictly followed during the entire City Commission meeting.

### **Invocation and Pledge of Allegiance**

Commissioner Penick delivered the invocation and Mayor Cobb led the Pledge of Allegiance.

### **Approval of Minutes**

Commissioner Calderón moved that the minutes of the regular meeting held on Monday, April 20, 2020, and special commission meeting held on Monday, April 27, 2020 be approved as presented. Commissioner Newman seconded the motion and the roll call vote was recorded as follows: Mills yes, Fields yes, Newman yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried.

### **Proclamations and Awards of Merit**

*Proclamation Proclaiming the Month of May, 2020, as "Building Safety Month".*

Mayor Cobb proclaimed the month of May, 2020, as "Building Safety Month". He read the proclamation and requested that it be delivered to Mr. Ben Maynes, Building Official.

### **Public Comments**

The public was given the opportunity to submit public comments prior to the meeting in writing via email to the City Clerk at [jfletcher@hobbsnm.org](mailto:jfletcher@hobbsnm.org) or via fax to (575) 397-9334 by 4:30 p.m., on May 4, 2020. There were no public comments submitted.

### **Consent Agenda**

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

*Resolution No. 6930 - Adopting the Required Community Development Block Grant (CDBG) Annual Certificates and Commitments.*

Commissioner Fields seconded the motion and the vote was recorded as follows: Newman yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the resolution and supporting documentation are attached and made a part of these minutes.

**Discussion**

Discussion of the Preliminary Budget for FY 2020-2021.

Mayor Cobb stated he appreciated the work of City staff in preparing the preliminary budget.

Mr. Toby Spears, Finance Director, presented a PowerPoint reviewing the FY 2020-21 Preliminary Budget. He reviewed the following:

1. Preliminary Budget Process
2. Comparisons to Current vs Preliminary 2021 Budget
3. Revenue and Reserve Limits
4. General Fund Expenditures and Overall Fund Expenditures
5. General Fund – Capital Outlay
6. Salary and Benefits
7. Special Revenue Funds
8. Enterprise Funds
9. Future Considerations

Mr. Spears stated this proposed preliminary budget is due for submission to the New Mexico Department of Finance and Administration (DFA) by June 1<sup>st</sup>. With the substantial drop in the oil and gas economy, gross receipts tax revenue is expected to be much lower than the prior year. After extensive research and careful consideration, a proposed preliminary budget has been developed. Mr. Spears expressed appreciation to all of the Department Heads for their assistance in helping develop this budget.

Mr. Spears stated the preliminary budget includes \$60,216,908.66 in proposed General Fund expenditures and \$114,915,274.70 in proposed expenditures for all funds. He stated revenues in the General Fund are projected at \$48,102,308.70 and total revenue projections for all funds are set at \$100,690,471.61. The current projected General Fund cash reserve is set at 41% with a preliminary ending cash balance of \$64,812,849.45 for all funds.

Acting City Manager/Fire Chief Manny Gomez thanked Mr. Spears and the Finance Department for their hard work in preparing the budget. He stated good financial management has left the City in a good condition. Acting City Manager/Fire Chief Gomez stated the goal of the City is to continue to provide high quality services to the citizens of this community. He stated there will be no City employees laid off or furloughed. Acting City Manager/Fire Chief Gomez explained that all vacant positions have been removed from the budget and there will be no COLA or merit increases in the FY 2020-2021 budget.



Mayor Cobb stated the City will continue to focus on public safety, infrastructure and maintaining City streets.

**Action Items**

**Resolution No. 6931 - Adopting Budget Adjustment #3 for FY 2019-2020.**

Mr. Spears presented Budgetary Adjustment #3 for FY 2019-2020 to the Commission. He stated the total expenditures decreased by \$6,700,896.90 and total revenues increased by \$139,045.05. Mr. Spears stated the ending cash balance will be \$79,037,652.54 for all funds. He stated the General Fund reserve balance remains at 44%.

Commissioner Calderón moved to approve Resolution No. 6931 as presented. Commissioner Gerth seconded the motion and the vote was recorded as follows: Mills yes, Newman yes, Fields yes, Calderón yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolution and documentation are attached and made a part of these minutes.

**Resolution No. 6932 - Approving the FY 2020 DFA 3<sup>rd</sup> Quarter Financial Report.**

Mr. Spears presented the FY 2020 DFA 3<sup>rd</sup> Quarter (March 2020) Financial Report to the Commission. He stated the total year to date expenditures are \$82,901,825.99 and total year to date revenues are \$104,172,941.86. Mr. Spears stated the ending cash balance for all funds is \$143,630,617.39.

After a discussion regarding State funding, Commissioner Calderón moved to approve Resolution No. 6932 as presented. Commissioner Mills seconded the motion and the vote was recorded as follows: Mills yes, Newman yes, Fields yes, Calderón yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolution and documentation are attached and made a part of these minutes.

**Resolution No. 6933 - Approving the FY 2020 DFA 3<sup>rd</sup> Quarter Financial Report for Lodgers' Tax.**

Mr. Spears explained the FY 2020 DFA 3<sup>rd</sup> Quarter Financial Report for Lodgers' Tax and stated as of March 31, 2020, the Cash Balance for the Lodgers' Tax Fund is \$2,299,145.52. He also stated the Lodgers' Tax Revenue for the 3<sup>rd</sup> quarter FY 2020 was \$405,368.87 and total expenditures were \$366,938.03. Mr. Spears stated the breakdown on the cash balances by category are as follows:

1. Profit, Non-Profit, Public Entities	\$ 640,368.30
2. Local Government	\$ 1,077,627.33
3. Fire, EMS, Sanitation	\$ 0.00
4. Airline Subsidy	\$ 581,149.89

Commissioner Calderón moved to approve Resolution No. 6933 as presented. Commissioner Newman seconded the motion and the vote was recorded as follows: Mills yes, Newman yes, Fields yes, Calderón yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolution and documentation are attached and made a part of these minutes.

Resolution No. 6934 - Approving a Development Agreement with Lemke Development, Inc., in the Amount of \$200,000.00.

Mr. Kevin Robinson, Development Director, stated Lemke Development, Inc. (Lemke), has requested a development agreement concerning the development of single-family housing units located within the municipal boundaries. He stated the developer proposes to produce market rate single-family units and is requesting infrastructure incentives of \$200,000.00. Mr. Robinson stated the units will be located at the northeast intersection of College Lane and Ja-Rob Lane. He stated there will be approximately 23 units developed.

Mayor Cobb stated Lemke will not receive the incentives unless the unit(s) are completed.

Mr. Robinson agreed and stated the monies will be encumbered for one year to be reimbursed to Lemke for completed units.

Commissioner Penick stated incentives approved by the Commission makes it attractive for developers to build housing and helps pay for the installation of public infrastructure in the City.

There being no further discussion, Commissioner Newman moved to approve Resolution No. 6934 as presented. Commissioner Fields seconded the motion and the vote was recorded as follows: Mills yes, Newman yes, Fields yes, Calderón yes, Penick yes, and Gerth yes. The motion carried. Copies of the resolution and development agreement are attached and made a part of these minutes

Resolution No. 6935 - Approving the Final Plan for the Meadows Subdivision, Unit 3, Located Northeast of the Intersection of College and Ja-rob Lane as Submitted by Lemke Development, Inc.

Mr. Robinson stated the final plan for the Meadows Subdivision, Unit 3, has been submitted by Lemke Development, Inc. He stated the subdivision is located northeast of the intersection of College Lane and Ja-Rob Lane. Mr. Robinson stated the subdivision encompasses +/- 4.2 acres and will consist of approximately 23 single family residential lots. Mr. Robinson stated the Planning Board has reviewed and recommends approval of this subdivision.

Mayor Cobb clarified this resolution is requesting the Commission approve the final plan for the Meadows Subdivision, Unit 3, located northeast of the intersection of College and Ja-Rob Lane with no encumbrance to the City. Mr. Robinson agreed.

There being no discussion, Commissioner Penick moved that Resolution No. 6935 be adopted as presented. Commissioner Newman seconded the motion and the vote was recorded as follows: Newman yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and supporting documents are attached and made a part of these minutes

Resolution No. 6936 - Approving the Final Plan for Tanglewood Unit 4 at Ranchview Estates Located Northwest of the Intersection of East Bender and Ranchland as Submitted by ALJO, LLC.

Mr. Robinson explained the resolution and stated the final plan for Tanglewood Unit 4 at Ranchview Estates Subdivision has been submitted by ALJO, LLC. He stated the subdivision is located northwest of the intersection of East Bender and Ranchland. Mr. Robinson also stated the final plan encompasses +/- 17 acres which will contain 64 single family residential lots. A bond is being presented to the City of Hobbs to ensure completion of public infrastructures. Mr. Robinson stated the dollar amount of uninstalled public infrastructure is estimated to be \$371,500.00 including GRT. He stated the City Engineer has approved the Engineer of Record (EOR) completion estimate. Mr. Robinson stated he, Mr. Spears and Mr. Efren Cortez, City Attorney, have approved the bond in the amount of \$482,950.00. He stated the Planning Board has reviewed and recommends approval of this final plan.

Mayor Cobb stated the bond insures the City in case the development is not completed. Mr. Robinson agreed.

Commissioner Calderón moved to approve Resolution No. 6936 as presented. Commissioner Newman seconded the motion and the vote was recorded as follows: Mills yes, Newman yes, Fields yes, Calderón yes, Gerth yes, Penick yes, Cobb yes.

The motion carried. Copies of the resolution and documentation are attached and made a part of these minutes.

**Comments by City Commissioners, City Manager**

Acting City Manager/Fire Chief Gomez stated Nor Lea Hospital was selected by UNM Medical Center to conduct COVID-19 testing at Booker T. Washington at no cost. He stated 300 test kits will be available on May 8<sup>th</sup> and 9<sup>th</sup> from 9:00 a.m. to 6:00 p.m. at 1200 E. Humble.

Acting City Manager/Fire Chief Gomez reminded everyone to complete their 2020 Census. He stated the census is very important for Federal funding. He reminded everyone the 2020 Census is hiring workers to assist during the people count.

Acting City Manager/Fire Chief Gomez stated the Hobbs Municipal Court will re-open to the public on May 11, 2020. He announced Rockwind Community Links has re-opened and already had 97 rounds of golf played; however, the driving range remains closed.

Acting City Manager/Fire Chief Gomez expressed appreciation to City staff during this COVID-19 epidemic. He stated the City has a committee evaluating how the City will re-open.

Commissioner Newman announced the arrival of his new grandson. He stated mom and grandson are doing well.

In response to Commissioner Mills' inquiry, Acting City Manager/Fire Chief Gomez stated antibody testing for COVID-19 is not currently available.

Commissioner Mills expressed his appreciation to Department Heads for the tough decisions made on the budget reductions. He credited the leadership of Acting City Manager/Fire Chief Gomez for development of the budget and the leadership of past City Commissions for the City not being in debt.

Commissioner Fields commended Mr. Spears on the preview of the budget and thanked Acting City Manager/Fire Chief Gomez for his leadership in the City and not laying off employees.

Commissioner Calderón also thanked Acting City Manager/Fire Chief Gomez and Mr. Spears for their leadership in the FY 2021 budget process.

Commissioner Penick thanked Acting City Manager/Fire Chief Gomez and Department Heads for pulling together as a team to preserve taxpayer dollars during the FY 2021 budget process.

Commissioner Penick thanked Mr. Bryan Wagner, Parks and Open Spaces Director, for keeping the Joe Harvey Blvd. medians looking great. He stated the City has trash problems and he asked citizens to take pride and respect their property and the property of others.

