

Commission Meeting Agenda



Mayor

Samuel D. Cobb

City Commission

R. Finn Smith – District 1
Christopher R. Mills – District 2
Larron B. Fields – District 3
Joseph D. Calderón – District 4
Dwayne Penick – District 5
Don R. Gerth – District 6

City Manager

Manny Gomez

May 16, 2022



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

Monday, May 16, 2022 - 6:00 p.m.

Sam D. Cobb, Mayor

R. Finn Smith
Commissioner – District 1

Joseph D. Calderón
Commissioner – District 4

Christopher R. Mills
Commissioner – District 2

Dwayne Penick
Commissioner – District 5

Larron B. Fields
Commissioner – District 3

Don R. Gerth
Commissioner – District 6

This meeting is open to the public to attend. The public is invited to address public comments to the Commission in person at the meeting or submit written comments prior to the meeting. Written comments should be submitted no later than 4:30 p.m. on May 16, 2022, addressed to the City Clerk by email at jfletcher@hobbsnm.org or faxed to (575) 397-9334.

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

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the May 2, 2022, Regular Commission Meeting (*Jan Fletcher, City Clerk*)
2. Minutes of the May 2, 2022, Commission Work Session (*Jan Fletcher, City Clerk*)

PROCLAMATIONS AND AWARDS OF MERIT

3. Proclamation Proclaiming the Week of May 15 – 21, 2022, as “*Emergency Medical Services Week*” (*Michael Prudencio, EMS Coordinator Battalion Chief*)
4. Proclamation Proclaiming Saturday, May 21, 2022, as “*Kids to Parks Day*” (*Bryan Wagner, Parks and Open Spaces Director*)
5. Proclamation Proclaiming Drought Conditions and Fireworks Restrictions (*Barry Young, Fire Chief*)
6. Recognition of City Employees - Milestone Service Awards for the Month of May, 2022 (*Manny Gomez, City Manager*)
 - 5 years – Enrique Guillen, Parks and Open Spaces Department
 - 5 years – Donald Stone, Hobbs Express
 - 5 years – Douglas Vitt, Golf Maintenance
 - 10 years – Anthony Inman, Water Production
 - 25 years – Anthony Maldonado, General Services Department

PUBLIC COMMENTS (*Citizens who wish to speak must sign the Public Comment Registration Form located in the Commission Chamber prior to the beginning of the meeting.*)

Due to COVID-19, public comment may be submitted in person or in writing. Written comments should be submitted to the City Clerk at jfletcher@hobbsnm.org or faxed to (575) 397-9334 no later than 4:30 p.m. on the day of the meeting, May 16, 2022.

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.*)

7. Resolution No. 7200 – Approving the Issuance of a Junkyard License to Whitehorse Auto Salvage Located at 1112 West Marland (*Jan Fletcher, City Clerk*)

DISCUSSION

None

ACTION ITEMS (Ordinances, Resolutions, Public Hearings)

8. Resolution No. 7201 – Consideration and Approval of the FY 2022-2023 Preliminary Budget (*Toby Spears, Finance Director*)
9. Resolution No. 7202 – Authorizing an Allocation of Lodgers' Tax to Fund Various Events for FY 2022-2023 for the EDC Airline Marketing, Hobbs USSSA and Hobbs Airfield Speedway (*Toby Spears, Finance Director*)
10. Consideration of Approval of RFP 532-22 to Furnish Electrical Repairs/Replacement for the City of Hobbs and Recommendation to Accept Proposals from G&P Automation & Electric, LLC, and Kirkmeyer Electric, Inc. (*Shelia Baker, General Services Director*)
11. Consideration of Approval of Bid No. 1592-22 for Security Renovations for Municipal Court and Recommendation to Accept Bid Lot 1 from Lasco Construction, Inc., in the Amount of \$413,840.00 (*Shelia Baker, General Services Director*)
12. Resolution No. 7203 – Extending and Amending the Professional Services Agreement with Rockwind Grill, LLC, for Management and Operation of Rockwind Restaurant and Catering Service (*Doug McDaniel, Recreation Director*)
13. Consideration of Approval of RFP 530-22 to Furnish Meal Services for the Senior Center and Recommendation to Accept the Proposal from Great Western Dining in the Amount of \$5.45 Per Meal (*Doug McDaniel, Recreation Director; Angela Courter, Senior Affairs Coordinator*)

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

14. Next Meeting Date:
 - City Commission:
Regular Meeting **Monday, June 6, 2022, 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) 397-9200 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 16, 2022

SUBJECT: City Commission Meeting Minutes

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: May 13, 2022
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

The following minutes are submitted for approval:

- Regular Commission Meeting of May 2, 2022
- Commission Work Session of May 16, 2022

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 2, 2022, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico. This meeting was also viewable to the public via Livestream on the City's website at www.hobbsnm.org.

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 and everyone viewing through Livestream. The City Clerk called the roll and the following answered present:

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

Also present:

Manny Gomez, City Manager
Efren Cortez, City Attorney
Valerie Chacon, Deputy City Attorney
Rocio Ocano, Assistant City Attorney
August Fons, Police Chief
Shane Blevins, Police Captain
Barry Young, Fire Chief
Mark Doporto, Deputy Fire Chief
Kevin Shearer, Battalion Chief
Toby Spears, Finance Director
Bobby Arther, Municipal Judge
Nicholas Goulet, Human Resources Director
Selena Estrada, Risk Manager
Shelia Baker, General Services Director
Doug McDaniel, Recreation Director
Bryan Wagner, Parks and Open Spaces Director
Matt Hughes, Rockwind Community Links Superintendent
Todd Randall, City Engineer
Kevin Robinson, Planning Director
Tim Woomer, Utilities Director
Ron Roberts, Information Technology Director
Tanya Sanchez, Community Service Coordinator
Sandy Farrell, Library Director
Bob Hamilton, Reference Librarian
Melody Maldonado, Technical Services Librarian
Jessica Silva, Code Enforcement Superintendent
Julie Nymeyer, Administrative Assistant
Mollie Maldonado, Deputy City Clerk
Jan Fletcher, City Clerk
22 citizens

Invocation and Pledge of Allegiance

Commissioner Fields delivered the invocation and Commissioner Calderón led the Pledge of Allegiance.

Approval of Minutes

Commissioner Calderón moved the minutes of the regular Commission meeting held on April 4, 2022, be approved as written. Commissioner Smith seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried.

Proclamations and Awards of Merit

Mayor Cobb proclaimed the month of May, 2022, as “*Motorcycle Awareness Month*”.

Mayor Cobb proclaimed the week of May 1 – 7, 2022, “*Professional Municipal Clerks Week*”. He presented the proclamation to Ms. Jan Fletcher, City Clerk, and Ms. Mollie Maldonado, Deputy City Clerk, with thanks and appreciation for all their hard work.

Public Comments

Mayor Cobb stated due to COVID-19, public comments may be submitted in person or in writing. Written comments should be submitted to the City Clerk at jfletcher@hobbsnm.org or faxed to (575) 397-9334 no later than 4:30 p.m. on the day of the meeting, May 2, 2022.

Ms. Tanya Sanchez, Community Service Coordinator, introduced Larry the Litterbug. Ms. Sanchez stated a Neighborhood Cleanup will be held in District 5 with Commissioner Penick on Saturday, May 7, 2022, starting at 8:30 a.m. Volunteers are needed and should meet at Walmart by the Tire Center. She stated 30-yard dumpsters will be available for bulk waste and a dumpster for tires will be available for all citizens to use from 8:30 a.m. to 4:00 p.m.

Consent Agenda

Mayor Cobb explained the process for the consent agenda which is reserved for items which are routine when the agenda is lengthy. He stated any member of the Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.

Commissioner Calderón moved for approval of the following Consent Agenda items:

Resolution No. 7187 – Authorizing a Special Variance to the City’s Noise Ordinance for the Cinco de Mayo Fiesta on May 8, 2022, at Hobbs City Park

Resolution No. 7188 – Supporting U. S. Energy Independence

Resolution No. 7189 – Authorizing the Opening of a New Special Revenue Fund in Accordance with State Audit Rule 2.2.2.10 (O) for the Opioid Abatement Fund

Resolution No. 7190 – Approving the FY 2022 DFA 3rd Quarter Financial Report

Resolution No. 7191 – Approving the FY 2022 DFA 3rd Quarter Financial Report for Lodgers’ Tax

Resolution No. 7192 – Authorizing an Application to the New Mexico Department of Transportation for the Transportation Project Fund for Roadway Design for SR13 Dal Paso Street

Resolution No. 7193 – Authorizing an Application to the New Mexico Department of Transportation for the Transportation Project Fund for Roadway Maintenance Along SR208 (West County Rd.), Navajo Rd. and SR 218 (East Bender)

There being no discussion, Commissioner Gerth seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and supporting documentation are attached and made a part of these minutes.

Discussion

None

Action Items

Resolution No. 7194 – Determining that Certain Structures are Ruined, Damaged and Dilapidated Requiring Removal from the Municipality (118 North Jefferson)

Ms. Valerie Chacon, Deputy City Attorney, explained the resolution and stated the City has identified a property which presents health, life and safety hazards and warrants remediation. The property is located at 118 North Jefferson which is an abandoned camper and other items of personal property. A photograph of the property was displayed for the Commission to view. Ms. Chacon stated multiple citations and warnings have been issued to the property owner and squatters have been observed on the property.

Following some brief comments, Commissioner Fields moved that Resolution No. 7194 be adopted as presented. Commissioner Mills seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Penick yes, Gerth yes, Penick yes,

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

Consideration of Approval of RFP 531-22 to Furnish Chlorine Based Disinfection Products and Recommendation to Award the Proposal to DPC Industries, Inc.

Mr. Tim Woomer, Utilities Director, explained RFP 531-22 to furnish chlorine based disinfection products and stated these products will be used by the City's Park and Utilities Departments. He stated one proposal was received from DPC Industries and the evaluation committee has reviewed the proposal and recommends entering into an agreement with the vendor. Mr. Woomer stated funds to purchase these disinfecting products are included in the budgets of both departments and the costs are projected based on usage history. He recommended purchases in the following estimated quantities:

One (1) ton cylinders - Chlorine Gas; 50,000 pounds per year	\$49,475.00 / year
150 Pound Cylinders - Chlorine Gas; 15,000 pounds per year	\$20,035.50 / year
Bulk - Sodium Hypochlorite; 190,000 pounds per year	\$66,215.00 / year
55 Gallon Drums - Sodium Hypochlorite; 5,000 pounds per year	\$2,125.00 / year

There being no discussion, Commissioner Penick moved that the proposal of DPC Industries be adopted as presented. Commissioner Gerth seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Penick yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the supporting documentation are attached and made a part of these minutes.

Resolution No. 7195 – Approving the Final Plan for Liberty Crossing Subdivision, Unit 2, Located Southeast of the Intersection of Glorietta and Jefferson as Submitted by ALJO, LLC.

Mr. Kevin Robinson, Planning Director, stated the Final Plan for Liberty Crossing Subdivision Unit 2 has been submitted by ALJO, LLC. He explained the subdivision is located southeast of the intersection of Glorietta and Jefferson within the municipal boundaries and encompasses approximately +/- 11.56 acres and will contain 54 single family residential lots. Mr. Robinson explained a bond is being presented to the City of Hobbs to ensure completion of public infrastructures. He stated the amount of uninstalled public infrastructure is estimated to be \$202,740.90 as of April 15, 2022. The City Engineer has approved the Engineer of Record completion estimate. The Bond in the amount of \$202,740.90 has been approved by the Finance Director, City Attorney and the Development Director. The Planning Board considered this item at an April 19, 2022, regular meeting and voted 5-0 to recommend approval.

Mr. Alberto Caballero of ALJO, LLC, thanked the Commission for their support of housing projects.

There being no discussion, Commissioner Penick moved to approve Resolution No. 7195 as presented. Commissioner Gerth seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Penick yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolution and supporting documentation are attached and made a part of these minutes.

Resolution No. 7196 – Approving a Proposed Collective Bargaining Agreement with the Hobbs Police Officers Association (IUPA Local 701)

Mr. Efren Cortez, City Attorney, stated he was informed late Friday evening that the Hobbs Police Officers Association (Union) voted not to approve the proposed bargaining agreement. Due to scheduling conflicts, the parties will have to go back to the bargaining table sometime in June.

Following a brief discussion, Commissioner Penick moved to remove Resolution No. 7196 from the agenda. Commissioner Fields seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Penick yes, Gerth yes, Penick yes, Cobb yes. The motion carried.

Resolution No. 7197 – Approving a Proposed Collective Bargaining Agreement with the Fraternal Order of Police, Lea County Lodge No. 9

Mr. Efren Cortez stated pursuant to Hobbs Municipal Code Section 2.60.140, the City of Hobbs and the Fraternal Order of Police, Lea County Lodge No. 9 ("Union") participated in collective bargaining negotiations on March 15-16, 2022. The Union was certified for the first time by the City of Hobbs Labor Management Relations Board in 2021 and this is the first collective bargaining agreement ("CBA") between the parties. The City and Union have finalized negotiations and seek Commission approval of the proposed CBA. He noted the provisions of the CBA which include the following:

1. The CBA is for three (3) years and shall begin on July 1, 2022, and end June 30, 2025;
2. The Union will move into a "step plan" for compensation which factors in experience as a sergeant for compensation increases;
3. The starting pay for sergeants with the HPD will be \$38.00 an hour;
4. The Union will not be eligible for Cost of Living Adjustments (COLA) or merit increases;

5. Other sections are largely consistent with the CBAs with the other unions.

Mr. Cortez stated the bargaining representatives were great to work with during the bargaining sessions and were very professional.