Commissioner Gerth stated he echoes all the comments made by the Commissioners tonight.

Mayor Cobb stated the City of Hobbs is very fortunate to have good cash reserves.

Mayor Cobb stated he is a member of the Mayor's advisory council working with the Governor's Office. He believes each county needs to be evaluated separately by the Governor in re-opening businesses. Mayor Cobb stated he wants a safe re-opening of non-essential businesses.

### **Adjournment**

There being no further business or comments, Commissioner Calderón moved that the meeting adjourn. Commissioner Newman seconded the motion and roll call vote was recorded as follows: Newman yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. The meeting adjourned at 7:22 p.m.

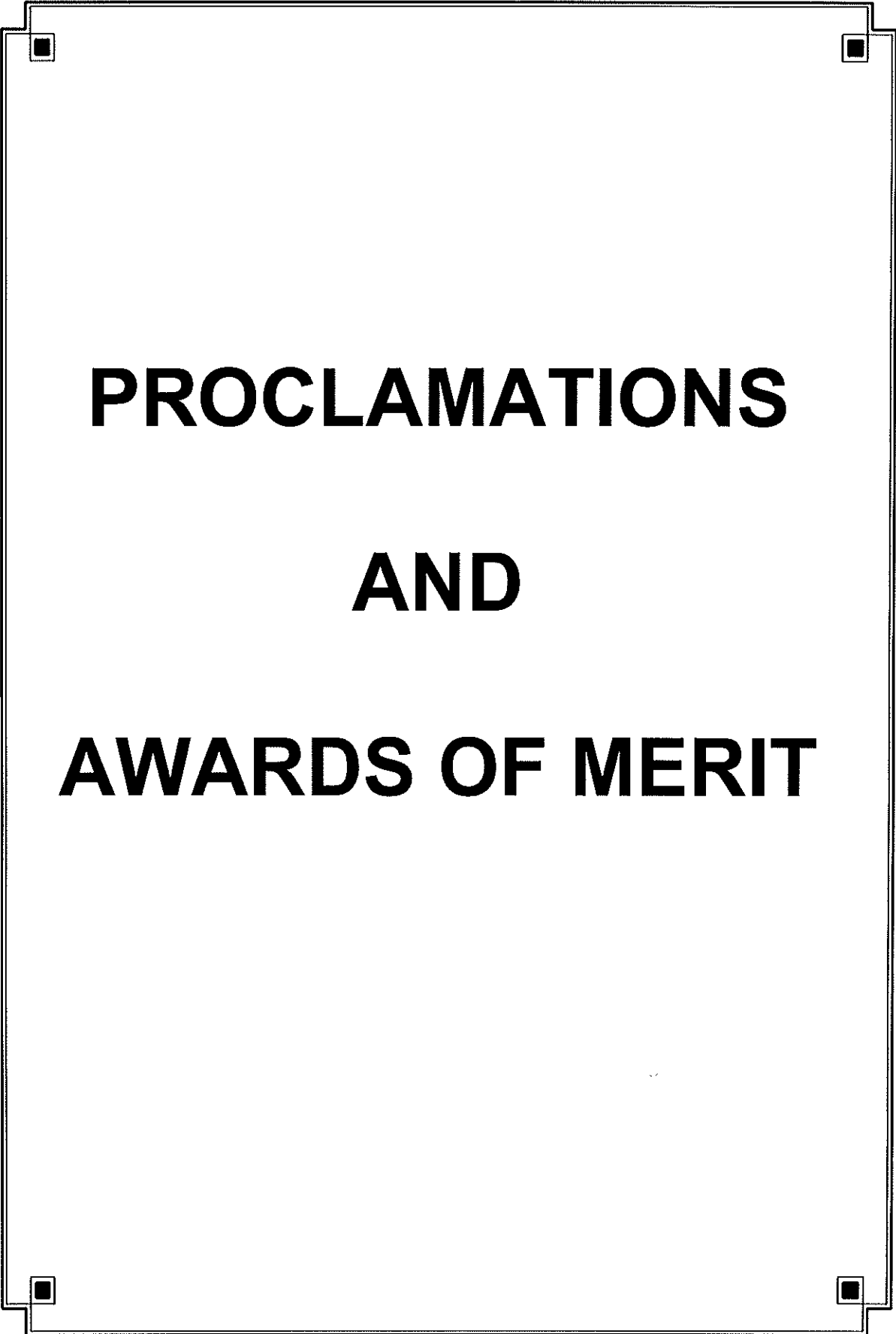
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SAM D. COBB, Mayor

ATTEST:

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JAN FLETCHER, City Clerk



**PROCLAMATIONS  
AND  
AWARDS OF MERIT**

## **May Milestones 2020**

### **5 years**

Gary Hendley	Traffic	5/26/2015
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### **10 years**

William Griffin	WasteWater (WWTP)	5/10/2010
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Office of the Mayor  
Hobbs, New Mexico

## PROCLAMATION

**WHEREAS**, emergency medical services is a vital public service; and

**WHEREAS**, the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

**WHEREAS**, the Hobbs Fire Department responds to over 7,884 EMS calls in 2019; and

**WHEREAS**, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

**WHEREAS**, emergency medical services has grown to fill a gap by providing important, out of hospital care, including preventative medicine, follow-up care, and access to telemedicine; and

**WHEREAS**, the emergency medical services system consists of first responders, emergency medical technicians, paramedics, emergency medical dispatchers, firefighters, educators, administrators, pre-hospital nurses, emergency nurses, emergency physicians, trained members of the public, and other out of hospital care providers; and

**WHEREAS**, the members of emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and

**WHEREAS**, it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week.

**NOW, THEREFORE**, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, do hereby proclaim the week of May 17-23, 2020, as

### "EMERGENCY MEDICAL SERVICES WEEK"

With the theme, "EMS Strong: Ready Today. Preparing For Tomorrow", and encourage the community to observe this week with appropriate programs, ceremonies and activities.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 18<sup>th</sup> day of May, 2020, and cause the seal of the City of Hobbs to be affixed hereto.

\_\_\_\_\_  
SAM D. COBB, MAYOR

ATTEST:

  
\_\_\_\_\_  
JAN FLETCHER, CITY CLERK





Office of the Mayor  
Hobbs, New Mexico

## PROCLAMATION

**WHEREAS**, the Hobbs High School 2020 academic year has been suspended due to Global coronavirus pandemic; and

**WHEREAS**, family, friends, and educators encourage everyone to focus on the ability of all young people and honor their hard work; and

**WHEREAS**, Hobbs High School seniors have contributed greatly to our community; and

**WHEREAS**, the City of Hobbs wishes to honor the Hobbs High School graduating Class of 2020; and

**WHEREAS**, during this generational challenge our students represent a bright future and will continue along the path of service and leadership in our community and nation; and

**WHEREAS**, we encourage all citizens to support opportunities for our graduating seniors in our community including military service, higher education, trades and employment.

**WHEREAS**, the City of Hobbs recognizes the achievements of the graduating members of the Class of 2020 and offer our heartfelt congratulations.

**NOW THEREFORE**, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, do hereby proclaim May 18, 2020, as

### **“HOBBS HIGH SCHOOL CLASS OF 2020 DAY- LIGHT UP THE NIGHT”**

and hereby encourage a temporary variance to the time requirement related to display of electronic messages on billboards and further encourage all Hobbs residents to turn on their porch lights this evening in honor of the Hobbs High School Class of 2020 and their bright future.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 18<sup>th</sup> day of May, 2020, and cause the seal of the City of Hobbs to be affixed hereto.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

  
\_\_\_\_\_  
JAN FLETCHER, City Clerk





# **CONSENT AGENDA**



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 18, 2020

**SUBJECT: Fire Prevention & Safety (FP&S) Grant**

DEPT. OF ORIGIN: Fire Department  
DATE SUBMITTED: May 12, 2020  
SUBMITTED BY: Barry Young, Deputy Fire Chief

**Summary:**

The Fire Prevention & Safety Grant is part of the Assistance to Firefighters Grant (AFG) program and supports projects which will enhance the safety of the public and firefighters from fire and fire-related hazards. The primary goal of this grant is to reduce injury and prevent death among high-risk populations. The Hobbs Fire Department wishes to apply for funding to purchase smoke detectors as we develop a low income smoke detector initiative.

**Fiscal Impact:**

Reviewed By:   
Finance Department

All applicants seeking funding from the Fire Prevention & Safety Grant to carry out an activity shall agree to make available non-federal funds to carry out such activity in the amount equal to and not less than 5% of the grant awarded. This cost share is automatically calculated by the grant system. The total cost for the project would be \$46,368, with the grant providing \$44,160 and the department covering \$2,208.

**Attachments:**

- 1. Resolution
- 2. Fire Prevention & Safety Grant Notice of Funding Opportunity
- 3. Fire Prevention & Safety Grant Cost Share Calculation Form

**Legal Review:**

Approved As To Form:   
City Attorney

**Recommendation:**

Approval of resolution and to proceed with the application for the Fire Prevention & Safety (FP&S) Grant.

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. 6937

A RESOLUTION APPROVING THE SUBMISSION OF  
THE FIRE PREVENTION & SAFETY GRANT

WHEREAS, the City of Hobbs Fire Department is eligible to participate in the Assistance to Firefighters Grant Program, which includes the Fire Prevention & Safety Grant; and

WHEREAS, the grant was created to enhance the safety of the public and firefighters from fire and fire-related hazards; and

WHEREAS, funding will be utilized to apply for funding for the purchase of smoke detectors to assist with developing a low income smoke detector initiative; and

WHEREAS, the approximate cost of the smoke detectors are \$46,368 with the grant covering approximately \$44,160 and the City responsible for the remaining balance of \$2,208.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized and directed to execute on behalf of the City of Hobbs this resolution approving the grant application for the Fire Prevention & Safety Grant.

PASSED, APPROVED AND ADOPTED this 18<sup>th</sup> day of May, 2020.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk

**The U.S. Department of Homeland Security  
Notice of Funding Opportunity  
FY 2019 Fire Prevention and Safety**

**NOTE: If you are going to apply for this funding opportunity and have not obtained a Data Universal Numbering System (DUNS) number and/or are not currently registered in the System for Award Management (SAM), please take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take four weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: <http://www.grants.gov/web/grants/register.html>. Detailed information regarding DUNS and SAM is also provided in Section D of this NOFO, subsection, Content and Form of Application Submission.**

**A. Program Description**

**Issued By**

Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Grant Programs Directorate (GPD)

**Assistance Listings Number (formerly Catalog of Federal Domestic Assistance (CFDA) Number)**

97.044

**Assistance Listings Title (formerly CFDA Title)**

Assistance to Firefighters Grant (AFG)

**Notice of Funding Opportunity (NOFO) Title**

Fiscal Year (FY) 2019 Fire Prevention and Safety (FP&S)

**NOFO Number**

DHS-19-GPD-044-000-98

**Authorizing Authority for Program**

Section 33 of the *Federal Fire Prevention and Control Act of 1974* (Pub. L. No. 93-498, as amended) (15 U.S.C. § 2229)

**Appropriation Authority for Program**

*Department of Homeland Security Appropriations Act, 2019* (Pub. L. No. 116-6)

**Program Type**

New

# Assistance to Firefighters Grant Program (AFG)



# FEMA

## Fire Prevention & Safety (FP&S) Cost Share Calculator

### Calculating Federal Share and Cost Share for FP&S Grants

In order to assist you with determining your organization's Cost Share for FP&S Grants, a calculator and explanation of the formula is provided below. All applicants should ensure they are familiar with FEMA's administration of cost sharing requirements. Applicants are not required to have their cost share available when submitting the application. For additional information, refer to the Cost Share and Maintenance of Effort Requirements section of the Notice of Funding Opportunity Announcement (NOFO).