Sgt. R. P. Hopper, President of the Union, and Sgt. Travis Jackson expressed thanks to the City, Legal Department, Human Resources and Finance Department. He stated City representatives listened during the bargaining sessions and the goal of the Union is to be more competitive with other agencies. Sgt. Hopper stated the Union is happy with the outcome of the CBA.

Following some brief discussion about the pay rates of other agencies, Commissioner Calderón moved that Resolution No. 7197 be adopted as presented. Commissioner Mills seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Penick yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolution and agreement are attached and made a part of these minutes.

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

Mayor Cobb stated the next regular City Commission meeting will be held on Monday, May 16, 2022, at 6:00 p.m.

Mr. Manny Gomez, City Manager, expressed thanks to the FOP, Sgt. Hopper and Sgt. Jackson for the positive collective bargaining negotiations and positive outcome to the City.

Mr. Gomez stated the Veterans Advisory Committee is very excited about the Veterans Memorial Dedication Ceremony which will be held on Monday, May 30, 2022.

Mr. Gomez reminded everyone that the Water Conservation Period begins May 15, 2022, and ends September 15, 2022. He stated 2.14 billion gallons of water have been saved since the inception of the Water Conservation Program in 2015.

Mr. Gomez stated the ribbon cutting and grand opening ceremony for the CTECH Facility will be held on Thursday, May 5, 2022, at 11:30 a.m.

Mr. Gomez thanked Mayor Cobb for the proclamation on Professional Municipal Clerks Week. Mr. Gomez stated the Clerk's Office is the core of the City and ensures compliance with policies, process and transparency. The Clerk's Office is often the first point of contact with citizens of the community. Mr. Gomez thanked Ms. Fletcher and Ms. Maldonado and the other staff in the City Clerk's Office for their professionalism and for the job they do every day in serving the citizens.

Commissioner Gerth also thanked the Clerk's Office for the job they do.

Commissioner Mills thanked Ms. Maldonado and Ms. Fletcher for their hard work. He thanked the Department Heads and City Staff for the budget material and presentations during the work session. He stated budgeting is harder to do now in a time of declining revenue. Commissioner Mills expressed frustration there has been so little media coverage of the shortfall cities are facing as a result of HB6 and the destination source taxing. The cities are the ones that provide services to the citizens and are now having to stretch things to make ends meet. Commissioner Mills stated the City does need to have a new pay plan for its employees. He stated the revenue problem needs to be fixed at the State level.

Commissioner Penick stated planning is underway for the Veterans Memorial Park Ceremony which will be held on Memorial Day, Monday, May 30, 2022.

Commissioner Fields echoed the comments made by Commissioner Mills and stated he also appreciates City staff for helping him learn more and more about the City budget. He also thanked Ms. Fletcher and Ms. Maldonado for their hard work.

Commissioner Calderon thanked the Clerk's Office for taking care of him for years. He also stated he is very excited about the opening of the new CTECH Facility.

Commissioner Penick stated Ms. Maldonado and Ms. Fletcher are exceptional Clerks. He stated he is excited about the budget and the City is blessed to have such great staff. He expressed thanks and appreciation to all City employees for the work they do.

Commissioner Smith stated it is well deserved recognition to Ms. Fletcher and Ms. Maldonado. He thanked everyone for the great preparation on the city budget. Commissioner Smith stated he plans to be more vocal on the oil and gas taxation problem. He stated it is a travesty what has occurred on the destination taxing. Commissioner Smith stressed the importance of influencing people in other areas and the State needs to hear our concerns. He said it is unpopular to raise taxes and the City needs to be vocal about the changes needed at the State level.

Mayor Cobb stated he has been hearing budget presentations from the City for 10 years, and he is very impressed with this year's presentation. He said all parties need to rally and come together for the changes needed on destination gross receipts taxing. Mayor Cobb stated interim committees will begin meeting on July 1st in preparation of the 60-day Legislative Session which begins in January of 2023. He stated it will be important to work with other municipal elected officials to support the necessary changes.

Adjournment

There being no further business or comments, Commissioner Calderón moved that the meeting adjourn. Commissioner Gerth seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. The meeting adjourned at 6:55 p.m.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Minutes of the budget work session of the Hobbs City Commission held on Monday, May 2, 2022, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico.

Mayor Cobb called the work session to order and welcomed everyone in attendance. The following were present:

Mayor Sam D. Cobb
Commissioner R. Finn Smith
Commissioner Christopher Mills (*arrived at 4:05 p.m.*)
Commissioner Larron B. Fields
Commissioner Joseph D. Calderón
Commissioner Dwayne Penick
Commissioner Don Gerth

Also present were Mr. Manny Gomez, City Manager, Mr. Toby Spears, Finance Director, Ms. Deb Corral, Assistant Finance Director, Mr. Efren Cortez, City Attorney, Ms. Jan Fletcher, City Clerk, and Ms. Mollie Maldonado, Deputy City Clerk. Other staff members and public were also present.

Mr. Manny Gomez, City Manager, began the work session by expressing gratitude to the many staff members who helped in the preparation and development of the FY 23 preliminary budget which is presented today for consideration by the Commission. He stated the past two years have demonstrated the resiliency of our community as it finds itself in full recovery mode. Mr. Gomez stated COVID-19 appears to be moving toward an endemic stage, unemployment has returned to near pre-pandemic levels, economic activity remains strong and the tax revenues are enabling most to maintain delivery of services and begin addressing remaining challenges.

Mr. Gomez stated the adoption of the budget is undoubtedly the single-most important action taken our City's elected officials each year. The fiscal outlook for the City of Hobbs has been difficult for several years and has required significant reductions and changes and this year is no different. HB 6 has been the culprit of the most significant reduction along with record breaking inflation. While a possible resurgence of COVID-19 present risks to the City of Hobbs FY 23 revenues, this years' budget can be characterized as "proceed with caution".

Mr. Gomez stated fortunately, since expenditure requests for this year only netted minimal increases, the limited growth in revenue is still sufficient to absorb proposed costs. Staff has carefully considered all of the budget requests proposed by each department and, coupled with cost mitigation strategies in the last two years, the City has garnered significant savings to the City's General Fund (GF) along with a 43% GF reserve which is a total of \$29.09 million. In compiling the budget, Staff has mainly focused on emphasizing the "need" to take care of Hobbs during these uncertain times.

Mr. Gomez stated this proposed budget is very lean in all aspects, while providing the funding necessary to keep vital functions intact and provide the services our citizens deserve and expect. He stated this budget also includes sustained funding for the City's

social service providers as now, more than ever, their services are vital to the success and health of our community.

With an increase in retirements and resignations in the last couple of years, caring for those that care for our community remains a primary focus. Throughout the years it has been evident just how essential the services provided the City are. Much of what is provided by the City is too risky, too costly, or too difficult and yet our community's health, safety and quality of life depend upon them. Essential services include public safety, education, social services, public health and recreation, along with the myriad of support systems needed for their success. Mr. Gomez stated these essential services are provided by people, approximately 610 dedicated professionals, down from 636 in FY 22, who show up every day to make a positive difference in the lives of our residents. In recognition of the significance of these essential services and the people who provide them, this years' budget is characterized as the "Most Important Resource".

Mr. Gomez explained the FY 23 proposed budget preserves and enhances base funding necessary to implement a comprehensive compensation plan which is based on a complete market review of pay ranges adjusted for vast majority of our employees. He stated an important question to consider is why the City would implement a pay plan versus the option of giving an across the board increase. When the compensation study was performed, deficiencies were noted around a couple of key concerns.

First, the City of Hobbs has not moved minimum salaries often enough to keep up with the comparison market. As a result, recruitment has suffered and a large number of vacant positions have been the norm for the organization. Moving minimum salary ranges is essential to keep the City at a competitive level.

Mr. Gomez further explained in 2014 and 2017, the maximum pay in compensation ranges for positions was increased considerably without conducting a proper review. This has increased pay liability for some positions where we may have overvalued salary versus the market. The implementation of a compensation plan adjusts not only the minimum salaries, but the maximums as well.

Mr. Gomez continued his explanation and stated the City has taken an equitable approach to employees within specific positions as the compensation plan is implemented. In this equitable approach, mathematical values are used to adjust, by percentage, where an employee is situated in the current plan and shift them appropriately into the same place in the new plan. This approach will not affect all employees equally; however, the overall plan and shift in compensation levels are validated by an established study.

The proposed compensation plan shift completes the overall goal of adjusting the pay plan and implementing an established study based on the market versus simply adjusting overall pay again and not addressing the positional values. The City's continued investment in its employees reflects a sustainable approach to remaining competitive in the future. The cost associated to implement the plan for non-union employees is approximately \$2.6 million which includes salary and benefits. If approved by the Commission, the City will experience .51% overall increase to salary and benefits for FY 23 compared to FY 22. This low percentage increase is due to the reduction of a bi-weekly pay period in FY 23 (there were 27 pay periods in FY 22) and a reduction of 20 vacant full-time equivalent positions.

Mr. Gomez concluded his remarks by thanking the management team for their efforts at working on common goals, especially during these times. He stated it does not go unnoticed or underappreciated. While it is a group effort that brings the budget document together, for the last several months, no one has dedicated more time or energy to its creation than Mr. Toby Spears, Finance Director, with his insight on HB6, Ms. Deb Corral, Assistant Finance Director, with the budget process, and Mr. Nicholas Goulet, H.R. Director, with the Pay Plan. The City has greatly benefited from their guidance and oversight. It is a great group of individuals that work for this organization and the budget process is just one example of what makes Hobbs a special place.

At this time, Mr. Spears presented an overview of the FY 23 budget document. He reviewed the budgetary timelines and compared the FY 22 preliminary budget revenue with the FY 23 revenue. He stated the City is projecting gross receipts tax (GRT) revenue for FY 23 in the amount of \$43,237,200 which is a decline of about \$4.4 million. The monthly GRT projection is \$3.6 million as compared to \$3.9 million in the current budget.

In response to Mayor Cobb's question, Mr. Spears stated the revenue was \$62 million in 2019 or \$4.9 million per month.

Mr. Spears stated the FY 22 total projected overall revenue is \$104,413,876 as compared to \$113,277,585 for FY 23 which is a difference of \$8,863,709 or an increase of 8.49%.

Mr. Spears presented a chart with an eight-year trend of GRT revenue by the month. He also presented a comparison of General Fund GRT projections comparing the City, County and State collections as related to the impacts of HB6. He stated the State is higher now than before because of the destination tax sourcing. Mr. Spears reviewed a chart with the comparison of rig counts for Lea County and the WTI spot price of crude oil. He stated there were 80 more rigs in February of 2022 than there were in June of 2021.

Following a discussion regarding the impacts of HB6 and destination source taxing, Mayor Cobb stated the City would have been much higher in its GRT collections with the current high price of oil had there not been a change in the destination tax. Mayor Cobb also stated the GRT from construction is making the City's revenue look better than it is. Mr. Spears agreed and stated the decline in mining is a concern.

Ms. Deb Corral, Assistant Finance Director, presented an overview of the General Fund expenditures. She stated the FY 23 projected expenditures are \$66.9 million as compared to \$68.1 million in FY 22. The monthly projection for FY 23 is \$5.5 million.

Capital expenditures for FY 23 are projected at \$130.8 million as compared to \$125 million in FY 22 being a difference of 4.68%. Ms. Corral pointed out that the preliminary budget for salary and benefits includes \$2.6 million as explained by Mr. Gomez. The total projected budget for salary and benefits in the General Fund is \$43 million for FY 22 as compared to \$42.4 million in FY 22. Ms. Corral briefly explained the benefits and incentives offered to employees by the City.

In response to Commissioner Penick's question, Ms. Corral stated additional money is paid to heavy equipment operators as a CDL incentive, above their hourly wage.

The operating expenditures for FY 23 are projected at \$19,758,812 for the General Fund as compared to \$19,020,251 for FY 22. Capital projects are projected to decrease by \$2.5 million from FY 22 to FY 23. Ms. Corral also explained the General Fund transfers. She stated the ending budgeted cash balance would be \$29 million, based on BAR #3, which is a projected reserve of 43% reserve.

Mr. Spears reviewed the details of the Special Revenue Funds. He also reviewed a chart containing a six-year comparison from the audited finance statements. In conclusion, Mr. Spears stated Hobbs is in good financial condition as it has not pledged any GRT to debt. He stated the decline in GRT revenue resulting from HB6 will need to continue to be monitored closely.