#### Determine the Organization's Cost Share Percentage

All eligible applicants seeking a FP&S Grant to carry out an activity shall agree to make available non-federal funds to carry out such activity in an amount equal to and not less than five (5) percent of the grant awarded. Both cash and in-kind are eligible types of contributions. Please see the Cost Share and Maintenance of Effort Requirements section of the NOFO for more information on these types of contributions.

#### Example Cost Share Calculation

Total Project Cost:	\$100,000.00
Cost Share Percentage:	5%
Federal Funding Assistance:	\$95,238.10
Cost Share:	\$4,761.90

#### Example Cost Share Formula

X = Federal Funding Assistance  
Y = Total Project Cost  
P = Cost Share Percentage  
 $X + (P)(X) = Y$

X = Federal Funding Assistance  
Y = \$100,000  
P = 5%  
 $X + (P)(X) = Y$   
 $X = Y/1.15$

X = Federal Funding Assistance  
Y = \$100,000  
P = 5%  
 $X = \$100,000/1.05$   
X = \$95,238.10  
Local Cost Share = \$4,761.90

#### Use the Calculator Below to Determine the Cost Share for your Organization

Total Project Cost:	\$ 46,368.00
Cost Share Percentage:	5.00%
<i>Example: For 5% enter .05 into the calculator</i>	
Federal Funding Assistance:	\$ 44,160.00
Cost Share:	\$ 2,208.00

# DISCUSSION

## **FY 20-21 Funding Requests**

**Economic Development and Marketing Entities**

*(Exempt Entities, HMC 3.25.030)*

1. **Economic Development Corporation of Lea County**
  - \$ 200,000 Professional Services
  - \$ 50,000 Special Projects - Retail Recruitment
  - \$ 200,000 Air Service (Lodgers' Tax)
  
2. **Hobbs Chamber of Commerce**
  - \$ 75,000
  
3. **Hobbs Hispano Chamber of Commerce**
  - \$ 64,000





Economic  
Development  
Corporation  
of Lea County

**Visit**  
200 E. Broadway St.  
Suite A201  
Hobbs, NM 88240

**Mail**  
P.O. Box 1376  
Hobbs, NM 88241

**Call**  
(800) 443-2236  
(575) 397-2039

**Fax**  
(575) 392-2300

March 16, 2020

City of Hobbs Commission  
City of Hobbs Management  
City of Hobbs  
200 E. Broadway  
Hobbs, NM 88240

Subject: FY 2020-2021 Professional Services Agreement

Dear Hobbs City Commissioners and Management:

Thank you for allowing the Economic Development Corporation of Lea County (EDCLC) the opportunity to submit a proposal for FY 2020-2021 Professional Services Agreement. This proposal includes the FY 2020-2021 Goals and Programming, FY 2019-2020 Performance Summary, Workers' Compensation and Employers' Liability Policy, Proof of Non-Profit Status, Form 990, NM Corporation Commission-Proof of Good Standing, EDCLC Mission Statement, FY2019-20 Budget, Current Financial Statements, Prior Year Financial Statements, Listing of EDCLC Officers and Directors, Funding Source Information, and other documentation.

To adequately fund the expanded FY 2020-2021 Goals and Programming, the EDCLC is again requesting a total of \$200,000 as compensation for our Professional Services Agreement. The organization is also again requesting \$50,000 additional funding for special projects, including retail recruitment and implementation projects. This core funding request remains consistent with the level of funding and special projects agreements of recent years even though there has been substantial expansion of our program of work.

We will also again be requesting \$200,000 for air service marketing from the Lodgers Tax Fund to be matched by New Mexico Department of Transportation Aviation Division marketing funds.

With respect to the question posed of how the EDCLC could assist with the response to a natural disaster or city-wide emergency, EDCLC would take on multiple tasks essential to economic recovery including identification of and delivery of support services to businesses impacted by the disaster. The EDCLC would engage the organization's broad array of business and economic development resources to assist with business retention/expansion and startup and attraction initiatives to help generate economic recovery. This would include linking to various federal and

state financial assistance programs. An example of this work is the communication we continue to share with the community regarding best practices to assist in stopping the spread of COVID-19.

The EDC of Lea County successfully accomplished an ambitious scope of work the past year which has been detailed in the attached Performance Summary. Included are major events such as the "New Mexico EnergyPlex Conference", the 2019 New Mexico Partnership and EDCLC Fam Tour hosted in Hobbs, trips to Santa Fe to meet with key department cabinet officials, and trips to headquarters of oil/gas producer and midstream energy companies with significant current/planned operations within Lea County.

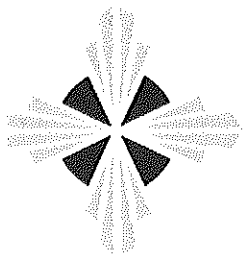
The Board and staff remain strongly committed to excellence in achievement of our program of work, particularly marketing and business development to attract new employers, diversify the economy, retain and expand businesses, and advocacy on legislative issues impacting Lea County's economic base.

The organization requests your continued investment in our organization as a principal means to pursue economic growth and diversification. It is essential that our economic development efforts remain strong and of a collaborative public-private sector nature. The EDCLC appreciates that the City of Hobbs Commission and management understand the significant value our organization lends to the area including job development, support Hobbs' businesses, and tax revenue generation. Your consideration of our Economic Development Professional Services request is appreciated. Please contact me with any questions.

Respectfully,



Missi Currier, PhD  
President & CEO  
Economic Development Corporation of Lea County  
Office (575) 397-2039  
Cell (575) 318-5602  
missi@edclc.org



# HOBBBS

CHAMBER of  
COMMERCE

400 N. Marland Blvd  
Hobbs, NM 88240

Office: 575-397-3203  
Fax: 575-397-1689  
executive@hobbschamber.org

Mayor Sam Cobb  
Hobbs City Commission  
Chief Manny Gomez, Interim City Manager  
Hobbs City Hall  
200 E. Broadway St.  
Hobbs, NM 88240

March 5, 2020

Dear Mr. Mayor and Commissioners:

The Hobbs Chamber of Commerce requests an opportunity to provide professional services by contract to the City of Hobbs for FY 2020-2021 in the amount of \$75,000. The Hobbs Chamber of Commerce has not asked for an increase since 2013, the 2012 agreement was awarded in the amount of \$90,000.

The chamber's mission is to provide the tools and to create the environment for Hobbs-area businesses to thrive.

We continue to emphasize our desire to utilize the funds, that we are requesting, to keep our momentum in promoting not only Hobbs' businesses, but our entire community through our existing programs and services. Hobbs Chamber of Commerce board and staff remain passionate about our role in the community as collaborators and partners, and would like to reiterate that we are committed to finding ways to work with the City of Hobbs, and other organizations, to maximize our ability to provide value for the business community, visitors, and the residents of Hobbs. We recognize that working collaboratively will only enhance the overall success of our community.

The Hobbs Chamber continues to strive to increase our benefit to our members and to the community as a whole. We are committed to keeping our day to day operations and services delivered to the high standard that we feel members and the community have come to expect. To ensure we can continue our services at this level of quality and quantity, the Hobbs Chamber submits this professional services proposal for \$75,000 for FY2020-21.

### **Promoting Commerce: Find It in Hobbs**

Of value to the community of Hobbs is our "Find It in Hobbs" campaign. This is done by creating top-of-mind awareness about the importance of spending our hard earned dollars locally, which in turn benefits us as residents through the cycle of the gross receipts tax process, leading to the related expenditures for essential services that the city provides, such as paved roads and public safety. We proudly market the brand to urge Hobbs-area consumers to buy local, as well as to appeal to residents of outlying communities to choose Hobbs for their weekend shopping and dining excursions.

Find it in Hobbs Marketing \$17,500

- Create artwork and copy for a variety of media

[www.hobbschamber.org](http://www.hobbschamber.org)

Promoting Commerce. Promoting Community. Promoting Character

- Banners for various conferences, events, and Santa Fe Legislative Receptions
- Buy advertising units in a variety of media

### **Promoting Commerce: Hobbs Jobs**

Hobbs Jobs is another initiative of the Hobbs Chamber of Commerce that we are proud to provide. Many Hobbs businesses still have employment opportunities available, and we have made it one of our goals to help them find the right talent, by assisting in the recruiting of displaced and new workers, to fill these positions. We market Hobbs Jobs to connect the right candidates, both near and far, with the right careers.

We also believe it is important to keep the conversation about Hobbs and the opportunities that make this a great place to live and work on the forefront of people's minds, both locally and regionally. Hobbs Jobs aids in continuing a momentum of interest and the desire for families to relocate to, or continue to live, in Hobbs. This effort has proven to be of great importance as we continue to face challenges created with the return of the oil and gas industry and their need for workers.

Hobbs Jobs Marketing        \$17,500

- Create artwork and copy for a variety of media
- Buy advertising units in a variety of media
- Banners for various conferences, events, and Santa Fe Legislative Receptions

### **Promoting Community: Welcome Services**

The Hobbs Chamber of Commerce welcomes tourists and newcomers each day from its location at 400 N. Marland Blvd. (U.S. Hwy 62/180). For decades the Hobbs Chamber has been recognized as the Tourist and Information Center providing the first impressions of our community to many. Because the Hobbs Chamber has served as a vital resource of information, whether by phone, via the Web, or in person, over 3370 individuals have utilized the chamber. This number doesn't include the thousands of people, local and visitors, positively impacted by our events.

The same holds true on behalf of the state of New Mexico. In addition to the maps, welcome packets and community guides that we create to share with visitors and residents about the Hobbs area, the Hobbs Chamber, as a tourist information center, distributes community guides, maps and pamphlets for other New Mexico communities – not to mention some of our Texas neighbors.

The Hobbs Chamber responded to over three hundred and fifty documented calls from potential visitors and received over three hundred and twenty-five visits from individuals from outside of Lea County seeking information about our community. By also providing services to 1100 local residents and businesspeople (that actually come to the chamber) with maps, visitor guides, relocation packets, phone books and other materials and information as requested, we have helped make a positive impact on those individuals. In addition, we provided relocation packets to area businesses, such as URENCO, NMJC, Lea Regional Medical Center, and the Hobbs Schools, for their recruitment efforts.

Welcome Services        \$30,000

- Continuously update and prepare relocation packets
- Mail relocation packets and other information by request

- Mail Hobbs community guides to chambers of commerce, convention and visitor bureaus throughout New Mexico, and to other community organizations upon request
- Provide staff to offer information and other services to walk-in visitors, callers, and Web users
- Appropriately display Hobbs community information and the information of other communities and the state
- Buy advertising units in a variety of media (2020 we partnered with EDCLC and Fly Hobbs and advertised in NM tourism magazine)
- Participate as an active appointed member/representative of the New Mexico Tourism Department's Southeast Region Marketing board

Administrative Overhead     \$10,000

**Total Professional Services \$75,000**

The board of the Hobbs Chamber of Commerce would like to stress our desire to work in partnership with the City of Hobbs through this scope of work, which we are committed to as an organization in this community. We look forward to enhancing our ability to fulfill these services as we find new and improved ways of collaborating with the city and additional commerce and community organizations, all of which have the same common goal of bettering Hobbs.