In response to Commissioner Smith's question regarding the \$4.835 million booked as an expenditure under an inter-governmental grant, Mayor Cobb stated it is the American Rescue Funds. Following some discussion, Mr. Spears stated it is classified as cash in/cash out. In further response to Commissioner Smith, Mr. Gomez stated it was reported as a loss of revenue. Ms. Corral stated it is only budgeted, not encumbered. Mr. Spears explained in order to be complaint with the Federal guidelines, reporting was required by an April 30, 2022, deadline. In reply to Commissioner Smith, Mr. Spears stated he would hate to see the funds moved into the General Fund. Mayor Cobb stated no capital project has yet been identified.

Commissioner Mills stated while it is an overly complex topic for people to understand, he would like to know the exact amount of the drop in GRT so he could tell people what the City is experiencing as a result of the destination tax sourcing. Mr. Spears stated the decline in the oil and gas economy coupled with the COVID pandemic has made it very complex. Mr. Gomez stated the City normally would have been receiving \$64 million in GRT with the current price of oil but the real number for the City now is \$43 million. Mayor Cobb stated the City's revenue is down \$20 million and currently there is no motivation to entice or recruit an oilfield service company to move to Hobbs. He stated the taxation law definitely needs to change.

Following some continuing discussion, Commissioner Smith stated the budget document certainly clarifies what HB6 has done to the City.

Budgetary presentations were then made by the following Departments:

- Fire Chief Barry Young - Hobbs Fire Department
- Shelia Baker - General Services Dept.
- Todd Randall – Engineering and Planning Dept.
- Police Chief August Fons – Hobbs Police Department
- Tim Woomer – Utilities Department
- Doug McDaniel – CORE
- Bryan Wagner – Parks and Open Spaces Dept.

Mayor Cobb commended City staff for a fantastic job on the budget presentation. He expressed appreciation to everyone for all of their efforts and working together during these difficult times.

There being no further discussion, Mayor adjourned the work session at 5:55 p.m. to convene the regular City Commission meeting.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



PROCLAMATIONS

AND

**AWARDS OF
MERIT**

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 responded to 9,028 EMS calls in 2021; 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 medical 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

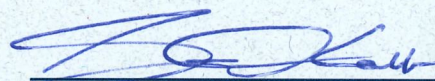
WHEREAS, it is appropriate to recognize the value and the accomplishments of Emergency Medical Service providers by designating Emergency Medical Services Week; now

THEREFORE, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, do hereby proclaim the week of May 15-21, 2022, as

“EMERGENCY MEDICAL SERVICES WEEK”

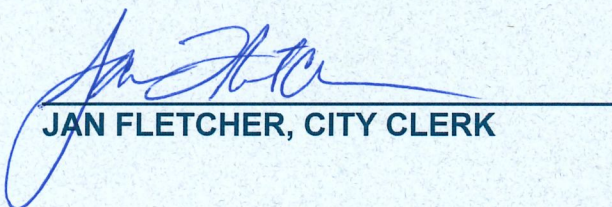
With the theme, **“EMS Strong: Rising to the Challenge”**, I encourage the community to observe this week with appropriate programs, ceremonies and activities.

IN WITNESS THEREOF, I have hereunto set my hand this 16th day of May, 2022, 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, May 21st is the twelfth Kids to Parks Day organized and launched by the National Park trust held annually on the third Saturday of May; and

Whereas, Kids to Parks Day empowers kids and encourages families to get outdoors and visit local parks, public lands, and waters; and

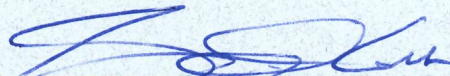
Whereas, we should encourage children to lead a more active lifestyle and broaden children's appreciation for nature and outdoors; and

Whereas, it is important to introduce a new generation to our nation's parks; and

NOW, THEREFORE, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, do hereby proclaim May 21st, 2022 as


"KIDS TO PARKS DAY"

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of May, 2022, 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

DROUGHT CONDITIONS AND FIREWORKS RESTRICTIONS

WHEREAS, the weather in Southeastern New Mexico, including Lea County and the City of Hobbs, has been extremely dry, resulting in conditions of exceptional drought; and

WHEREAS, the National Weather Service publishes drought indices which indicate drought conditions are likely to continue; and

WHEREAS, continued heavy fuel loads, low humidity, heat, and wind forecasts increase the danger of wildland, brush, and grass fires, which pose an extremely high fire risk in and around the City of Hobbs; and

WHEREAS, these fires would threaten homes and structures, putting the health and safety of our citizens at risk; and

WHEREAS, pursuant to the New Mexico Fireworks Licensing and Safety Act, Section 60-2C-1 et. Seq. NMSA 1978, as amended, the City of Hobbs Commission is authorized to ban or limit the use and sale of certain fireworks when extreme or severe drought conditions exist as determined by the City Commission based on the National Weather Service indices and other relevant information supplies by the United States Forest Service; and

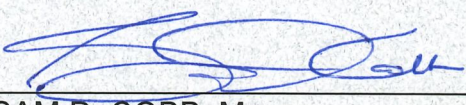
WHEREAS, the City of Hobbs Municipal Code Chapter 8.12 sets out regulations for proper use and sale of fireworks in the City of Hobbs.

NOW, THEREFORE, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, and the City of Hobbs City Commission do hereby proclaim locally exceptional drought conditions exist and high to very high fire hazards represent a significant and immediate threat to safety, health, and welfare of the citizens of the City of Hobbs; and

THEREFORE, sale and use of aerial fireworks and ground audible fireworks including aerial shell kit-reloadable tubes, aerial spinners, helicopters, mines, missile type rockets, stick-type rockets, roman candles (able to shoot balls of flame 50-60 plus feet in the air), shells, chasers and firecrackers are prohibited in accordance with City Ordinance; and

THEREFORE, nothing in the Proclamation shall prohibit a City-approved display of fireworks, except that any individual, association, partnership, corporation, or organization shall comply with the terms of any agreement with the City, and shall secure a written permit from the City's Fire Marshal's Office, and the display fireworks shall be purchased from a distributor or display distributor licensed by the State Fire Marshal and the Bureau of Alcohol, Tobacco, and Firearms at the United States Department of Treasury, pursuant to Section 60-2C-9, NMSA 1978.

DATED this 16th day of May, 2022.


SAM D. COBB, Mayor

ATTEST:


JAN FLETCHER, City Clerk



May Milestones 2022

5 years

Enrique Guillen	Parks	05/15/2017
Donald Stone	Public Transportation Fund	05/15/2017
Douglas Vitt	Golf Maintenance	05/21/2017

10 years

Anthony Inman	Production	05/23/2012
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25 years

Anthony Maldonado	Streets/ Highways	05/12/1997
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CONSENT AGENDA



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 16, 2022

SUBJECT: Resolution Approving Issuance of Junkyard License to Whitehorse Auto Salvage, 1112 W. Marland

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: May 10, 2022
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

An application for a junkyard license was received by the City Clerk's Office on April 27, 2022, for Whitehorse Auto Salvage located at 1112 W. Marland. Pursuant to Section 5.24.020 of the Hobbs Municipal Code, formal consent of the City Commission is required for operation of a junkyard within the City limits.

Fiscal Impact:

Reviewed By: _____
Finance Department

Applicant will pay the required license fee of \$50.00, if approved.

Attachments:

Copy of license application
Copy of Hobbs Municipal Code Section 5.24

Legal Review:

Approved As To Form: _____
City Attorney

Recommendation:

Motion to approve the resolution

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. 7200

A RESOLUTION AUTHORIZING APPROVAL FOR
OPERATION OF A JUNK YARD KNOWN AS
WHITEHORSE AUTO SALVAGE
LOCATED AT 1112 W. MARLAND BLVD.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS,
NEW MEXICO, that the application of Benjamin Chihuahua and Miriam Chihuahua
d/b/a Whitehorse Auto Salvage be and is hereby approved to maintain and operate a
junk yard at 1112 W. Marland Blvd.

PASSED, ADOPTED AND APPROVED this 16th day of May, 2022.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Chapter 5.24 - JUNK YARDS AND JUNK DEALERS

5.24.010 - Definitions.

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

"Junk dealers" means all persons engaged in the business of purchasing or selling secondhand or cast off material of any kind, commonly known as "junk," such as old iron, copper, lead, zinc, tin, steel and other metals, metallic cables, wires, ropes, cords, babbing, rags, rubber, paper and other materials.

"Junk yard" in addition to its generally accepted meaning, shall be defined as any lot, block or area within the City limits wherein worn-out or discarded material, in general, is kept, stored or maintained for the purpose of storage, salvage or resale.

(Prior code § 13-1)

5.24.020 - Junk yards—Formal consent of City Commission required for operation.

It is unlawful for any person to operate or maintain a junk yard within the City limits, unless and until such person has secured the consent of the City Commission expressed by a formal resolution duly adopted.

(Prior code § 13-2)

5.24.030 - Junkyards—Enclosure—Maintenance.

After a person has secured the consent of the City Commission to operate a junk yard, such junk yard shall be enclosed by a fence of solid construction of boards, brick or other similar materials, not less than seven (7) feet in height above the level of the ground and maintained in a slightly, safe and secure condition, and the contents therein shall be maintained in such a manner as to prohibit the spread of disease and in accordance with the health standards of the State.

(Prior code § 13-3)

5.24.040 - Junk dealers—Compliance with chapter.

It is unlawful to engage in the business commonly known as that of a "junk dealer" or in the purchase and sale of secondhand goods of any kind or character within the City, except in accordance with the provisions of this chapter.

(Prior code § 13-4)

5.24.050 - Junk dealers—Records—Generally.

Every junk dealer shall maintain at all times a full and complete record, written in ink, containing a full and accurate description of each article purchased, together with a full name, residence and general description of the person selling the same and the license number and make of the vehicle in which such article was delivered to the purchaser. No entry made in such record book shall be erased, mutilated or changed, and no purchases shall be made by a junk dealer, without listing in such book the objects purchased by him or her at the time of the purchase.

(Prior code § 13-5)

5.24.060 - Junk dealers—Records—Filing with Chief of Police and county sheriff's office—Maintenance and retention on business premises.

Within thirty-six (36) hours after the purchase of any article, every junk dealer shall file with the Chief of Police and the county sheriff's office a true and correct copy of the record made by him or her at the time of the purchase of such article. No junk dealer shall remove any article so purchased from the corporate limits until thirty-six (36) hours after the receipt of such notice by the sheriff's office and the Chief of Police. Such records shall be maintained in a bound book prepared for that purpose by each junk dealer and shall be retained on the premises of the business for a period of eighteen (18) months after the purchase of any article.

(Prior code § 13-6)

5.24.070 - Purchases from persons under eighteen.

It is unlawful for any junk dealer to purchase any article from any person under the age of eighteen (18) years, unless such person, at the time of the delivery of such article, is accompanied by his or her parent or duly appointed guardian, and in such event, the parent shall file with the dealer a written statement showing where the minor obtained the article sold.

(Prior code § 13-7)

5.24.080 - Signed statements from sellers.

Every junk dealer, before making any purchase, shall procure from the seller a signed statement showing when and where the object sought to be sold was obtained, together with a detailed description of the article.

(Prior code § 13-8)

5.24.090 - Hazardous accumulations.

It is unlawful for any junk yard or junk dealer to permit in or about his or her premises weed, briars, brush, unhealthful or harmful material of any kind, or any solid waste, that may become unsightly, hazardous or injurious to public health, or which obstructs pedestrian or vehicular traffic.

(Ord. 880, 2001: prior code § 13-10)

5.24.100 - Violations—Penalties.

Any junk dealer found guilty of violating this chapter, in addition to being punished for a misdemeanor, shall be notified of a hearing by the City Commission to determine whether his or her license should be cancelled as a result of such violation. Upon a determination at such hearing that his or her license should be cancelled, such junk dealer shall suffer the immediate cancellation thereof.

(Prior code § 13-9)



CITY OF HOBBS

JUNK YARD LICENSE
CHAPTER 5.24, HOBBS MUNICIPAL CODE

FEE: \$50.00
EXPIRATION DATE:
NM TAXPAYER NO.

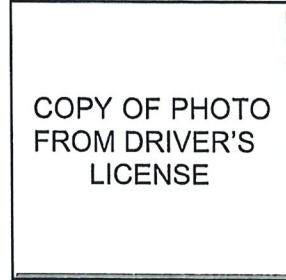
Photo

RECEIVED

APR 27 2022

PERSONAL INFORMATION

OFFICE OF THE CITY CLERK
HOBBS, NEW MEXICO



Name Benjamin Chihuahua
Address 1111 W. Pueblo Ave, Hobbs NM 88240
Telephone No. (575) 942-9768
Birth Date Driver's Lic. No. & State of issue

Is Business a Partnership? Yes [checked] No
Partner's Name Miriam Chihuahua
Address 1111 W. Pueblo Ave, Hobbs NM 88240
Telephone No. (575) 631-1380 S.S. No.
Birth Date Driver's Lic. No. & State of issue

BUSINESS INFORMATION

Name of Business White horse Auto Salvage
Mailing Address P.O. Box 3710, Hobbs NM 88241
Street Address 1112 W. Maryland, Hobbs NM 88240
Telephone No. (575) 942-9768
Type of materials at location Junk Vehicles

Is the junk yard enclosed by a fence of solid construction of boards, brick or other similar materials not less than seven (7) feet in height above the level of the ground?
Yes [checked] No If so, with what type of materials? Tin

Have you ever been convicted of a felony? Yes No [checked]
If yes, please Explain

Personal information of each employee:

Name Benjamin Chihuahua
Address 1111 W. Pueblo Ave, Hobbs NM 88240
Telephone No. (575) 942-9768 S.S. No. [REDACTED]
Birth Date [REDACTED] Driver's Lic. No. & State of issue [REDACTED]

Personal information of each employee:

Name Miriam Chihuahua
Address 1111 W. Pueblo Ave, Hobbs NM 88240
Telephone No. (575) 631-1380 S.S. No. [REDACTED]
Birth Date [REDACTED] Driver's Lic. No. & State of issue [REDACTED]

NOTICE

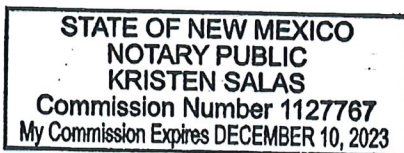
It is unlawful for any person to operate or maintain a junk yard within the City limits, unless and until such person has secured the consent of the City Commission expressed by a formal resolution duly adopted. Section 5.24.020, Hobbs Municipal Code.