In the event of a natural disaster or city-wide emergency the Hobbs Chamber of Commerce would be prepared to assist the City of Hobbs in any way that the various departments see a fit for our staff. I have been trained by the City of Hobbs on Project Impact, was an active member of the Lea County Emergency Preparedness Committee from 1982 through 2003, an active member and officer of the Lea County Emergency/Disaster Preparedness Committee from 2004 until 2016. Acting City Manager (Fire Chief) Manny Gomez is on our board thus would be able to recognize the best place and way for the Hobbs Chamber to work with the City.

As demonstrated by our financial statements, the Chamber has exceeded the requirement to receive at least half of our annual revenue from sources other than the city, and we cite the funds which are raised for the organization through membership dues and the dedication and commitment of our Firm Foundation corporate sponsorship program to confirm that the coming year will be no different.

Sincerely,



Patricia A. Collins  
President & CEO



# HOBBS HISPANO CHAMBER OF COMMERCE

113 North Shipp, Hobbs, New Mexico 88240 • Telephone: (575) 393-1030 Fax: (575) 393-1031

March 19, 2020

City of Hobbs  
200 E Broadway  
Hobbs, NM 88240

RE: Service Agreement Proposal for \$64,000


Ladies and Gentlemen,

We continue to serve the business community and behalf of our members I would like to thank you for your support! We look forward to continuing to serve our local business and we are requesting the funding in the amount of \$64,000.

As reflected in the attached business plan, we continue to support the needs of our business community with ribbon cuttings, networking events, social media promotions, business seminars and day-to-day services which sometimes can range from translations, fax services, notarizations and many other services that we provide.

I am confident that your annual support will be appreciated by not only us but by many in our community. On behalf of our Board, our business members and our local community, Muchas Gracias! (Thank you very much!). We look forward to continuing to make a difference in our community. If you have any questions, please do not hesitate to contact us at 575-393-1030.

Thank you,



Susana Arvizu  
Board President  
Hobbs Hispano Chamber of Commerce

PS Enclosed are our financials, business plan, and all other pertinent information as requested.

# **ACTION ITEMS**



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 18, 2020

SUBJECT: Consideration of Preliminary FY 2021 Budget
DEPT. OF ORIGIN: Finance
DATE SUBMITTED: May 11, 2020
SUBMITTED BY: Deborah Corral, Assistant Finance Director

Summary:

Pursuant to applicable state law the preliminary budget must be approved and submitted to the Local Government Division of the NMDFA by June 1st. This proposed preliminary budget includes \$60,216,908.66 in proposed General Fund expenditures and \$114,915,274.70 in proposed expenditures for all funds. Revenues in the General Fund are projected at \$48,102,308.70 and total revenue projections for all funds are set at \$100,690,471.61. Current projected general fund cash reserve is set at 41% with a preliminary ending cash balance for all funds of \$64,812,849.45.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

Annual budgeting process has more fiscal impact than any other city policy issue.

Attachments:

Resolution and FY21 Fund Summary

Legal Review:

Approved As To Form: [Signature]
City Attorney

Motion to approve the resolution

Recommendation:

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

RESOLUTION NO. 6938

2020-2021 PRELIMINARY BUDGET CONSIDERATION

(109<sup>th</sup> FISCAL YEAR)

WHEREAS, the Governing Body of the Municipality of Hobbs, State of New Mexico has developed a preliminary budget for fiscal year 2020 - 2021; and

WHEREAS, said preliminary budget was developed on the basis of need and through cooperation with all user departments, elected officials and other department supervisors; and

WHEREAS, the official meetings for the review of said documents were duly advertised and held on May 4, 2020 and May 18, 2020, in compliance with the State Open Meetings Act; and

WHEREAS, it is the majority opinion of this Commission that the proposed preliminary budget meets the requirements as currently determined for fiscal year 2020 -2021.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Governing Body of the Municipality of Hobbs, State of New Mexico, hereby adopts the preliminary budget herein above described and respectfully requests approval from the Local Government Division of the Department of Finance and Administration.

PASSED, ADOPTED, APPROVED AND RESOLVED in session this 18<sup>TH</sup>  
day of May, 2020.

MUNICIPAL GOVERNING BODY OF  
HOBBS, NEW MEXICO

\_\_\_\_\_  
SAM D. COBB, Mayor

\_\_\_\_\_  
MARSHALL R. NEWMAN, Commissioner

\_\_\_\_\_  
CHRISTOPHER R. MILLS, Commissioner

\_\_\_\_\_  
LARRON FIELDS, Commissioner

\_\_\_\_\_  
JOSEPH D. CALDERON, Commissioner

\_\_\_\_\_  
DWAYNE PENICK, Commissioner

\_\_\_\_\_  
DON R. GERTH, Commissioner

ATTEST:

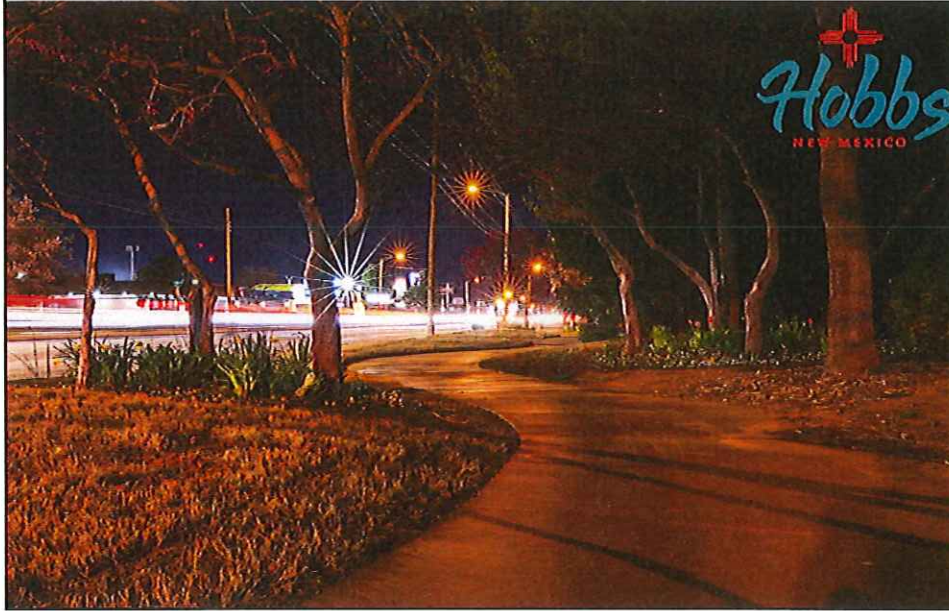
\_\_\_\_\_  
JAN FLETCHER, City Clerk

**City of Hobbs Preliminary Budget  
FY21 Fund Summary**

	Beginning Cash (FY20 BAR #3)	Total Revenue	Interfund Transfer	Total Expenditures	Ending Cash
001 GENERAL	43,880,343.58	48,102,308.70	(6,819,387.39)	60,216,908.66	24,946,356.23
002 LAND ACQUISITION	349,146.16	100,000.00	-	100,000.00	349,146.16
<b>General Fund Subtotal</b>	<b>44,229,489.74</b>	<b>48,202,308.70</b>	<b>(6,819,387.39)</b>	<b>60,316,908.66</b>	<b>25,295,502.39</b>
110 LOCAL GOV CORR	185,393.23	210,600.00	-	114,500.00	281,493.23
120 POLICE PROTECTION	-	81,000.00	-	81,000.00	-
130 P D N (parif, drug, narcotics)	1,918.75	-	-	-	1,918.75
150 COPS GRANT	393,876.33	-	-	367,167.62	26,708.71
160 RECREATION (CORE)	173,925.00	1,974,494.00	2,580,799.36	4,574,518.36	154,700.00
170 OLDER AMERICAN	100.00	140,146.00	955,003.77	1,094,249.77	1,000.00
180 GOLF	-	548,120.00	2,847,623.51	3,384,743.51	11,000.00
190 CEMETERY	100.00	164,600.00	435,960.75	598,910.75	1,750.00
200 AIRPORT	210,510.72	37,800.00	-	57,500.00	190,810.72
210 Legislative Appropriations	-	2,300,000.00	-	2,300,000.00	-
230 LODGERS' TAX	1,505,297.87	827,100.00	-	883,330.00	1,449,067.87
270 PUBLIC TRANSPORTATION	383,541.00	723,000.00	-	1,060,251.02	46,289.98
280 FIRE PROTECTION	201,575.16	505,200.00	-	523,500.00	183,275.16
290 EMER MEDICAL SERV	184.16	20,000.00	-	20,000.00	184.16
<b>Special Revenue Subtotals</b>	<b>3,056,422.22</b>	<b>7,532,060.00</b>	<b>6,819,387.39</b>	<b>15,059,671.03</b>	<b>2,348,198.58</b>
370 COMM DEVE CONST	36,193.20	-	-	-	36,193.20
460 BEAUTIFICATION IMPROVEMENT	1,280,602.89	-	-	-	1,280,602.89
480 STREET IMPROVEMENTS	1,358,014.76	700,000.00	-	-	2,058,014.76
490 CITY COMM. IMPROVEMENTS	1,595,520.63	2,367,000.00	-	67,000.00	3,895,520.63
<b>Capitol Project Subtotals</b>	<b>4,270,331.48</b>	<b>3,067,000.00</b>	<b>-</b>	<b>67,000.00</b>	<b>7,270,331.48</b>
510 UTILITY BOND	-	-	307,004.92	307,004.92	-
530 WASTEWATER BOND	1,989,842.96	-	2,442,796.68	2,442,796.68	1,989,842.96
<b>Debt Service Subtotals</b>	<b>1,989,842.96</b>	<b>-</b>	<b>2,749,801.60</b>	<b>2,749,801.60</b>	<b>1,989,842.96</b>
100 SOLID WASTE	1,948,193.09	6,950,000.04	-	6,950,000.04	1,948,193.09
440 JOINT UTILITY EXTENSIONS CAPITAL PROJE	91,852.00	-	-	-	91,852.00
600 JOINT UTILITY	920,978.03	-	5,692,896.20	6,604,874.23	9,000.00
610 JOINT UTILITY CONST	1,000.00	-	1,266,000.00	616,000.00	651,000.00
620 WASTE WATER PLANT CONST	274,936.29	-	416,063.71	630,000.00	61,000.00
630 JOINT UTILITIY - WASTEWATER	3,361,447.49	-	966,741.78	4,204,189.27	124,000.00
650 JOINT UTILITIY INCOME - WASTEWATER	231,000.00	8,511,000.00	(3,825,602.17)	34,000.00	4,882,397.83
660 JOINT UTILITY INCOME	1,061,000.00	8,265,200.00	(7,265,901.12)	-	2,060,298.88
680 METER DEPOSIT RES	1,029,086.27	450,000.00	-	450,000.00	1,029,086.27
690 INTERNAL SUPPLY	53,727.58	225,000.00	-	225,000.00	53,727.58
<b>Utility Subtotals</b>	<b>8,973,220.75</b>	<b>24,401,200.04</b>	<b>(2,749,801.60)</b>	<b>19,714,063.54</b>	<b>10,910,555.65</b>
640 MEDICAL INSURANCE	4,048,595.96	7,584,055.00	-	7,584,055.00	4,048,595.96
670 WORKERS COMP TRUST	1,104,078.23	711,630.00	-	711,630.00	1,104,078.23
740 INSURANCE - RISK	2,001,000.00	2,060,788.87	-	1,585,788.87	2,476,000.00
<b>Internal Service Subtotal</b>	<b>7,153,674.19</b>	<b>10,356,473.87</b>	<b>-</b>	<b>9,881,473.87</b>	<b>7,628,674.19</b>
700 MOTOR VEHICLE	20,930.74	6,000,000.00	-	6,000,000.00	20,930.74
710 MUNI JUDGE BOND FUND	105,234.84	-	-	-	105,234.84
720 RETIREE HEALTH INSURANCE TRUST FUND	9,000,000.00	1,032,356.00	-	1,032,356.00	9,000,000.00
730 CRIME LAB FUND	71,235.55	88,500.00	-	88,500.00	71,235.55
750 FORECLOSURE TRUST FUND	71.88	-	-	-	71.88
760 RECREATION TRUST	-	-	-	-	-
770 LIBRARY TRUST	5,309.68	1,500.00	-	1,500.00	5,309.68
780 SENIOR CITIZEN TRUST	1,189.94	3,000.00	-	3,000.00	1,189.94
790 PRAIRIE HAVEN MEM	5,832.50	55.00	-	-	5,887.50
800 COMMUNITY PARK TRUST	1,560.03	18.00	-	-	1,578.03
820 EVIDENCE TRUST FUND	130,953.84	5,000.00	-	-	135,953.84
830 HOBBS BEAUTIFUL	19,733.26	-	-	-	19,733.26
860 CITY AGENCY TRUST	2,618.94	1,000.00	-	1,000.00	2,618.94
<b>Trust &amp; Agency Subtotals</b>	<b>9,364,671.20</b>	<b>7,131,429.00</b>	<b>-</b>	<b>7,126,356.00</b>	<b>9,369,744.20</b>
<b>Grant Total All Funds</b>	<b>79,037,652.54</b>	<b>100,690,471.61</b>	<b>-</b>	<b>114,915,274.70</b>	<b>64,812,849.45</b>

41%

## City of Hobbs FY 2020-2021 Preliminary Budget Discussion



### Outline

- I. Preliminary Budget Process
- II. Comparisons to Current vs Prelim. 2021 Budget
- III. Revenue and Reserve Limits
- IV. General Fund Expenditures and Overall Fund Expenditures
- V. General Fund – Capital Outlay
- VI. Salary and Benefits
- VII. Special Revenue Funds
- VIII. Enterprise Funds
- IX. Future Considerations

# I. Timelines

January 31<sup>st</sup> Personnel Budget submitted to Finance Department for compilation

March 31<sup>st</sup> Departmental Budgets submitted to Finance Department for compilation

May 4<sup>th</sup> Work session Preliminary Budget

**May 18th Preliminary Budget Commission Approval**

June 1<sup>st</sup> Preliminary Budget Submission to NM Dept. of Finance and Administration (DFA)

**Mid- June (Final Changes to FY 2021 Preliminary Budget)**

July 20<sup>th</sup> Commission Final Approval

July 31<sup>st</sup> Final Budget Submission with carryovers and actual beginning cash balances to DFA

## II. General Fund Comparisons to Current 2020 vs. Preliminary Budget for 2021

2020 Projected Gross Receipt Tax -	\$62,605,714.29
2021 Projected Gross Receipt Tax -	<u>\$37,820,000.00</u>
Difference	\$24,785,714.29
% Difference	-39.59%
Current monthly projected GRT	\$5,217,142.86
<b>2021 monthly projected GRT</b>	<b>\$3,151,666.67</b>

**II. General Fund Comparisons to Current 2020 vs. Preliminary Budget for 2021 – (cont'd)**

2020 Projected Overall Revenue -	\$76,474,270.77
2021 Projected Overall Revenue -	<u>\$48,102,308.70</u>
Difference	\$28,371,962.07
% Difference	-37.10%
Current monthly projected revenue	\$6,372,855.90
<b>2021 monthly projected revenue</b>	<b>\$4,008,525.73</b>

**II. General Fund Comparisons to Current 2020 vs. Preliminary Budget for 2021 – (cont'd)**

2020 Projected Overall Expenditures-	\$107,240,518.08
2021 Projected Overall Expenditures-	<u>\$ 60,216,908.66</u>
Difference	\$ 47,023,609.42
% Difference	-43.85%
Current monthly projected expenditures	\$ 8,936,709.84
<b>2021 monthly projected expenditures</b>	<b>\$ 5,018,075.72</b>

**II. General Fund Comparisons to Current 2020 vs. Preliminary Budget for 2021 – (cont'd)**

2020 Projected Salary & Benefits-	\$39,882,107.87
2021 Projected Salary & Benefits-	<u>\$39,411,237.99</u>
Difference	\$ 470,869.88
% Difference	-1.19%
Current monthly projected salary & ben	\$3,323,508.99
<b>2021 monthly projected salary &amp; ben</b>	<b>\$3,284,269.83</b>

\* Note: Total benefitted vacant positions in the amount of 26.75 were reduced from the 2020 budget to the 2021 budget. Health insurance was projected to increase by 11% based on enrollment and claims thru March 2020. Health insurance plan year starts January 1 2021.

**II. General Fund Comparisons to Current 2020 vs. Preliminary Budget for 2021 – (cont'd)**

2020 Projected Operating -	\$21,911,812.08
2021 Projected Operating -	<u>\$18,618,760.97</u>
Difference	\$ 3,293,051.11
% Difference	-15.03%
2020 monthly projected operating	\$ 1,825,984.34
<b>2021 monthly projected operating</b>	<b>\$ 1,551,563.41</b>

**II. General Fund Comparisons to Current 2020 vs. Preliminary Budget for 2021 – (cont'd)**

2020 Projected Capital -	\$45,446,598.13*
2021 Projected Capital -	<u>\$ 2,186,909.70</u>
Difference	\$43,259,688.43
% Difference	-95.19%

\* Capital project (carryovers) will be reassessed in July 2020 during final budget process and end of year fiscal cash reconciliation.

**II. General Fund Comparisons to Current 2020 vs. Preliminary Budget for 2021 – (cont'd)**

2020 Projected Transfers -	\$ 7,550,089.90
2021 Projected Transfers -	<u>\$ 6,819,387.39*</u>
Difference	\$ 730,702.51
% Difference	-9.68

\* Lodgers' Tax transfers have not been allocated to the CORE special revenue. This will be addressed in final budget



### III. General Fund Revenue and Reserve Limits (Preliminary Budget 2021)

Beg. Budgeted Cash Balance	\$ 43,880,344*
Budgeted Revenue	\$ 48,102,309
Budgeted Transfers	\$( 6,819,387)
Budgeted Expenditures	<u>\$(60,216,909)</u>
<b>End. Budgeted Cash Balance</b>	<b>\$ 24,946,357</b>
<b>Projected Reserve</b>	<b>41%</b>

\*Based on 2020 BAR # 3 estimated cash balance

### III. General Fund Projected Cash at June 30, 2020

(Projected final 3 months of Fiscal Year 2020 – April, May, June)

Beg. Actual Cash at 3 31 2020	\$ 88,489,387
Estimated 3 month revenue	\$ 10,500,000
Estimated 3 month transfers	\$( 3,760,000)
Estimated 3 month personnel/benefits	\$( 7,909,415)
Estimated 3 month operating	\$( 3,940,111)
Estimated payments on encumbered capital	<u>\$ (4,813,351)</u>
Projected cash balance at 6 30 2020	\$ 78,566,510

### III. General Fund Projected Cash at June 30, 2020

(Projected final 3 months of Fiscal Year 2020 – April, May, June)

Projected cash balance at 6 30 2020                      \$ 78,566,510

**Capital expenditure carryovers needing  
to be reassessed prior to final budget      \$ (29,004,364)**

Allocable Funds at 6 30 2020                              \$ 49,562,145

General Fund Budgeted Cash Balance                  \$( 43,880,344)

**Estimated unencumbered Cash Carryover\$ 5,681,801**

### III. General Fund Revenue and Reserve Limits (Preliminary Budget 2021 with Carryovers)

Beg. Budgeted Cash Balance                              \$ 43,880,344

Budgeted Revenue    \$ 48,102,309

Budgeted Transfers    \$( 6,819,388)

Budgeted Expenditures                                    \$(60,216,909)

Estimated Carryover Unencumbered                  \$ 5,681,801

**End. Budgeted Cash Balance                              \$ 30,628,157**

**Projected Reserve    51%**

### III. General Fund Revenue and Reserve Limits (cont'd)

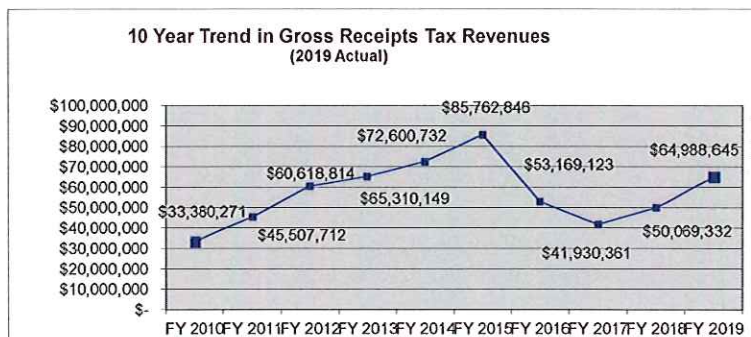
**6.8125% - Hobbs Gross Receipt Tax Rate**

<b>1.2500%</b> - state share (unrestricted)	<b>18%</b> local share
<b>1.2250%</b> - local share (unrestricted)	<b>18%</b> local share
<b>.1250%</b> - infrastructure (restricted)	<b>2%</b> local share
<b>.0625%</b> - environmental (restricted debt)	<b>1%</b> local share

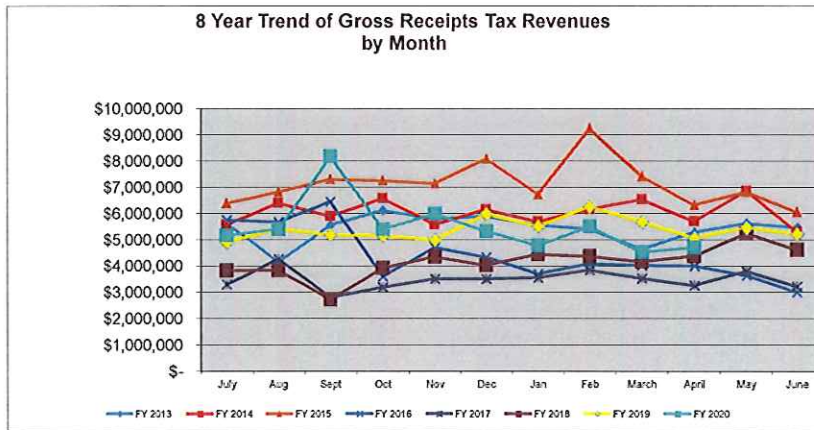
**2.6625% amt city receives**                      **39% local share**