THIS APPLICATION MUST BE SIGNED BEFORE A NOTARY PUBLIC.

[Handwritten Signature]

APPLICANT'S SIGNATURE

Subscribed and sworn to before me this 27th day of April, 2022.



[Handwritten Signature]
NOTARY PUBLIC

My Commission Expires:

12/10/2023

OFFICE USE ONLY			
Approved by the Hobbs City Commission	Yes _____	No _____	
Resolution # _____	Date _____		
Approved by the Hobbs Fire Marshal	Yes _____	No _____	Date _____

City of Hobbs

- BUSINESS INSPECTION CHECKLIST -

****Complete this form first. It must be approved prior to issuance of Business Registration.****

COMMUNITY SERVICES

Office: (575) 391-8158 Fax: (575) 391-3061

Email: hobbs.permits@hobbsnm.org

Name of Applicant: Benjamin Chihuahua Phone: (575) 942-9768
 Business Name: White Horse Auto Salvage Email: bmweiding10@yahoo.com
 Proposed Business Location: 1112 W. Marland St, Hobbs NM 88240
 Property Owner/Landlord: Benjamin Chihuahua
 Property Owner/Landlord Address: 1111 W. Pueblo Ave, Hobbs NM 88240
 Property Owner/Landlord Phone: (575) 942-9768

New Building: Yes ___ No Utilities On: Yes No ___ Restrooms: Yes No ___
 Building Permit Issued: Yes ___ No Permit # _____ Certificate of Occupancy: Yes ___ No
 Type of Business: Office ___ Retail ___ Restaurant ___ Day Care ___ Auto Repair ___ Barber Shop ___
 Hair Salon ___ Tattoo ___ Construction ___ Oilfield ___ Tobacco ___ Cannabis ___
 Home-Based Business ___ Online ___ Other: Auto Salvage

NM Contractor License # _____

Will any customers be going to the business location?: Yes No ___

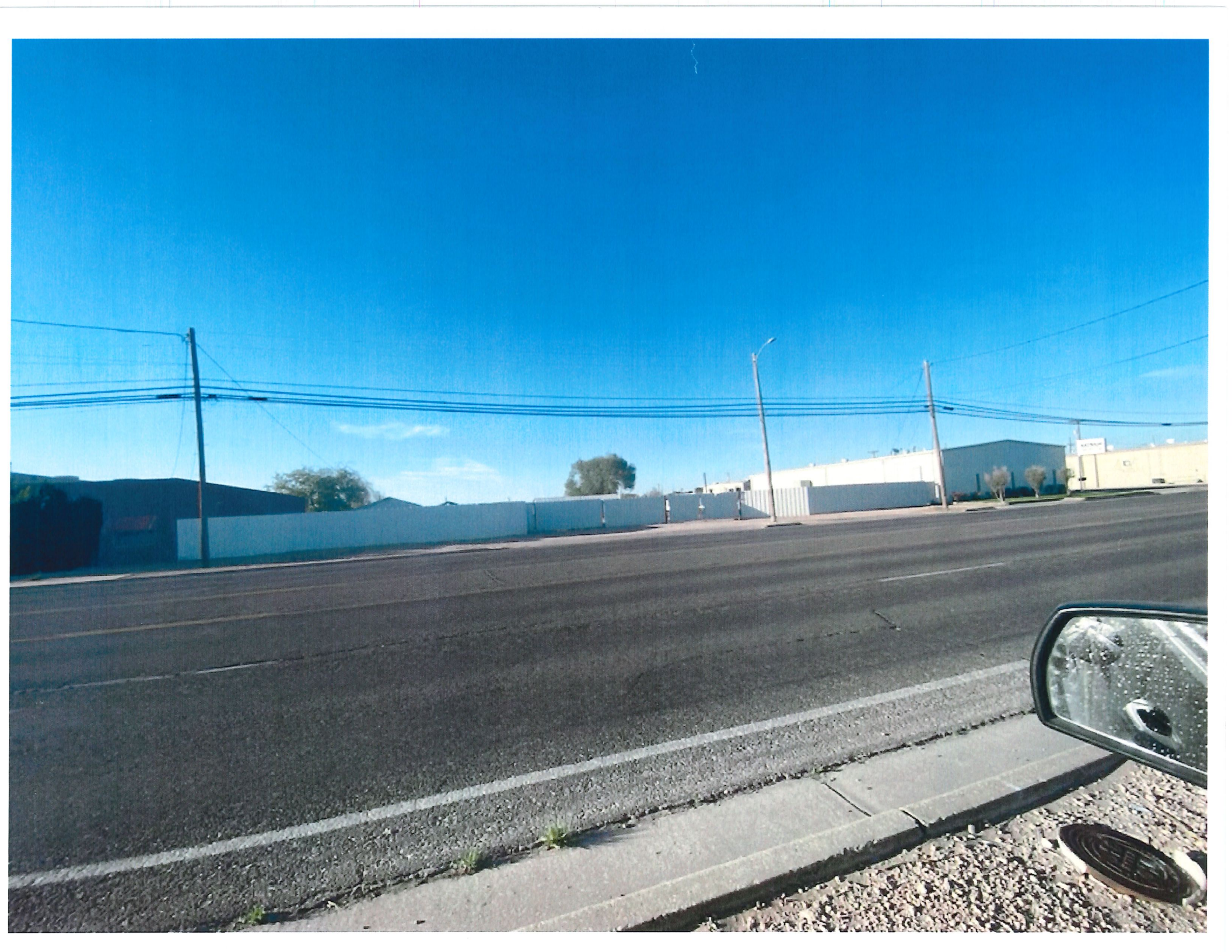
Will there be any business equipment, big trucks or chemicals stored at this address?: Yes ___ No

If yes, please describe: _____

What is the service of the business?: Auto Salvage

APPROVAL OF APPLICATION FOR OFFICIAL USE ONLY:




Building Official Approval	Yes: <input checked="" type="checkbox"/> No: ___	By: <u>[Signature]</u>	Date: <u>4-27-2022</u>
Site Inspection Performed	Yes: <input checked="" type="checkbox"/> No: ___	By: <u>[Signature]</u>	Date: <u>4-27-2022</u>
Fire Dept. Approval	Yes: <input checked="" type="checkbox"/> No: ___	By: <u>[Signature]</u>	Date: <u>4/27/2022</u>
Health Inspection Performed	Yes: <input checked="" type="checkbox"/> No: ___	By: <u>[Signature]</u>	Date: <u>4/27/2022</u>
If Denied, Reason	_____		
Called Customer for Pickup	Yes: ___ No: ___	By: _____	Date: _____



1112 W. Marland

Write a description for your map.

Legend

-  1112 W Marland Blvd
-  El Mirador
-  Milford Companies

 Milford Companies

 1112 W Marland Blvd





ACTION ITEMS



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 16, 2022

SUBJECT: Consideration of Preliminary FY 2022-2023 Budget
DEPT. OF ORIGIN: Finance
DATE SUBMITTED: May 10, 2022
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 \$66,944,694.87 in proposed General Fund expenditures and \$130,881,706.67 in proposed expenditures for all funds. Revenues in the General Fund are projected at \$58,329,115.50 and total revenue projections for all funds are set at \$113,277,585.00. Current projected general fund cash reserve is set at 43% with a preliminary ending cash balance for all funds of \$69,082,933.06.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

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

Attachments:

Resolution and FY23 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. 7201

2022-2023 PRELIMINARY BUDGET CONSIDERATION

(111th FISCAL YEAR)

WHEREAS, the Governing Body of the Municipality of Hobbs, State of New Mexico has developed a preliminary budget for fiscal year 2022 - 2023; 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 2, 2022 and May 16, 2022, 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 2022 -2023.

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 16TH day
of May, 2022.

MUNICIPAL GOVERNING BODY OF
HOBBS, NEW MEXICO

SAM D. COBB, Mayor

R. FINN SMITH, 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
FY23 Fund Summary

	Beginning Cash (FY22 BAR #3)	Total Revenue	Interfund Transfer	Total Expenditures	Ending Cash
001 GENERAL	44,273,418.63	58,329,115.50	(6,571,431.42)	66,944,694.87	29,086,407.84
002 LAND ACQUISITION	370,005.05	100,000.00		100,000.00	370,005.05
General Fund Subtotal	44,643,423.68	58,429,115.50	(6,571,431.42)	67,044,694.87	29,456,412.89
110 LOCAL GOV CORR	511,682.65	145,750.00		470,500.00	186,932.65
120 POLICE PROTECTION	-	123,000.00		123,000.00	-
130 P D N (parif, drug, narcotics)	1,918.75	-		-	1,918.75
150 COPS GRANT	167,820.42	-		-	167,820.42
160 RECREATION (CORE)	341,180.72	1,740,730.00	2,511,783.90	4,592,694.62	1,000.00
170 OLDER AMERICAN	1,000.00	223,100.00	930,670.05	1,153,770.05	1,000.00
180 GOLF	1,000.00	957,000.00	2,510,048.80	3,467,048.80	1,000.00
190 CEMETERY	1,000.00	227,850.00	618,928.67	846,778.67	1,000.00
200 AIRPORT	283,635.97	174,724.00		20,500.00	437,859.97
210 Legislative Appropriations	-	-		-	-
220 Intergovernmental Grants	-	4,835,515.50	-	4,835,515.50	-
230 LODGERS' TAX	414,582.04	902,000.00		902,000.00	414,582.04
240 LG Abatement Fund	-	489,000.00		489,000.00	-
270 PUBLIC TRANSPORTATION	107,319.84	1,134,000.00	-	1,032,480.70	208,839.14
280 FIRE PROTECTION	758,761.97	500,500.00		600,900.00	658,361.97
290 EMER MEDICAL SERV	-	20,000.00		20,000.00	-
Special Revenue Subtotals	2,589,902.36	11,473,169.50	6,571,431.42	18,554,188.34	2,080,314.94
370 COMM DEVE CONST	1,000.00	-		-	1,000.00
460 BEAUTIFICATION IMPROVEMENT	538,849.89	-		-	538,849.89
480 STREET IMPROVEMENTS	3,001,140.40	852,000.00		-	3,853,140.40
490 CITY COMM. IMPROVEMENTS	2,844,984.21	2,100,000.00		63,000.00	4,881,984.21
Capital Project Subtotals	6,385,974.50	2,952,000.00	-	63,000.00	9,274,974.50
510 UTILITY BOND	-	-	307,004.14	307,004.14	-
530 WASTEWATER BOND	2,302,553.28	-	2,130,085.28	2,442,795.60	1,989,842.96
Debt Service Subtotals	2,302,553.28	-	2,437,089.42	2,749,799.74	1,989,842.96
100 SOLID WASTE	2,306,706.80	7,750,000.00		7,900,000.00	2,156,706.80
440 JOINT UTILITY EXTENSIONS CAPITAL PROJECT	1,000.00	-		-	1,000.00
600 JOINT UTILITY	1,000.52	-	6,604,115.47	6,604,115.99	1,000.00
610 JOINT UTILITY CONST	1,000.00	-	775,000.00	775,000.00	1,000.00
620 WASTE WATER PLANT CONST	1,000.00	-	5,223,317.00	5,223,317.00	1,000.00
630 JOINT UTILTIY - WASTEWATER	1,000.00	-	5,196,490.73	5,196,490.73	1,000.00
650 JOINT UTILTIY INCOME - WASTEWATER	2,930,921.32	8,116,300.00	(11,014,721.32)	31,500.00	1,000.00
660 JOINT UTILITY INCOME	3,964,222.45	8,569,000.00	(9,221,291.30)	-	3,311,931.15
680 METER DEPOSIT RES	1,146,891.55	375,000.00		375,000.00	1,146,891.55
690 INTERNAL SUPPLY	65,139.47	225,000.00		225,000.00	65,139.47
Utility Subtotals	10,418,882.11	25,035,300.00	(2,437,089.42)	26,330,423.72	6,686,668.97
640 MEDICAL INSURANCE	4,694,841.53	7,830,000.00	(250,000.00)	7,814,200.00	4,460,641.53
670 WORKERS COMP TRUST	1,000,237.21	725,000.00		725,000.00	1,000,237.21
740 INSURANCE - RISK	5,135,090.75	1,400,000.00		1,922,400.00	4,612,690.75
Internal Service Subtotal	10,830,169.49	9,955,000.00	(250,000.00)	10,461,600.00	10,073,569.49
700 MOTOR VEHICLE	29,528.42	4,000,000.00		4,000,000.00	29,528.42
710 MUNI JUDGE BOND FUND	106,707.34	-		-	106,707.34
720 RETIREE HEALTH INSURANCE TRUST FUND	9,000,000.00	1,370,000.00	250,000.00	1,620,000.00	9,000,000.00
730 CRIME LAB FUND	75,784.55	52,000.00		52,000.00	75,784.55
750 FORECLOSURE TRUST FUND	71.88	-		-	71.88
760 RECREATION TRUST	-	-		-	-
770 LIBRARY TRUST	5,984.15	1,500.00		1,500.00	5,984.15
780 SENIOR CITIZEN TRUST	3,319.94	3,000.00		3,000.00	3,319.94
790 PRAIRIE HAVEN MEM	5,883.22	-		-	5,883.22
800 COMMUNITY PARK TRUST	1,560.28	-		-	1,560.28
820 EVIDENCE TRUST FUND	267,627.64	5,000.00		-	272,627.64
830 HOBBS BEAUTIFUL	18,060.33	-		-	18,060.33
860 CITY AGENCY TRUST	1,621.56	1,500.00		1,500.00	1,621.56
Trust & Agency Subtotals	9,516,149.31	5,433,000.00	250,000.00	5,678,000.00	9,521,149.31
Grand Total All Funds	86,687,054.73	113,277,585.00	-	130,881,706.67	69,082,933.06