**4.1500% amt state keeps**                      **61% state share**

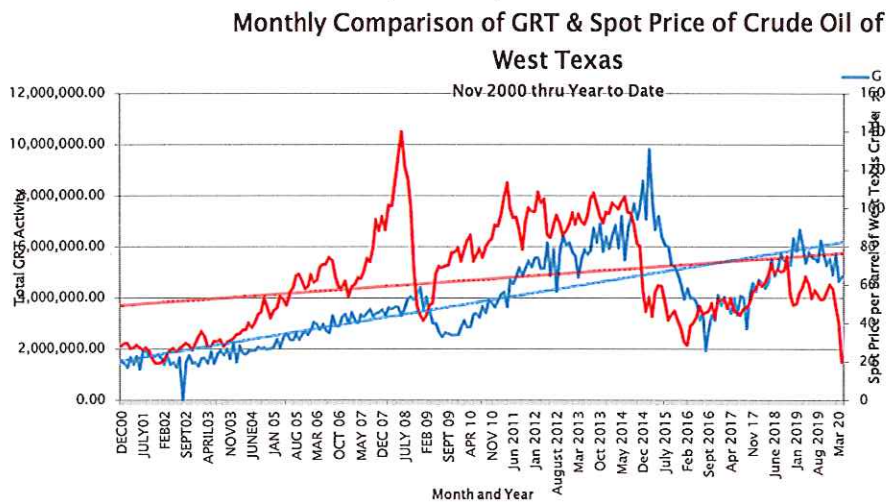
### III. General Fund Revenue and Reserve Limits (cont'd)



### III. General Fund Revenue and Reserve Limits – (cont'd)



### III. General Fund Revenue and Reserve Limits – (cont'd)



### III. General Fund Revenue and Reserve Limits – (cont'd)

CITY OF HOES		ACTIVITY OF CRT THRU APRIL 2020	
		(May 2019 - Apr 2020)	
TYPE	YEAR TO DATE TOTAL	% OF TOTAL	
ACR/CULTURE	62,899.23	0.10%	
MINING	14,913,320.90	22.84%	
CONSTRUCTION	6,007,515.08	9.20%	
MANUFACTURING	3,511,779.14	5.38%	
TRANS/COMM/UTILITIES	0.00	0.00%	
WHOLESALE TRADE	5,789,004.71	8.85%	
RETAIL TRADE	14,110,457.34	21.61%	
FINANCE/INSUR/REAL ESTATE	0.00	0.00%	
SERVICES	0.00	0.00%	
UTILITIES	1,395,772.62	2.14%	
TRANSPORTATION AND WAREHOUSING	1,237,890.24	1.90%	
INFORMATION AND CULTURAL INDUSTRY	1,555,152.70	2.38%	
FINANCE AND INSURANCE	185,300.26	0.28%	
REAL ESTATE AND RENTAL/LEASING	1,774,119.81	2.72%	
PROFESSIONAL, SCIENTIFIC AND TECH SVCS	1,779,275.94	2.72%	
MANAGEMENT OF COMPANIES	0.00	0.00%	
ADMIN AND SUPPORT, WASTE MGT	652,050.91	1.00%	
EDUCATIONAL SVCS	22,659.83	0.03%	
HEALTH CARE AND SOCIAL ASSISTANCE	1,786,241.72	2.74%	
ARTS, ENTERTAINMENT AND RECREATION	200,752.03	0.31%	
ACCOMMODATION AND FOOD SERVICES	4,036,201.92	6.18%	
OTHER SERVICES	5,893,077.67	9.02%	
PUBLIC ADMINISTRATION	1,852.83	0.00%	
UNCLASSIFIED ESTABLISHMENTS	391,900.07	0.60%	
	65,307,234.92	100.00%	

### III. General Fund Revenue and Reserve Limits – (cont'd)

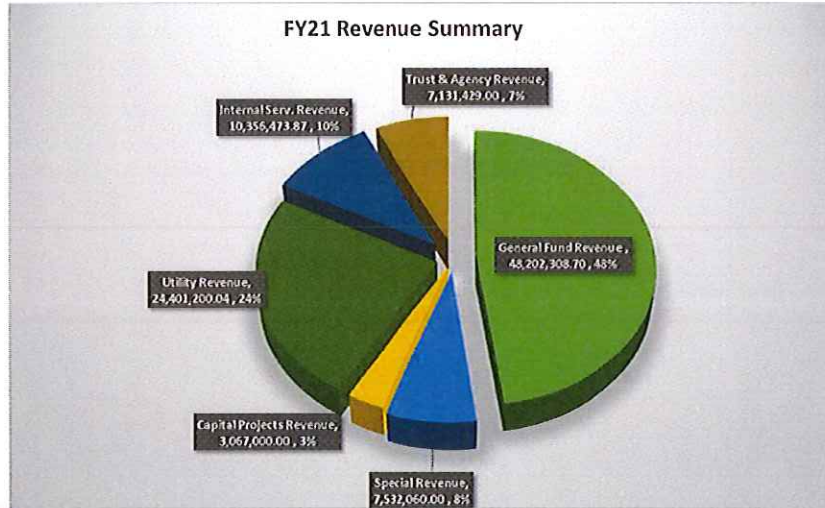
#### Revenues - GENERAL FUND:

Budgeted Gross Receipt Taxes	\$37,820,000 *
Charges for Services	\$ 3,038,000
Property Taxes	\$ 3,032,189
Other	\$ 4,212,120**
<b>Total General Fund Revenue</b>	<b>\$48,102,309</b>
Total Budget Overall Revenue	\$ 100,690,472

\* \$3,151,667 monthly

\*\* interest income, franchise tax, permits, fines, insurance, donations, grants

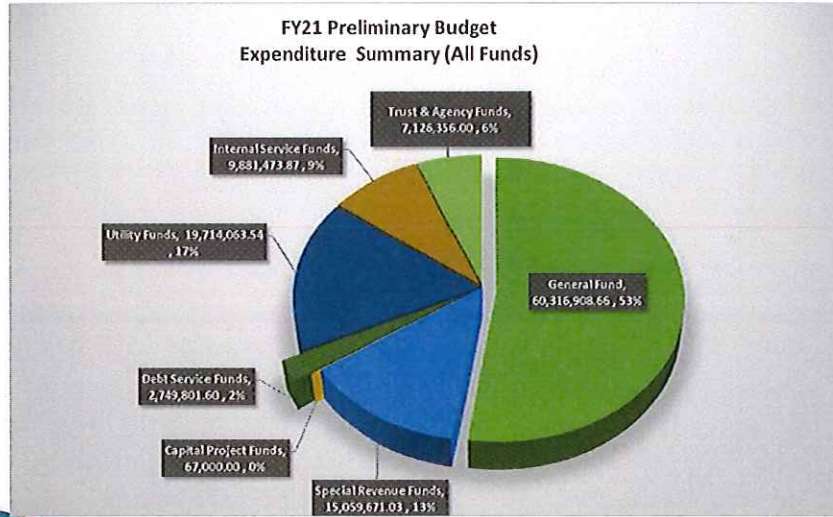
### III. General Fund Revenue and Reserve Limits – (cont'd)



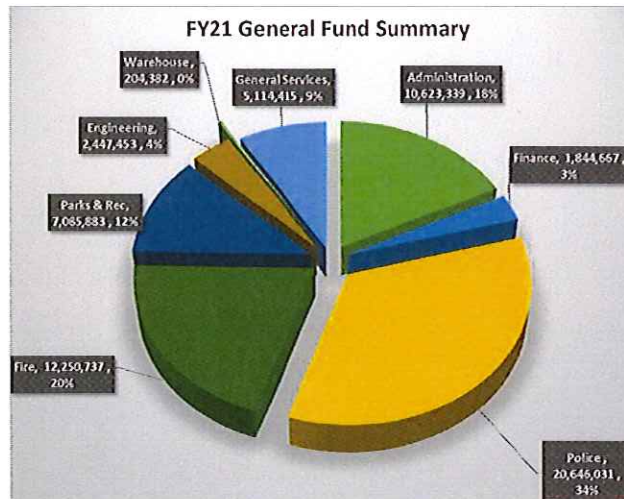
### IV. General Fund Expenditures and Overall Fund Expenditures

	<u>Total</u>	<u>% of Total</u>
Total Budgeted Expenditures	\$114,915,275	100%
Total Budgeted General Fund	\$ 60,216,909	<b>52%</b>
<u>General Fund Breakdown:</u>		
Personnel and Benefits	\$ 39,411,238	<b>65%</b>
Operating	\$ 18,618,761	<b>31%</b>
Capital Outlay	\$ 2,186,910	<b>4%</b>
Transfers	\$ ( 6,819,387)	

## IV. General Fund Expenditures and Overall Fund Expenditures



## IV. General Fund Expenditures and Overall Fund Expenditures (cont'd)



## V. General Fund - Capital Outlay

010202	43003	PD PATROL	700,000.00 Replacement vehicles
010423	43003	STREET/HWY	185,000.00 PFL UNIT 0370 DUMP TRUCK
010326	43006	MACADAMS	140,000.00 83 FOOT SPIDER MAN LIFT
010203	43006	PD CID	100,335.00 One (1) complete setup for Rapid DNA. This includes the machine and all components.
010412	44901	00159 TRAFFIC	100,000.00 DESIGN AND REDO JOE HARVEY AND LOVINGTON HWY. RESTRIPE FOR DUAL LEFT TURN LANES.
010310	46325	LIBRARY	84,579.70 2018 General Obligation Bond funds allocated to Hobbs Public Library from the State of New Mexico.
010316	43006	MACADAMS	82,000.00 REPLACE AGING WIDE AREA MOWER
010310	46323	LIBRARY	75,000.00 Print books: non-fiction, fiction, juvenile, young adult, large print, and Spanish as well as nonfiction, fiction, and young adult e-books.
010320	43011	FAFAS	75,000.00 PLAYGROUND REPAIR, SHELTER IMPROVEMENTS, WALKING TRAIL MAINTENANCE, CONCRETE AND SIDEWALK REPAIR
010206	43004	PD JAIL	70,000.00 New Jail Transport van
010220	43006	FIRE/AMB	54,500.00 FERRO COTS
010320	43011	PARKS	50,000.00 JEFFERSON BASKETBALL COURT RENOVATION
010320	44901	00099 PARKS	40,000.00 REPLACE 2-5 YR OLD PLAYGROUND AT HEIZER PARK
010326	43006	MACADAMS	35,000.00 MACADAMS LAKE BRIDGE REPLACEMENT
010420	43006	GARAGE	35,000.00 2 DIAGNOSTIC SCANNERS; ONE AUTO AND ONE HEAVY
010145	43801	IT	30,000.00 COLOR COPIERS
010145	43001	IT	25,000.00 UPGRADE SWITCHES
010145	43006	IT	25,000.00 UPDATE EQUIPMENT
010201	43006	PD ADMIN	25,000.00 repair any damaged vehicles over \$5000
010326	43006	MACADAMS	25,000.00 MACADAMS LAKE BRIDGE REPLACEMENT
010312	43006	TRAFFIC	25,000.00 TRAFFIC SIGNAL CONTROL CABINETS
010203	43006	PD CID	24,595.00 Refill Cartridges for Rapid DNA
010320	43006	PARKS	17,000.00 10' BATWING MOWER DECK USED TO MOW RIGHTS OF WAYS
010145	43001	IT	15,000.00 PLOTTER
010145	43006	IT	15,000.00 PLOTTER
010207	44901	00113 PD Eagle	15,000.00 25 camera upgrades for the Police Department
010320	43011	PARKS	12,000.00 2 NEW FREEZE PROOF WATER FOUNTAINS FOR DEL NORTE PARK
010326	43801	MACADAMS	10,000.00 FISH STOCKING FOR HARRY MACADAMS AND GREEN MEADOW LAKES
010330	43006	RECREATION	10,000.00 new sound system for movie under stars
010410	44901	00079 ENGINEERIN	10,000.00 PROPERTY ACQUISITION OR EASEMENT ALONG STRATEGIC CORRIDORS
010321	43006	SPORTS FLD	9,000.00 BUFFALO BLOWER THAT IS A TOW BEHIND UNIT.
010145	43006	IT	8,000.00 INSTALL FIBER
010320	43006	PARKS	8,000.00 BILLY GOAT SKID MOUNT VACUUM THAT HAS 5,000 CFM SUCTION POWER
010320	43006	PARKS	8,000.00 TRUCK MOUNTED TRAFFIC DIRECTING ARROW BOARD
010310	46326	LIBRARY	7,500.00 Projected funds from the State of New Mexico for Grants-in-Aid.
010320	43006	SPORTS FLD	7,100.00 LELY PULL BEHIND FERTILIZER SPREADER
010320	43006	PARKS	6,500.00 A/C REPAIR, ELECTRICAL REPAIR, FIRE ALARM MAINTENANCE
010320	43001	PD CID	6,000.00 New Faro Computer Laptop 6000.00
010320	43006	PARKS	6,000.00 HYDRAULIC DUMP TRAILER
010320	44901	ENGINEERIN	5,000.00 ID BADGE READERS FOR DOORS AT PARK MAINTENANCE OFFICE BUILDING
010323	43006	IT	5,000.00 25 GALLEY BUCKET FOR SKID STEER ATTACHMENT
		TOTAL	4,118,458.70