43%



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 16th, 2022

SUBJECT: Authorizing an allocation of Lodgers' Tax to fund various events for fiscal years 2022 and 2023

DEPT. OF ORIGIN: Finance
DATE SUBMITTED: May 12th, 2022
SUBMITTED BY: Toby Spears, Finance Director

Summary:

On May 12th, 2022, the Lodgers' Tax Board met and recommended awarding to the Commission, various events for Fiscal Year 2023. The entities requesting lodgers' tax are as follows:

- EDC – Airline Marketing - \$200,000.08 (Airline 25% of annual lodgers' tax)
- Hobbs USSSA – two events – \$11,500.00 (20% Non Profit/For Profit of annual lodgers' tax)
- Hobbs Airfield Speedway – 1 event - \$20,971.00 (20% Non Profit/For Profit of annuals lodgers' tax)

Fiscal Impact:

Reviewed By: 
Finance Department

April 30, 2022 Estimated 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%)	\$ 230,607.65
City and County (40%)	\$ 591,057.78
Airline (25%)	<u>\$ 294,140.65</u>
TOTAL CASH AVAILABLE	<u>\$1,115,806.09</u>

The 2023 budgeted lodgers' tax revenues are projected to be \$900,000.00.

Attachments:

- Estimated Financial Report for April 30, 2022
- Resolution
- Requests

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. 7202

A RESOLUTION AUTHORIZING AN ALLOCATION OF
LODGERS' TAX FUNDS FOR FISCAL YEARS 2022 AND 2023

WHEREAS, the Lodgers' Tax Advisory Board met on May 12, 2022 and recommends awarding fund to various events for fiscal years 2022 and 2023;

	Amount Requested	Lodger's Tax Board Recommendation	City Commission Recommendation
Economic Development Corporation	\$200,000.08	\$ 200,000 .08	_____
Hobbs USSSA	\$ 11,500.00	\$ 11,500.00	_____
Hobbs Airfield Speedway	\$ 20,971.00	\$ 20,971.00	_____

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 16th day of May, 2022.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

CITY OF HOBBS LODGERS' TAX REPORT

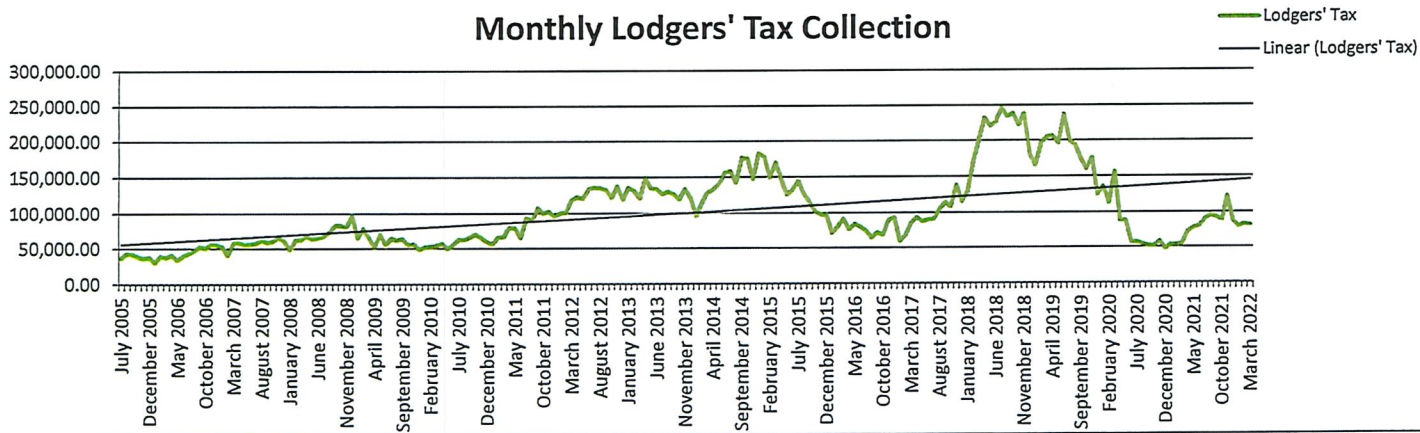
April 30, 2022

122

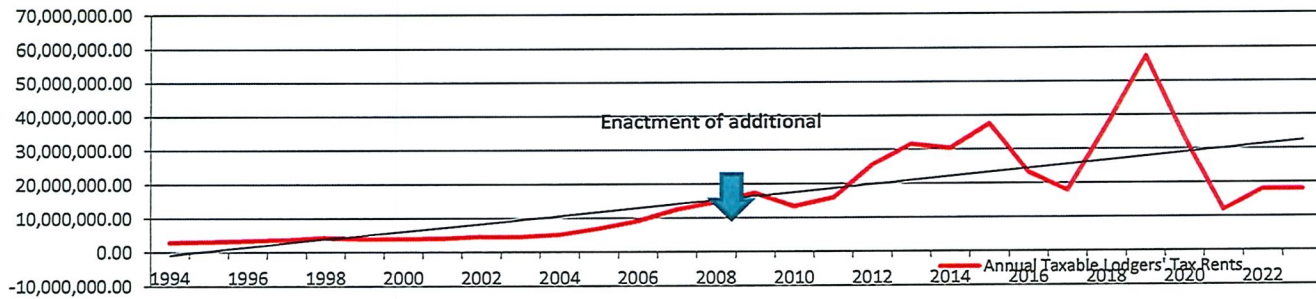
		RECEIPTS				EXPENDITURES			NET CHANGE		Cash
Month	Month	Gross Taxable	Lodgers'	Other	TOTAL	Contract for	Advert &	TOTAL	For Month	YTD	Balance
		Revenue	Tax	Income		Services	Promotion				
CASH BALANCE		2,240,394.27	2,564,005.38	28,913.17	2,592,918.55		1,735,444.83				
July 2019		3,999,605.20	199,980.26	3,069.28	203,049.54		115,183.30	115,183.30	87,866.24	87,866.24	2,328,260.51
August 2019		3,877,290.40	193,864.52	3,228.61	197,093.13		20,802.36	20,802.36	176,290.77	264,157.01	2,504,551.28
September 2019		3,491,240.40	174,562.02	2,921.34	177,483.36		443,966.30	443,966.30	-266,482.94	-2,325.93	2,238,068.34
October 2019		3,204,691.60	160,234.58	2,587.53	162,822.11		6,512.10	6,512.10	156,310.01	153,984.08	2,394,378.35
November 2019		3,518,379.60	175,918.98	2,569.68	178,488.66		181,025.21	181,025.21	-2,536.55	151,447.53	2,391,841.80
December 2019		2,494,241.80	124,712.09	2,951.55	127,663.64		266,151.54	266,151.54	-138,487.90	12,959.63	2,253,353.90
SUBTOTAL		20,585,449.00	1,029,272.45	17,327.99	1,046,600.44	0.00	1,033,640.81	1,033,640.81			
January 2020		2,717,522.20	135,876.11	2,391.51	138,267.62		20,231.18	20,231.18	118,036.44	118,036.44	2,371,390.34
February 2020		2,264,832.20	113,241.61	2,497.81	115,739.42		71,341.67	71,341.67	44,397.75	44,397.75	2,415,788.09
March 2020		3,125,023.00	156,251.15	2,471.46	158,722.61		275,365.18	275,365.18	(116,642.57)	(116,642.57)	2,299,145.52
April 2020		1,766,006.00	88,300.30	1,853.80	90,154.10		17,726.00	17,726.00	72,428.10	72,428.10	2,371,573.62
May 2020		1,769,172.20	88,458.61	1,008.72	89,467.33		423,782.67	423,782.67	(334,315.34)	(334,315.34)	2,037,258.28
June 2020		1,143,332.00	57,166.60	658.40	57,825.00		268,924.59	268,924.59	(211,099.59)	(211,099.59)	1,826,158.69
SUBTOTAL		12,785,887.6	639,294.38	10,881.7	650,176.08	0	1,077,371.29	1,077,371.29			
FY 2020			1,668,566.83								
CASH BALANCE		1,826,158.69	1,668,566.83	28,209.69	1,696,776.52		2,111,012.10				
July 2020		1,138,913.00	56,945.65	399.99	57,345.64		-	-	57,345.64	57,345.64	1,883,504.33
August 2020		1,090,902.80	54,545.14	313.84	54,858.98		72,707.57	72,707.57	(17,848.59)	39,497.05	1,865,655.74
September 2020		1,040,277.60	52,013.88	204.53	52,218.41		155,580.47	155,580.47	(103,362.06)	(63,865.01)	1,762,293.68
October 2020		1,028,334.80	51,416.74	168.11	51,584.85		191,580.00	191,580.00	(139,995.15)	(203,860.16)	1,622,298.53
November 2020		1,162,426.00	58,121.30	142.03	58,263.33		110,232.00	110,232.00	(51,968.67)	(255,828.83)	1,570,329.86
December 2020		949,227.00	47,461.35	-	47,461.35		177,572.38	177,572.38	(130,111.03)	(385,939.86)	1,440,218.83
SUBTOTAL		6,410,081.20	320,504.06	1,228.50	321,732.56	0.00	707,672.42	707,672.42			
January 2021		1,067,524.20	53,376.21	89.40	53,465.61		48,389.35	48,389.35	5,076.26	5,076.26	1,445,295.09
February 2021		1,055,811.40	52,790.57	103.49	52,894.06		29,089.12	29,089.12	23,804.94	23,804.94	1,469,100.03
March 2021		1,094,322.80	54,716.14	71.28	54,787.42		369,287.22	369,287.22	-314,499.80	-314,499.80	1,154,600.23
April 2021		1,438,003.40	71,900.17	60.84	71,961.01		0.00	0.00	71,961.01	71,961.01	1,226,561.24
May 2021		1,548,735.60	77,436.78	56.89	77,493.67		0.00	0.00	77,493.67	77,493.67	1,304,054.91
June 2021		1,593,608.60	79,680.43	137.09	79,817.52		199,724.39	199,724.39	-119,906.87	-119,906.87	1,184,148.04
SUBTOTAL		7,798,006.00	389,900.30	518.99	390,419.29	0.00	646,490.08	646,490.08			
FY 2021			710,404.36								
CASH BALANCE		1,184,148.04									
July 2021		1,801,674.20	90,083.71	45.30	90,129.01		-	-	90,129.01	90,129.01	1,274,277.05
August 2021		1,915,939.00	95,796.95	45.20	95,842.15		25,355.08	25,355.08	70,487.07	160,616.08	1,344,764.12
September 2021		1,868,698.40	93,434.92	51.06	93,485.98		222,127.13	222,127.13	(128,641.15)	31,974.93	1,216,122.97
October 2021		1,780,151.80	89,007.59	38.65	89,046.24		51,709.00	51,709.00	37,337.24	69,312.17	1,253,460.21
November 2021		2,429,424.60	121,471.23	47.62	121,518.85		-	-	121,518.85	190,831.02	1,374,979.06
December 2021		1,744,665.80	87,233.29	96.08	87,329.37		305,240.26	305,240.26	(217,910.89)	(27,079.87)	1,157,068.17
SUBTOTAL		11,540,553.80	577,027.69	323.91	577,351.60	0.00	604,431.47	604,431.47			
January 2022		1,577,475.40	78,873.77	57.30	78,931.07		15,947.15	15,947.15	62,983.92	62,983.92	1,220,052.09
February 2022		1,654,709.20	82,735.46	55.26	82,790.72		0.00	0.00	82,790.72	82,790.72	1,302,842.81
March 2022		1,627,879.20	81,393.96	59.05	81,453.01		319,470.83	319,470.83	-238,017.82	-238,017.82	1,064,824.99
April 2022		1,977,060.60	98,853.03		98,853.03		47,871.93	47,871.93	50,981.10	50,981.10	1,115,806.09
May 2022		0.00			0.00			0.00	0.00	0.00	1,115,806.09
June 2022		0.00			0.00			0.00	0.00	0.00	1,115,806.09
SUBTOTAL		6,837,124.40	341,856.22	171.61	342,027.83	0.00	383,289.91	383,289.91			
CASH BALANCE		1,115,806.09	918,883.91				987,721.38				