## VI. Salary and Benefits - ALL FUNDS

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Salary and Ben.	\$49,278,532	\$49,530,688	\$47,534,270
Budgeted FTE Count	588.75	615.50	584

### Assumptions:

Increase of medical insurance premiums of 11% (as of Feb. 2020 enrollment and claims)

0% Cola

0% Merit



## VI. Salary and Benefits – cont'd

Full Time Employees												
Dept	FY19 FTE	FY19 Salary	FY19 Benefits	FY19 Total	FY20 FTE	FY20 Salary	FY20 Benefits	FY20 Total	FY21 FTE	FY21 Salary	FY21 Benefits	FY21 Total
Police	144.00	\$ 12,096,305.71	\$ 4,813,435.19	\$ 14,889,740.90	143.00	\$ 12,852,201.53	\$ 4,606,446.75	\$ 15,458,648.28	144.00	\$ 13,354,450.58	\$ 4,830,196.59	\$ 15,224,647.17
Fire	100.00	\$ 6,317,456.03	\$ 3,267,445.19	\$ 9,584,901.22	109.00	\$ 6,577,134.36	\$ 3,295,631.69	\$ 9,872,766.04	108.00	\$ 6,513,536.57	\$ 3,451,295.82	\$ 10,570,832.39
Engineering	16.00	\$ 1,133,373.89	\$ 412,000.42	\$ 1,557,431.31	16.00	\$ 1,114,231.45	\$ 373,377.46	\$ 1,471,558.90	13.00	\$ 902,496.16	\$ 349,110.14	\$ 1,251,606.30
Parks	90.00	\$ 3,995,431.18	\$ 1,859,697.75	\$ 5,855,328.93	88.00	\$ 3,977,195.82	\$ 1,599,543.32	\$ 5,576,739.14	85.50	\$ 3,785,247.21	\$ 1,734,480.13	\$ 5,519,727.34
CODE	69.00	\$ 1,645,372.44	\$ 429,634.80	\$ 2,375,377.24	89.75	\$ 2,602,855.64	\$ 917,086.30	\$ 3,519,941.93	72.50	\$ 2,247,404.12	\$ 813,474.19	\$ 3,060,878.31
Clerk	15.00	\$ 751,225.27	\$ 327,518.74	\$ 1,078,744.00	16.00	\$ 792,457.11	\$ 322,437.75	\$ 1,114,894.87	16.00	\$ 803,902.26	\$ 309,313.10	\$ 1,173,215.36
Gen Services	31.00	\$ 2,057,873.49	\$ 873,216.68	\$ 2,931,190.18	32.00	\$ 2,094,978.68	\$ 852,113.93	\$ 2,947,102.61	29.00	\$ 1,953,150.16	\$ 880,215.07	\$ 2,833,365.24
Administration	47.00	\$ 2,506,544.14	\$ 1,082,791.71	\$ 3,589,335.85	49.75	\$ 2,723,008.13	\$ 1,097,581.43	\$ 3,820,589.56	50.75	\$ 2,623,844.24	\$ 1,134,669.66	\$ 3,798,513.90
Utilities	56.00	\$ 3,111,762.15	\$ 1,269,972.42	\$ 4,371,334.77	56.00	\$ 3,110,284.46	\$ 1,242,545.85	\$ 4,352,930.31	59.00	\$ 3,151,978.98	\$ 1,328,278.54	\$ 4,451,257.51
Finance	16.00	\$ 904,914.20	\$ 422,978.76	\$ 1,327,892.96	17.00	\$ 988,897.59	\$ 424,466.30	\$ 1,415,163.89	16.00	\$ 933,749.37	\$ 431,432.33	\$ 1,364,481.70
<b>Totals</b>	<b>584.00</b>	<b>\$ 32,725,617.51</b>	<b>\$ 14,756,652.86</b>	<b>\$ 47,814,270.37</b>	<b>615.50</b>	<b>\$ 34,812,624.76</b>	<b>\$ 14,717,911.67</b>	<b>\$ 49,530,647.83</b>	<b>588.75</b>	<b>\$ 33,715,659.86</b>	<b>\$ 15,513,472.56</b>	<b>\$ 49,228,532.42</b>

## VI. Salary and Benefits - (cont'd)

### Health Insurance Trust Funds

<b>Employee Trust Fund:</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Employer Contributions	\$ 6,371,993	\$5,586,000
Employee Contributions	\$ 1,183,210	\$ 940,000
	\$ 7,555,203	\$6,526,000
<b>Retiree Trust Fund:</b>		
Employer Contributions	\$ 438,152	\$ 575,000
Retiree Contributions	\$ 594,204	\$ 660,000
	\$1,032,356	\$1,235,000
<b>TOTAL</b>	<b><u>\$8,587,559</u></b>	<b><u>\$7,761,000</u></b>

## VII. Special Revenue Funds – 2021 Preliminary Budget

	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers from General Fund</u>
COPS Grant	\$ 0	\$ 367,168	\$ 0*
C.O.R.E	\$1,974,494	\$4,574,518	\$2,580,799
Older American Fund	\$ 140,146	\$ 1,094,250	\$ 955,004
Golf	\$ 548,120	\$ 3,384,744	\$2,847,624
Cemetery	\$ 164,600	\$ 598,911	\$ 435,961
Public Transportation	\$ 723,000	\$ 1,060,251	\$ 46,290**

\*No transfer needed, estimated beginning cash is approximately \$393,876

\*\*Only 46,290 needed, estimated beginning cash is approximately \$383,541

## VIII. Enterprise Funds

FTE Count	59
Total Budgeted Expenditures	\$19,714,064
Total Budgeted Revenues	<u>\$24,401,200</u>
Difference before Debt Transfer	<u>\$ 4,687,136</u>
Transfers In:	
Environmental Tax Debt Service (1/16 <sup>th</sup> )	\$ 1,219,000
Transfers Out:	
Debt Service	<u>\$(2,749,802)</u>
Difference paid by user rates	<u>\$ 1,530,802</u>

## IX. Future Considerations

### City of Hobbs Taxing Structure:

#### Remaining Tax Options:

Municipal Gross Receipts – 6 <sup>th</sup>	1/4 % yields –	3,553,000 million
Municipal Infrastructure – 3 <sup>rd</sup>	1/16 % yields –	1,219,000 million
Municipal Infrastructure – 4 <sup>th</sup>	1/16% yields –	1,219,000 million

## IX. Future Considerations

- Conclusion of General Fund:
  - This projection is based on an overall 4 month outlook of the current economic situation for the City of Hobbs. The revenues are based on a 40% reduction of the projected 2020 revenues as it relates to GRT. This revenue will need to be reassessed by final budget (July 31, 2020) and again on the first BAR in October of 2020. Existing unrestricted capital projects in the amount of 18 plus million dollars will need to be reviewed. Currently, as projected, the preliminary 2021 general fund personnel/benefit, operating, and capital outlay budget borrows from the existing reserves in the amount of \$12,114,600 annually or \$1,009,550 per month. The City of Hobbs current cash reserves would bridge this gap going forward but expenditures will need to be monitored if gross receipt taxes dips below 37,820,000 annually or 3,151,667 per month. **The projected reserve is 41% of general fund expenditures.** This reserve is projected higher due to the possible increased long-term volatility of the energy sector. **It also should be noted the City of Hobbs has not obligated any general fund future gross receipt taxes to DEBT.**

## Questions:

Toby Spears, CPA, CFE

Finance Director

575-397-9235

[tspears@hobbsnm.org](mailto:tspears@hobbsnm.org)





**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: 5-18-20

SUBJECT: A Resolution Authorizing Funding Appropriations to Social Service Agencies and Authorizing the Mayor to Execute Professional Service Agreements

DEPT. OF ORIGIN: Mayor's Office  
DATE SUBMITTED: 5-7-20  
SUBMITTED BY: Ann Betzen

Summary:

Proposed funding for community social service agencies.

Fiscal Impact:

Ordinance #1086 capped funding at \$400,000; the commission committee's recommendation is \$389,000. These appropriations are budgeted under the FY 20-21 preliminary budget.

Reviewed By: 

Department

Attachments:

Resolution, History of Funding Ledger

Legal Review:

Approved As To Form: 

City Attorney

Recommendation:

Motion to approve Resolution.

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. 6939

A RESOLUTION AUTHORIZING FY 20-21 FUNDING  
APPROPRIATIONS TO VARIOUS SOCIAL SERVICE AGENCIES

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS,  
NEW MEXICO, that FY 20-21 funding appropriations are approved for various social  
service agencies in the following amounts:

CASA	\$20,000
Faith in Action	\$13,500
Isaiah's Kitchen	\$14,000
Legacy Pregnancy Resource Ctr	\$ 7,500
My Power, Inc.	\$35,000
Option	\$19,000
Opportunity House	\$ 9,500
Palmer Drug Abuse Program	\$50,000
Salvation Army	\$ 8,500
Southwest Symphony	\$ 5,000
Teen Court	\$32,000
Weekend Hunger Initiative	\$20,000
Community Drug Coalition	\$155,000

BE IT FURTHER RESOLVED that the Mayor be and is hereby authorized and directed to execute appropriate Professional Service Agreements with each agency in the amounts specified above for the provision of social services to the citizens of Hobbs.

PASSED, ADOPTED AND APPROVED this 18<sup>th</sup> day of May, 2020.