estimated

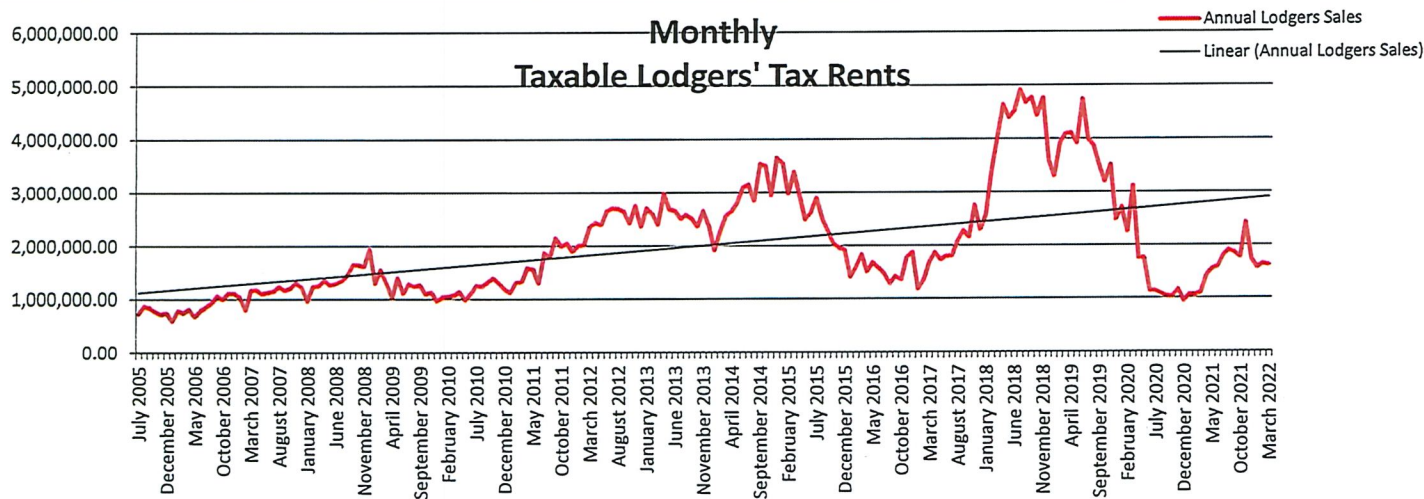
Monthly Lodgers' Tax Collection



Annual Taxable Lodgers' Tax Rents



Monthly Taxable Lodgers' Tax Rents



EDC
of
Lea County

"FlyHobbs Marketing Campaign"



City of Hobbs
Annual Funding Guidelines
Lodgers' Tax Requests for Proposal (RFP)
from 05/01/2022 - 06/30/2023



The City of Hobbs and the Hobbs City Commission wish to ensure that your events have the greatest chance of success. The following guidelines have been adopted by the City Commission to outline procedures for the annual expenditures of Lodgers' Tax funds.

1. The City of Hobbs is accountable to the City Commission for Lodgers' Tax Funds and is responsible for the placement of any orders involving expenditures of Lodgers' Tax funds. The table below details eligible & non-eligible expenses per Ordinance # 1052

Eligible	Non-Eligible
Professional Performance Fees	Administrative Office Overhead
Sound and Lighting as Related to Performance	Website Costs
Advertising/Promotion Items	Real Property
Sanitation	Tangible Property
Sanction Fees	

For internal control purposes of lodgers' tax funds, the organization must provide valid proof of expenditures and contracts. Cash transactions by the organization (eg: cash currency payments to individuals) will not be considered valid. All invoices and contracts must be legible. The Finance Department may ask the organization to provide a W-9 for a vendor, cleared check, bank statement or other documentation to determine whether or not the transaction is valid for lodgers' tax. **Note: If cancellation of an event results in a refund of any deposit, this refund must be returned to the City of Hobbs Lodgers' Tax Fund.**

2. The organization requesting Lodgers' Tax funding shall designate a representative to serve in the capacity of spokesperson for that organization. The representative or designee must make all attempts to attend the Lodgers' Tax meeting or City Commission meeting as appropriate when requesting funding to answer questions.
3. All Requests for Proposal's (RFP's) for Lodgers' Tax **annual** funding must be received by **March 18th, 2022.** (This is to include all events to occur during the period indicated above for which your organization is requesting funding.)
4. A proposed budget must be submitted with the RFP for annual Lodgers' Tax funding explaining how fees and other revenues are to be used and include a detailed list of estimated expenses for any and all events on an annual basis.
5. Event Summaries from prior year funding will be required during the annual presentation process. Event summaries should include the number in attendance, the number of overnight stays and the actual revenue and expenditures. **Any unspent funding at the end of the funding cycle (05/01/2022-06/30/2023) will revert back to the City of Hobbs Lodgers' Tax Fund. Expenses will NOT be reimbursed after August 31, 2023.**
6. In addition to the above listed criteria, organizations requesting funding may be asked to provide the following information:

- Proof of non-profit status and copy of last years IRS form 990
- Proof of agency good standing with the NM Corporation Commission
- Proof of Workers-Comp or Liability Insurance Coverage

RECEIVED

MAR 16 2022

Advertising not included in the initial request for funding is the RESPONSIBILITY AND OBLIGATION OF THE ORGANIZATION PLACING SUCH ORDER.

I have read and fully understand the above guidelines for the Lodgers' Tax Funding.


 Representative

EDC of Lea County/FlyHobbs
 Name of Organization

3-16-2022
 date

Received at City Hall:

Walter P. Adams 3-16-2022
(date and time)

**Request for Lodgers' Tax Assistance
Contact Information**

Organization	Economic Development Corporation of Lea County
Name of Contact	Jennifer Grassham, President & CEO
Address	200 E. Broadway Suite A-201
City, State Zip	Hobbs, NM 88240
Phone#/Fax#	575-397-2039
email	jennifer@edclc.org

Event Budget

		Event 1	Event 2	Event 3	Event 4	Event 5	Total	
		Income	Sponsorships					
	Sales						-	
	Donations						-	
	Prior Year Carryover						-	
	Other (please explain)						-	
	Total Income	-	-	-	-	-	-	
		Event 1	Event 2	Event 3	Event 4	Event 5	Total	
		EXPENSE (NON-LODGERS' TAX)	Cost of Sales Items					
	Cost of Awards						-	
	Building/Booth Rent						-	
	Advertising	*Please see attached budget					-	
	Printing & Mailing						-	
	Print Media						-	
	Electronic Media						-	
	Misc. (Please explain)						-	
	Total NON- LODGERS' Exp.	-	-	-	-	-	-	

Lodgers' Tax Budget Summary

	Event 1	Event 2	Event 3	Event 4	Event 5	Total	
Printing	-	-	-	-	-	-	LODGERS' TAX
Print Media	45,020.00	-	-	-	-	45,020.00	
Electronic Media	144,800.00	-	-	-	-	144,800.00	
Other	10,180.08	-	-	-	-	10,180.08	
TOTAL LODGERS' TAX REQ. SUMMARY	200,000.08	-	-	-	-	200,000.08	

Instructions: Please complete all areas of PINK that apply. Lodgers' Tax Budget Summary must reconcile to Event Details

Lodgers' Tax Budget - Event Number 1

Event Information

Name of Event	FlyHobbs Marketing Campaign
Date	July 1, 2022 - June 30, 2023 with a 12-month average cost of \$16,667.00 per month
Location	SENM and west TX counties withing a 160-minel radius; IAH and DEN markets
Description	This request is for marketing/advertising funds for the 22-23 FlyHobbs Annual Campaign for service to/from Housing and Denver markets. FlyHobbs seeks to promote the air service, increase ridership, and decrease leakage to other regional markets.

Expected Attendance		# of Overnighters		
Is this an annual event?	Yes	Is this a new event?	No	

PRINTING

	Cost	Quantity	Total		Cost	Quantity	Total
	Posters (save-the-date)				-	Flyers	
Programs			-	Tickets			-
	SUBTOTAL				SUBTOTAL		
			-				-
Mailings			-	TOTAL PRINTING COSTS			
			-				-

PRINT MEDIA

	Name	# of ads	Cost	Total
	Newspaper	Various Regional Print Media within	385	92.00
cachment area of 160 miles.				-
SUBTOTAL				35,420.00
Magazine/Other	Billboards	12	800.00	9,600.00
				-
	SUBTOTAL			
TOTAL PRINT MEDIA				45,020.00

ELECTRONIC MEDIA

	Name	# of spots	Cost	Total
	Radio	Regional radio covering SENM and	4400	7.00
west TX cachment area				-
Television				-
Social Media	Paid advertising on social media, as	12	9,500.00	114,000.00
	well as general internet advertising			-
	HOB/DEN/IAH and feeder markets			-
TOTAL ELECTR. MEDIA				144,800.00

OTHER EXPENSE

	Name	# of item	Cost	Total
Professional Performance Fees				-
Sound and Lighting Costs				-
Sanction Fees				-
Promotional Items (eg: tshirts, rings, etc.)				-
Other: (please list)	One-time regional/national	12	848.34	10,180.08
	FH Event Sponsorships			-
	Misc/ASI promotional items			-
				-
				-
				-
				-
TOTAL OTHER EXPENSE				10,180.08

TOTAL REQUEST FOR EVENT 1	200,000.08
----------------------------------	-------------------

Instructions: Please complete all areas of PINK that apply.

EDCLC Request for Lodgers Tax Marketing Funding for FlyHobbs

Scheduled airline service through Lea County Regional Airport is critical to the growth and viability of Hobbs' hospitality industry and our overall economy. A large percentage of guests in local hotels use the air service to travel to Hobbs. Marketing of the FlyHobbs service helps sustain flights and can significantly elevate ridership, which directly manifests into increased demand for lodging and other locally-provided goods and services. The Economic Development Corporation of Lea County (EDCLC) is requesting \$200,000, at an average of \$16,667.00/month, in Lodgers Tax funding to support both the flight service to Houston and Denver on United Airlines. These funds will be used to help increase awareness and ridership, while reinforcing the convenience for both business and leisure travel to support quality of life/quality of place initiatives within Lea County.

Background Information:

The current United Airlines service began in July of 2011 as the result of a collaborative initiative that began in early 2008 between the EDCLC, City of Hobbs (COH), Lea County and other community organizations to bring air service to Lea County Regional Airport.

Because of the strong linkage of air service to the visitor industry, lodgers tax funding has been used for marketing the air service and to assist with the airline subsidy and to continue to bring business travelers for energy-related and other industries in the region. FlyHobbs marketing and ridership are critical to the growth and vitality of Hobbs' hospitality industry and local GRT that is generated from this service. Lodgers Tax support is required in order to effectively carry out that marketing. In 2014, the New Mexico Department of Transportation Aviation Division partnered with the University of Arizona conducted a study to analyze FlyHobbs' economic impact to the region. At that time with 17,000 enplanements, FlyHobbs was bringing \$19 million to the region. With the extraordinary growth of enplanements over the last five years until the pandemic hit on March 2020, the estimated impact in 2019 was at \$25 million with over 54,000 enplanements. We believe that the investment in advertising the convenience of having the service for business and leisure travel in the region has had a great impact on the branding of FlyHobbs in our target markets.

Marketing and Promotion Plan

The EDCLC will aggressively market United Airlines flights' ridership through a multi-faceted marketing campaign directed at the Greater Denver and Houston hub markets, Southeast New Mexico (SENM) counties, as well as the adjacent West Texas (WTX) counties that use these service hubs to come to Hobbs and SENM for work and as a gateway to NM tourism.

The FY2021-2022 marketing plan includes:

- Expanded focus on alerting travelers of the restored Denver service

- Information on the current Houston schedule
- For the business traveler, convenience of FlyHobbs air service to get to the region faster
- For the leisure traveler, quality of place benefits for our residents provided by expanded travel
- Outreach to various energy corporate travel and HR contacts on the convenience of the FlyHobbs flights to the Permian/Delaware Basin for business as compared to other regional carriers.

EDCLC's staff has strong experience in marketing, graphics design, social media, research and other subject areas important to planning and implementation of an effective campaign to expand ridership to/from Houston and Denver. A professional advertising agency, The Aviation Agency, was retained in September 2021 to 1) help us develop and sharpen traditional, social media, and streaming advertising, 2) identify the most productive initial target sectors, and 3) to help us measure results. Utilizing the EDCLC research, as well as passenger origination data provided by Airplanners LLC, in 2019-20 we identified key initial target sectors for marketing travel between Both Houston and Denver and the SENM/WTX market: energy, renewable energy, and medical travel. Social media and potential streaming services channels were recommended as strategies that will give the campaign room to pivot based on where data is proving strongest.

The online marketing component has been significantly expanded from pre-pandemic levels, with geofencing target areas from origination and destination flights in the region, coupled with proposed advertising on select streaming services in radio and TV in the SENM/WTX, Denver and Houston markets. Measurement tools are employed to gauge results and direct any needed changes in marketing focus to travel trends. This ongoing campaign also involves traditional media such as radio, print and electronic billboards.

In addition, the EDCLC staff has traditionally carried out a comprehensive campaign of educating the public about FlyHobbs service through regional community outreach. In the coming year, as more face-to-face settings reopen, staff will conduct visits with government agencies, site selectors for prospective new business opportunities, energy sector corporate executives, travel agencies, and corporate travel centers within the scope of our work as an organization to further the Fly Hobbs brand. The staff meets regularly with regional Chambers of Commerce and is in close contact with COH/CVB and the hoteliers in the region to get feedback within the hospitality industry in Hobbs and Lea County to ensure that the FlyHobbs brand is able to support and respond to trends and opportunities within the industry.

Hobbs USSSA

"JB Memorial 1 Pitch"

"Jewelz on the Turf NIT-All American Games Tryouts"



City of Hobbs
Annual Funding Guidelines
Lodgers' Tax Requests for Proposal (RFP)
from 05/01/2022 - 06/30/2023

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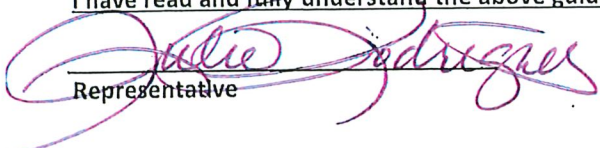
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MAR 18 2022

OFFICE OF THE CITY CLERK
HOBBS, NEW MEXICO

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I have read and fully understand the above guidelines for the Lodgers' Tax Funding.


Representative

Hobbs USSSA
Name of Organization

3/18/2022
date

CITY OF HOBBS LODGERS TAX REQUEST

HOBBS USSSA

2022 SUMMARY OF EVENT REQUEST

SLOWPITCH	AMOUNT	
Event 1	\$2500.00	JB Memorial 1 Pitch
Event 2	\$3500.00	Mens E State Championship
Event 3	\$3500.00	Mixed State Championship B, C, D, E

FASTPITCH	AMOUNT	
Event 1	\$9000.00	Jewelz on the Turf NIT-All American Games Tryouts
Event 2	\$3000.00	NM/WTX ALL STATE

TOTAL REQUEST \$21,500.00 ✓

Request for Lodgers' Tax Assistance

Contact Information

Organization Hobbs USSSA
 Name of Contact Julie Rodriguez
 Address PO Box 5425
 City, State Zip Hobbs, NM 88241
 Phone#/Fax# 575-602-1717/fax 575-433-1626
 email julie.rodriquez@usssa.com

Event Budget Hobbs USSSA

Income	Slow Pitch	Event 1	Event 2	Event 3
Entry Fees		12,500	12,500	12,500
Donations				
	Total Income	12,500	12,500	12,500
Expense	(non-lodgers tax)	Event 1	Event 2	Event 3
	Cost of Umpires	\$3,920	\$3,920	\$3,920
	Cost of Site Directors	\$1,000	\$1,000	\$1,000
	Awards			
	Scorekeepers	\$1,470	\$1,470	\$1,470
	Umpire Lodging	\$1,000	\$1,000	\$1,000
	Umpire Food	\$300	\$300	\$300
	Softballs			
	Insurance			
	Golf Cart Rental			
	Fees to City	\$1,875	\$1,875	\$1,875
	Sanction Fees	\$500	\$1,500	\$1,500
	Trash & Field work	\$300	\$300	\$300
	Total Expense	10,365	11,365	11,365

Lodgers Tax Budget Summary

	Event 1	Event 2	Event 3
Promotional gifts to players	\$500	\$500	\$500
Total Cost of Event			
Asking for sanction fees & promotional gifts	\$2,500	\$3,500	\$3,500
Total Requested	\$9,500.00		

Lodgers Tax Budget - Event Number 1

Event Information

Name of Event JB Memorial

Date May 30 2022

Location Ziaplex

USSSA State Tournament Qualifier

Expected Attendance 1500

of Overnights 500

Is this an annual event? yes

Is this a new event? no

Total Request for Event \$ 2500.00

Lodgers Tax Budget - Event Number 2

Event Information

Name of Event Mens E State

Date August 13-14 2022

Location Ziaplex

Description USSSA State Tournament

Expected Attendance 1500

of Overnights 500

Is this an annual event? yes

Is this a new event? no

Total Request for Event \$ 3500.00

Lodgers Tax Budget - Event Number 3

Event Information

Name of Event Mixed State Championships B,C,D,E

Date August 27-28 2022

Location Ziaplex

Description USSSA State Tournament

Expected Attendance 1500

of Overnights 500

Is this an annual event? yes

Is this a new event? no

Total Request for Event \$ 3500.00

Request for Lodgers' Tax Assistance

Contact Information

Organization Hobbs USSSA
 Name of Contact Julie Rodriguez
 Address PO Box 5425
 City, State Zip Hobbs, NM 88241
 Phone#/Fax# 575-602-1717/fax 575-433-1626
 email julie.rodriguez@ussa.com

Event Budget Hobbs USSSA

Income	Fastpitch Events	Event 1	Event 2
Entry Fees		\$27,500	12,500
Donations			
Total Income		\$27,500	12,500
Expense	(non-lodgers tax)	Event 1	Event 2
Cost of Umpires		\$8,000	\$3,920
Cost of Site Directors		\$2,000	\$1,000
Awards			
Scorekeepers		\$3,000	\$1,470
Umpire Lodging		\$3,000	\$1,000
Umpire Food		\$500	\$300
Softballs		Donated	
Insurance		Paid	
Golf Cart Rental		Paid	
Fees to City		\$1,500	\$875
Sanction Fees		\$13,000	\$500
Trash & Field work		\$800	\$300
Total Expense		\$31,800	9,365

Lodgers Tax Budget Summary

	Event 1	Event 2
Promotional gifts to players		
Total Cost of Event		
Asking for sanction fees & promotional gifts	\$9,000	\$3,000
Total Requested	\$12,000	

Lodgers Tax Budget - Event Number 1

Event Information

Name of Event Jewelz on the Turf NIT-All American Games Tryouts
Date May 27-29 2022
Location All Youth Fields and Ziaplex
USSSA State Tournament Qualifier & National Invitational Event
All American Games Tryout held Friday night by USSSA Pride Players
Expected Attendance 1800 # of Overnights 1000
Is this an annual event? yes Is this a new event? no
Total Request for Event \$ 9000.00

Lodgers Tax Budget - Event Number 2

Event Information

Name of Event NM/WTX ALL STATE
Date August 6-7 2022
Location All youth fields and Ziaplex
Description USSSA NM/WTX All State Event formed from MVP players from the summer events from all over NM and WTX.
Expected Attendance 1500 # of Overnights 700
Is this an annual event? yes Is this a new event? no
Total Request for Event \$ 3000.00

Hobbs Airfield Speedway

"American Drag Race Association"



City of Hobbs
Annual Funding Guidelines
Lodgers' Tax Requests for Proposal (RFP)
from 05/01/2022 - 06/30/2023

The City of Hobbs and the Hobbs City Commission wish to ensure that your events have the greatest chance of success. The following guidelines have been adopted by the City Commission to outline procedures for the annual expenditures of Lodgers' Tax funds.

1. The City of Hobbs is accountable to the City Commission for Lodgers' Tax Funds and is responsible for the placement of any orders involving expenditures of Lodgers' Tax funds. The table below details eligible & non-eligible expenses per Ordinance # 1052

Eligible	Non-Eligible
Professional Performance Fees	Administrative Office Overhead
Sound and Lighting as Related to Performance	Website Costs
Advertising/Promotion Items	Real Property
Sanitation	Tangible Property
Sanction Fees	

For internal control purposes of lodgers' tax funds, the organization must provide valid proof of expenditures and contracts. Cash transactions by the organization (eg: cash currency payments to individuals) will not be considered valid. All invoices and contracts must be legible. The Finance Department may ask the organization to provide a W-9 for a vendor, cleared check, bank statement or other documentation to determine whether or not the transaction is valid for lodgers' tax. **Note: If cancellation of an event results in a refund of any deposit, this refund must be returned to the City of Hobbs Lodgers' Tax Fund.**

2. The organization requesting Lodgers' Tax funding shall designate a representative to serve in the capacity of spokesperson for that organization. The representative or designee must make all attempts to attend the Lodgers' Tax meeting or City Commission meeting as appropriate when requesting funding to answer questions.
3. All Requests for Proposal's (RFP's) for Lodgers' Tax **annual** funding must be received by **March 18th, 2022**. (This is to include all events to occur during the period indicated above for which your organization is requesting funding.)
4. A proposed budget must be submitted with the RFP for annual Lodgers' Tax funding explaining how fees and other revenues are to be used and include a detailed list of estimated expenses for any and all events on an annual basis.
5. Event Summaries from prior year funding will be required during the annual presentation process. Event summaries should include the number in attendance, the number of overnight stays and the actual revenue and expenditures. **Any unspent funding at the end of the funding cycle (05/01/2022-06/30/2023) will revert back to the City of Hobbs Lodgers' Tax Fund. Expenses will NOT be reimbursed after August 31, 2023.**
6. In addition to the above listed criteria, organizations requesting funding may be asked to provide the following information:
 - Proof of non-profit status and copy of last years IRS form 990
 - Proof of agency good standing with the NM Corporation Commission
 - Proof of Workers-Comp or Liability Insurance Coverage

Advertising not included in the initial request for funding is the RESPONSIBILITY AND OBLIGATION OF THE ORGANIZATION PLACING SUCH ORDER.

I have read and fully understand the above guidelines for the Lodgers' Tax Funding.

Tamara Anderson
 Representative

Hobbs Airfield Speedway
 Name of Organization

5-4-22
 date

Lodgers' Tax Budget - Event Number 1

Event Information

Name of Event: American Drag Race Assosation (ADRA)
 Date: Jun 17, 18, 19
 Location: Hobbs Airfield Speedway
 Description: NM state championship, Southwest Superchargers and Jet Dragster show

Expected Attendance: 2,000 # of Overnights: 500
 Is this an annual event? Yes Is this a new event? Yes

PRINTING

	Cost	Quantity	Total		Cost	Quantity	Total	
	Posters (save-the-date)				-	Flyers		
Programs			-	Tickets			-	
SUBTOTAL					SUBTOTAL			
			-				-	
Mailings			-	TOTAL PRINTING COSTS				-

PRINT MEDIA

	Name	# of ads	Cost	Total
	Newspaper			
				-
SUBTOTAL			-	
Magazine/Other				-
				-
	SUBTOTAL			-
TOTAL PRINT MEDIA				-

ELECTRONIC MEDIA

	Name	# of spots	Cost	Total
Radio	<u>W 105</u>	<u>1</u>	<u>150.00</u>	<u>1300.00</u>
Television	<u>KOB State of NM</u>	<u>1</u>	<u>3571.00</u>	<u>3571.00</u>
	<u>KOSA Texas</u>	<u>1</u>	<u>3200.00</u>	<u>3200.00</u>
Social Media	<u>Facebook</u>	<u>6</u>	<u>150.00</u>	<u>900.00</u>
TOTAL ELECTR. MEDIA				<u>8971.00</u>

OTHER EXPENSE

	Name	# of item	Cost	Total
Professional Performance Fees	<u>ADRA</u>	<u>1</u>	<u>12,000.00</u>	<u>12000.00</u>
Sound and Lighting Costs				-
Sanction Fees				-
Promotional Items (eg: tshirts, rings, etc.)				-
Other: (please list)				-
TOTAL OTHER EXPENSE				<u>12,000.00</u>

TOTAL REQUEST FOR EVENT 1 20,971.00

Instructions: Please complete all areas of PINK that apply.