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SAM D. COBB, Mayor

ATTEST:

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JAN FLETCHER, City Clerk

**HISTORY OF FUNDING  
SOCIAL SERVICE AGENCIES**

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY19-20	FY20-21 Agency Proposal	FY 20-21 Committee Recommend
CASA	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
CASA Visitation Program	\$12,000		-0-	-0-	-0-	\$ 5,000	-0-
CASA Canine Companion	-0-	-0-	-0-	-0-	-0-	\$ 2,500	-0-
Faith in Action	\$10,000	\$10,000	\$10,000	\$ 12,500	\$13,500	\$13,500	\$13,500
Isaiah's Kitchen	\$10,000	\$10,000	\$10,000	\$ 12,000	\$18,000	\$14,000	\$14,000
Lea County Commission for the Arts	\$15,000	\$15,000	\$15,000	\$ 15,000	-0-	\$-0-	-0-
Legacy Pregnancy Resouce Ctr			\$10,000	-0-	\$ 7,500	\$10,000	\$ 7,500
Manna Outreach	\$10,000	\$10,000	\$10,000	\$ 12,500	-0-	-0-	-0-
My Power, Inc.	\$20,000	\$20,000	\$20,000	\$25,000	\$35,000	\$50,000	\$35,000
Option	\$15,000	\$15,000	\$15,000	\$ 17,500	\$19,000	\$20,000	\$19,000
Opportunity House	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 9,500	\$50,000	\$ 9,500
PDAP	\$35,000	\$35,000	\$35,000	\$35,000	\$50,000	\$50,000	\$50,000
Salvation Army	\$ 6,000	\$ 6,000	\$ 6,000	\$ 7,500	\$ 8,500	\$20,000	\$ 8,500
Senior Bash	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	-0-	-0-
Southwest Symphony	\$ 3,000	\$ 3,000	\$ 3,000	\$ 4,500	\$ 5,000	\$10,000	\$ 5,000



	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY19-20	FY20-21 Agency Proposal	FY 20-21 Committee Recommend
Teen Court	\$20,000	\$32,000	\$32,000	\$ 32,000	\$32,000	\$32,000	\$32,000
Weekend Hunger Initiative	\$17,500	\$17,500	\$17,500	\$ 20,000	\$20,000	\$20,000	\$20,000
CDC		\$100,000	\$100,000	\$100,000	\$155,000	\$155,000	\$155,000
Cavern City Child Advocacy Ctr					\$ 5,000	-0-	-0-
Sheri's House of Hope						\$60,000	-0-
<b>TOTAL</b>	<b>\$233,500</b>	<b>\$304,000</b>	<b>\$314,000</b>	<b>\$324,000</b>	<b>\$400,000</b>	<b>\$532,000</b>	<b>\$389,000</b>

Prepared by A. Betzen 5/7/20



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 18, 2020

SUBJECT: CONSIDERATION TO APPROVE A DEVELOPMENT AGREEMENT WITH ALJO, LLC CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY HOUSING.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: May 11, 2020
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: ALJO, LLC has requested a Development Agreement concerning the development of single-family housing units located within the municipal boundaries. The developer proposes to produce market rate single-family units and is requesting infrastructure incentives of \$200,000.00.

Fiscal Impact:

Reviewed By: [Signature] Finance Department

FY20 Budget Available \$295,429.00
Single Family Housing #010100-44901-170

Attachments: Resolution and Development Agreement.

Legal Review:

Approved As To Form [Signature] City Attorney

Recommendation:

Commission considers approval / denial of the attached Development Agreement.

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

RESOLUTION NO. 6940

**A RESOLUTION TO APPROVE A DEVELOPMENT AGREEMENT WITH ALJO, LLC CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY.**

WHEREAS, the City of Hobbs is proposing to enter into a Development Agreement with ALJO, LLC concerning the development of market rate single-family housing; and

WHEREAS, the aforementioned Development Agreement allows for an incentive of reimbursement of public infrastructure for this type of development, said agreement being in the best interest of the City.

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

1. The City of Hobbs hereby approves the Development Agreement, which is attached hereto and made a part of this Agreement as Exhibit #1 and the Mayor, and/or his designee, is hereby authorized to execute the Agreement.
2. That City staff and officials are authorized to do any and all deeds to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 18<sup>th</sup> day of May, 2020.

\_\_\_\_\_  
Sam D. Cobb, Mayor

ATTEST:

\_\_\_\_\_  
Jan Fletcher, City Clerk

## MARKET RATE SINGLE FAMILY DEVELOPMENT AGREEMENT

**THIS AGREEMENT** is entered into on this 18<sup>th</sup> day of May 2020 by and between the City Of Hobbs, New Mexico, a municipal corporation (hereinafter "City"); and ALJO, LLC, 3311 N. Grimes Street, Hobbs, NM 88240, (hereinafter "Developer") for the purpose of delivering Housing Developer Services to be provided to the City.

### RECITALS:

\*\* The City requires to contract with a Market Rate Single Family Development Company to deliver Single Family Market Rate Housing to the Citizens of Hobbs, New Mexico.

\*\* Developer has submitted a proposal to the City to deliver the required Market Rate Single Family Housing, to be produced within 365 days of ratification of this agreement, within the Municipal Boundaries.

\*\* Any outstanding Development Agreements between the Developer and the City of Hobbs concerning the production of Market Rate Single Family Housing shall become null and void upon the ratification of this agreement herewith.

**NOW, THEREFORE**, the City of Hobbs and Developer do hereby agree as follows:

#### **A. Work To Be Performed.**

1. The Developer shall furnish to the City its Professional Housing Developer Services for certain work regarding the Market Rate Single Family Housing. All single family structures completed under this agreement shall be located within the municipal boundaries and shall have received a certificate of occupancy after ratification of this agreement.

2. Developer shall furnish to City its professional Housing Developer Services as provided by this Agreement. The specific duties include the production and delivering to the public Market Rate Single Family Housing Units in Hobbs. Produced Units receiving an infrastructure incentive reimbursement shall not now or in the future be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time.

3. Specific activities required are to develop privately owned real property in the City including designing, building and transferring to the public individual market rate single family housing units. The City's subsidy may include any or all of the following funding assistance from the City:

Incentives are available for installed public municipal infrastructure only, providing compliance with:

- a. Incentive not to exceed per square footage basis:
  - i. \$10.00 per sq. ft. north of Sanger
  - ii. \$20.00 per sq. ft. south of Sanger
  - iii. Calculation based on living area only
- b. Incentive not to exceed per unit basis:
  - i. \$10,000.00 per single family unit
  - ii. \$5,000.00 per multi-family unit

- c. Incentive not to exceed fair share per linear foot of infrastructure basis:
  - i. \$180.00 per lineal front footage of complete public infrastructure installed, and further broken down as follows:
    - 1. Water (\$25 / lf):
      - a. Twenty Five (\$25) per equivalent front foot of lot to which water service is provided (8" minimum service single family & 10" minimum service for multi-family);
    - 2. Sewer (\$35 / lf):
      - a. Thirty Five (\$35) per equivalent front foot of lot to which sewer service is provided (8" minimum service single family & 10" minimum service for multi-family);
    - 3. Street (\$90/ lf):
      - a. Ninety (\$90) per equivalent front foot of lot to which street is provided (built to Minor Residential standards as promulgated within the City of Hobbs Major Thoroughfare Plan);
    - 4. Sidewalk:
      - a. Thirty (\$30) per equivalent front foot of lot to which sidewalk (includes driveway with ADA accessible path) is provided;

Based on quantities of required publicly owned infrastructure installed supporting the project, the City Engineer shall determine if the value of the infrastructure is adequate as an equal exchange of value for the amount of City subsidy contributed to the market rate single family housing unit. The City Engineer shall resolve any issues concerning value or extent of infrastructure and amount of square footage of constructed housing units. Specifically, the City Engineer will determine the value or unit costs of the publicly owned infrastructure according to any City of Hobbs Annual Pavement/Concrete/Utility Contracts or public infrastructure projects and estimates.

**B. Payment For Services.**

- 1) The City shall pay for said services at the rates agreed to and as specified above in the Infrastructure details, as shown herein. Payment will not be made by the City for any unit until a certificate of occupancy is issued, based on this Agreement.
- 2) The total compensation to be paid to the Developer during the term of this Agreement shall not exceed Two Hundred Thousand Dollars (\$200,000.00), unless the Agreement is amended by the City Commission.
- 3) City subsidy shall be paid when each individual single family unit is complete and certificate of occupancy is issued, provided the certificate of occupancy for the unit is issued after ratification of this agreement. Payment will be made within fifteen (15) days following a written request from the Developer and upon City inspection of project completion.
- 4) Produced Units receiving an infrastructure incentive reimbursement shall not now or in the future be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time. Such usage either now or in the future, for a period not to exceed 10 years from date of issuance of a C.O.,

shall require Developer to return any incentive funds received for any unit thus utilized, upon demand by the City. Developer shall record a "Declaration of Restrictive Covenants", attached hereto as Exhibit 2, to restrict such usage and to notify parties involved in future conveyances.

**C. Construction Requirements.**

Construction shall be of energy-efficient design per New Mexico Energy Conservation Code 2009, utilizing either stucco or brick on the exterior of all buildings.

**D. Assignment of Agreement.**

This Section refers to assignability of this Agreement, and not to assignability of the Project to be developed for housing. Developer shall not assign or transfer any interest in this Agreement. Except that Developer is permitted, upon City approval, to assign its interest to a Partnership or Corporation in which the Developer is the principal party or to an affiliated company, working with the Developer on the Project. Subject to the foregoing provision, this Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and assigns; provided that upon any assignment of this Agreement by either party, the other party shall not be released from any obligation under, or liability accruing pursuant to this Agreement. Consent shall not unreasonably be withheld by either party.

**E. Insurance Requirements and Hold Harmless Provision.**

1. Developer agrees to obtain and maintain appropriate insurance during the course of the development of market rate single family housing with the City of Hobbs, as follows, and shall indemnify and hold harmless City, its employees, agents, officers and officials from any and all claims, losses, causes of action, and/or liabilities resulting from the conduct, negligence, errors or omissions of Developer or any employee or agent of Developer while engaged in performing the services called for herein.

2. The Developer shall maintain insurance coverage for General Liability, Automobile Liability, Errors and Omissions Insurance, and Workers' Compensation, subject to review and approval of the City Attorney.

**F. Governing Law and Provisions.**

1. 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.

2. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement, including the expenses of in house counsel.

**G. Final Payment and Release of Claims.**

1. Developer, upon final payment of all amounts due under this Agreement, releases the City and its officers and employees from all liabilities, claims and obligations whatsoever arising

from or under this Agreement.

2. City, upon Developer's final completion of all work items and covenants required of the Developer under this Agreement, shall release the Developer from all liabilities, claims and obligations whatsoever arising from or under this Agreement, on the day that is ten (10) years following the date of the City's issuance of a final certificate of occupancy on the Project.

#### **H. Amendments.**

This Agreement shall not be altered, changed, or amended except by written instrument approved and executed by both parties hereto.

#### **I. Breach.**

1. The following events constitute a breach of this Agreement by Developer:

a) Developer's failure to perform or comply with any of the terms, conditions or provisions of this Agreement.

2. The following events constitute a breach of this Agreement by City:

a) City's failure to perform or comply with any of the terms, conditions or provisions of this Agreement, including making timely and appropriate payments to the Developer.

#### **J. Remedies Upon Breach.**

1. Any party may sue to collect any and all damages that may accrue by virtue of the breach of this Agreement.

2. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement.

#### **K. Termination.**

This Agreement shall be terminated upon the completion of all tenants herein specified or 365 days from date of ratification whichever comes first. A request for infrastructure reimbursement, for a qualified unit produced within the terms of this agreement, received after the Termination Date of this agreement will not eligible for payment.

#### **L. Notice.**

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by regular mail, postage prepaid, to the City, ATTN: City Attorney, 200 E. Broadway, Hobbs, NM 88240; to Developer ATTN and ALJO, LLC, 3311 N. Grimes Street, Hobbs, NM 88240 and to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

**M. Entire Agreement.**

The foregoing constitutes the entire agreement between the parties hereto and may be modified only in writing by the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first written above.

**City of Hobbs**

**Developer**

\_\_\_\_\_  
By: Sam D. Cobb, Mayor

\_\_\_\_\_  
By:

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
JAN FLETCHER, City Clerk

\_\_\_\_\_  
Efren Cortez, City Attorney