Request for Lodgers' Tax Assistance

Contact Information

Organization	Habbs Air-Cidd Speedway
Name of Contact	Jamal Awwad
Address	529 W. Gold
City, State Zip	Habbs NM 88240
Phone#/Fax#	(575) 631-5099
email	Saturdays312@yahoo.com

Event Budget

		Event 1	Event 2	Event 3	Event 4	Event 5	Total
Income	Sponsorships						-
	Sales	16,500					-
	Donations						-
	Prior Year Carryover						-
	Other (please explain)						-
	Total Income	16,500.00	-	-	-	-	-

		Event 1	Event 2	Event 3	Event 4	Event 5	Total
EXPENSE (NON- LODGERS' TAX	Cost of Sales Items	6,500					6,500.00
	Cost of Awards	8,000					8,000.00
	Building/Booth Rent						-
	Advertising						-
	Printing & Mailing						-
	Print Media						-
	Electronic Media						-
	Misc. (Please explain)						-
	Total NON- LODGERS' Exp.	14,500.00	-	-	-	-	14,500.00

NON -
LODGERS'
TAX

Lodgers' Tax Budget Summary

	Event 1	Event 2	Event 3	Event 4	Event 5	Total
Printing	-	-	-	-	-	-
Print Media	-	-	-	-	-	-
Electronic Media	8,971.00	-	-	-	-	8,971.00
Other (ADRA)	12,000.00	-	-	-	-	12,000.00
TOTAL LODGERS' TAX REQ. SUMMARY	20,971.00	-	-	-	-	20,971.00

LODGERS'
TAX

Instructions: Please complete all areas of PINK that apply. Lodgers' Tax Budget Summary must reconcile to Event Details



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 16, 2022

SUBJECT: FURNISH ELECTRICAL REPAIRS/REPLACEMENT FOR THE CITY OF HOBBS
DEPT. OF ORIGIN: General Services
DATE SUBMITTED: 05-09-22
SUBMITTED BY: Shelia Baker, General Services Director

Summary:

RFP 532-22, Electrical Repairs/Replacement for the City of Hobbs, was advertised on April 3, 2022. This RFP is for an annual contract, renewable for up to four years and is able to be awarded to multiple companies. Two firms submitted proposals by the deadline of 5:00 PM on April 14, 2022. Based on the rating criteria and points received, the City of Hobbs desires to enter into contracts with both firms to furnish electrical repairs and replacement services.

The firms that submitted and would be contracted are:

- G&P Automation & Electric LLC Hobbs, NM
- Kirkmeyer Electric, Inc. Hobbs, NM

Departments budget for their own needed electrical work, with General Services serving as the point of contact between the department and the firm. Work orders/P.O.'s will be issued, on an as needed basis.


Fiscal Impact:

Reviewed By: 
Finance Department

There will not be an immediate fiscal impact, and budgeted per department in building maintenance.

Attachments: Bid Summary, Staff Evaluation Summary

Legal Review:

Approved As To Form: 
City Attorney

Recommendation: Award

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. _____

Bid Summary

BID/PROPOSAL NO. 532.22

FURNISH Electrical Repairs/Replacement

Bidder	Kirkmeyer	GMP Automation		
NM Contractors License No.				
Bid Bond				
Addendum(s)				
Bid Form	✓	✓		
List of Subcontractors				
Resident Bidders Pref No.	✓	✓		
Veterans Preference	✓	✓		
Campaign Cont. Dis. Form	✓	✓		
Non-Collusion Affidavit	✓	✓		
Related Party Disclosure Form	✓	✓		
Non- Debarment Cert	✓	✓		
Alternate 1 Item	80	41		
Alternate 2 Item	35	33		
Alternate 3 Item	75	48		
Alternate 4 Item	90	91		
TOTAL				

Electrical Repairs/Replacement for the City of Hobbs

G&P Automation

Kirkmeyer

RFP 532-22

Hourly Cost	50%	<u>50</u>	<u>37</u>
Reference check of past/present customers think will be evaluated for quality of work as reported by references	25%	<u>25</u>	<u>25</u>
A minimum of 2 years experience in similar electrical services. Please attach current appropriate licensure	25%	<u>25</u>	<u>25</u>
Resident bidder/preference or Veterans preference	10%	<u>0</u>	<u>0</u>
TOTAL	110%	<u>100</u>	<u>87</u>

Evaluation Committee

Les Velasquez, Traffic

Shawn Smith, General Services

Wade Whitehead, POSD



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 16, 2022

SUBJECT: AWARD BID No 1592-22 SECURITY RENOVATIONS FOR MUNICIPAL COURT FOR THE CITY OF HOBBS

DEPT. OF ORIGIN: General Services Dept.

DATE SUBMITTED: 5-9-22

SUBMITTED BY: Shelia Baker, General Services Director

Summary:

Bids were opened at 2:00 PM on Tuesday, May 3, 2022 for the Security Renovations for Municipal Court for the City of Hobbs Project. The safety improvements are designed to provide safe refuge in the building or safe retreat from the premises.

An advertisement was placed in the local newspaper, placed on the City of Hobbs website and was sent to plan rooms. There were 26 companies on the plan holders list. Two responsive bids were submitted.

Contractor	Bid Lot 1	Bid Lot 2
WWRC, Inc.	\$574,548.00	\$651,606.00
Lasco Construction, Inc.	\$413,840.00	\$497,423.00

The City received a legislative capital appropriation in the amount of \$500,000. The current FY22 budget amount available for this project is \$500,000. It is the recommendation of the General Services Dept. that Bid Lot 1 for security renovations at Municipal Court be awarded to Lasco Construction, Inc. as the low bidder, in the amount of \$413,840.00 (not including tax).

Fiscal Impact:

Reviewed By: 
Finance Department

Bid Amount: \$442,032.85 with NMGRT
FY22 Budget: \$500,000.00
Budgeted Line Item: 214021-44901-00279

Attachments: Bid Summary Sheet

Legal Review:

Approved As To Form: 
City Attorney

Recommendation: Staff recommends awarding Bid No. 1592-22 Bid Lot 1 to Lasco Construction, Inc.

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. _____

Bid Summary

BID/PROPOSAL NO. 1592-22

FURNISH Security Reno COB municipal Court

Bidder	wwrc	Sawco		
NM Contractors License No.	54124	13641		
Bid Bond				
Addendum(s)	✓	✓		
Bid Form	✓	✓		
List of Subcontractors	✓	✓		
Resident Bidders Pref No.	✓	✓		
Veterans Preference	✓	✓		
Campaign Cont. Dis. Form	✓	✓		
Non-Collusion Affidavit	✓	✓		
Related Party Disclosure Form	✓	✓		
Non-Debarment Cert	✓	✓		
Alternate 1	\$574,548 ⁰⁰	\$413,840 ⁰⁰		
Alternate 2 Tax	\$39,141 ⁰⁹	\$28,198 ⁰⁰		
Alternate 2	\$651,606 ⁰⁰	\$497,423 ⁰⁰		
Alternate 4 Tax	\$44,390 ⁰⁰	\$33,887 ⁰⁰		
TOTAL				

150 days

90 days



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 16, 2022

SUBJECT: APPROVE RESOLUTION TO EXTEND AND AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH ROCKWIND GRILL, LLC

DEPT. OF ORIGIN: Recreation
DATE SUBMITTED: May 9, 2022
SUBMITTED BY: Doug McDaniel, Recreation Director

Summary:

- The City entered into a 1st Assignment of Professional Services Agreement with the Rockwind Grill in June 2019. The term for this agreement was for one year, with options for three additional one year renewals.
On June 21, 2021, via Resolution #7063, the second of the three renewals was approved. If approved at the May 16, 2022 Commission Meeting, the third of the three renewals would commence.
Ben Kirkes, Rockwind Golf Professional/General Manager reports that Rockwind Grill staff has been responsive to needs and concerns and the challenges faced at Rockwind are being faced by other golf courses around the state. The City receives \$1,000 per month plus 5% of gross sales determined by the Grill's CRS Report.
The Professional Services Agreement has been amended and now includes language regarding sales by food trucks during events at Rockwind Community Links and capital improvements or other modifications in the food service operations at the Rockwind Community Links Clubhouse.

Fiscal Impact

Reviewed by: [Signature]
Finance Department

The City of Hobbs expects to receive monthly payments and a percentage of the net profits as outlined in the professional service agreement.

Attachments: Resolution, Copy of original professional services agreement, Copy of agreement to extend and amend the Professional Services Agreement

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Staff is recommending that the City Commission approve a resolution for the extension and amendment of the Professional Services Agreement with Rockwind Grill, LLC.

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. 7203

A RESOLUTION EXTENDING THE PROFESSIONAL SERVICES AGREEMENT WITH ROCKWIND GRILL, LLC AS ASSIGNED BY PACIFIC RIM, INC. FOR MANAGEMENT AND OPERATION OF ROCKWIND RESTAURANT AND CATERING SERVICE

WHEREAS, on June 17, 2019, the City of Hobbs and Pacific Rim, Inc. entered into a Professional Services Agreement regarding restaurant, food, beverage and catering services at Rockwind Community Links Golf Course; and

WHEREAS, the Professional Services Agreement was subsequently assigned by Pacific Rim, Inc., to Rockwind Grill, LLC, with the consent of the City of Hobbs; and

WHEREAS, the original one-year term expired on June 30, 2020, and the Agreement allows for the renewal of the Agreement for up to three (3) one-year extensions with the mutual written consent of the parties; and

WHEREAS, the parties entered into their first one-year extension on June 15, 2020, via Resolution No. 6945; and

WHEREAS, the parties entered into their second one-year extension on June 21, 2021, via Resolution No. 7062; and

WHEREAS, the parties seek to provide continuity of restaurant, food, beverage and catering services at Rockwind Community Links Golf Course and wish to exercise the third and final one-year extension under the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the third one-year extension of the original term of the Professional Services Agreement between the City of Hobbs and Rockwind Grill, LLC, as assigned by Pacific

Rim, Inc., is approved and that the Mayor shall be authorized to execute all necessary documents to accomplish the same.

PASSED, ADOPTED AND APPROVED this 16th day of May, 2022.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

THIRD AND FINAL ONE-YEAR EXTENSION AND AMENDMENT OF PROFESSIONAL SERVICES AGREEMENT BETWEEN CITY OF HOBBS – ROCKWIND GRILL, LLC

This Third and Final One-Year Extension and Amendment of Professional Services Agreement Between City of Hobbs and Rockwind Grill, LLC, as assigned by Pacific Rim, Inc. is entered into this _____ day of May, 2022.

PURPOSE

The purpose of this agreement is to exercise the third and final one-year extension and amend the Professional Services Agreement (“Agreement”) between the City of Hobbs (“City”) and Pacific Rim, Inc., which was later assigned to Rockwind Grill, LLC (Grill) with the consent of City. Specifically, City and Grill seek to amend Section 5.0 of the Agreement which outlines the “Ownership/Use of Facility.” As such, the City and Grill intend that all other provisions of the Agreement not specifically addressed herein shall remain in full force and effect.

AMENDMENT

City and Grill, for and in consideration of the foregoing, the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

5.0 Ownership/Use of Facility (amendment in brackets and bolded)

1. The equipment displays, fixtures and similar property materials and any improvements made during the term, not specifically designated as to be provided by The Rim (Grill) in Exhibit “1” herein shall at all times be owned by City. City shall provide equipment at restaurant as set forth in Exhibit “2” which shall at all times be owned by City. All designated equipment shall remain in the care and custody of the owner designated in Exhibits 1 and 2 upon termination or expiration of this Agreement.
2. City hereby gives The Rim (Grill) the right and license to use facility, and The Rim (Grill) accepts such right of use, for the sole purpose of performing the services herein specified, including the operation and maintenance of the restaurant dining room, kitchen, outdoor covered patio (subject to scheduling and prior approval of Rockwind General Manager) and any storage approved by Rockwind General Manager.
3. City shall assign to The Rim (Grill), at no cost, parking spaces sufficient for all of The Rim’s management staff. All other Rim (Grill) employees shall park in the designated public parking spaces. The Rim (Grill) staff shall not park in any of the drop off or pick up areas at Rockwind. Rockwind General Manager has final authority over all parking issues.

4. Any and all scheduling of events outside of the restaurant, including the outdoor patio, shall be coordinated through the Rockwind General Manager and use by The Rim (Grill) is subject to Rockwind General Manager approval.

5. In the event The Rim (Grill) utilizes any portion of the facility it shall be responsible for cleaning and maintaining that portion of the facility immediately following its use.

6. The Rim shall be responsible for the maintenance and service of all grease traps on a regular basis.

7. Repair of Equipment: The party who has ownership of each individual piece of equipment shall be responsible for all repairs and any necessary replacement of the same. In the event The Rim (Grill) makes emergency expenditures for maintenance or repair of any City owned pieces of equipment, the City will cause The Rim (Grill) to be reimbursed for any such expenses reasonably incurred.

[8. Outside Food Vendors/Food Trucks: Notwithstanding the provisions in Section 1.0(1) of this Agreement, outside food vendors, including food trucks, may sell food at Rockwind only on the following conditions:

- A. The Rim (Grill) reserves the right to charge a reasonable vendor fee to allow outside food vendors, including food trucks, to sell food at Rockwind during the term of this Agreement, subject to subsection B below.**
- B. For events and tournaments that are hosted by one of Rockwind's stakeholders, namely First Tee, Hobbs Municipal Schools, NMJC, and USW, The Rim (Grill) shall not charge a vendor fee only if the food is provided to the public free of charge during the event or tournament.**
- C. For events and tournaments that are hosted by one of Rockwind's stakeholders, namely First Tee, Hobbs Municipal Schools, NMJC, and USW, The Rim (Grill) reserves the right to charge a reasonable vendor fee to allow outside food vendors, including food trucks, to sell food at Rockwind during the event or tournament.**
- D. No outside vendor whatsoever shall be allowed to sell or provide alcohol at Rockwind during the term of this Agreement.**

9. City, as owner of the facility, may periodically make capital improvements or modifications to the facility. The Rim (Grill) may provide feedback and input for consideration regarding any capital improvements or modifications to the facility that it believes will improve customer service at Rockwind. City reserves the right to make any and all final decisions regarding all capital improvements or modifications to the facility. City shall be responsible for the costs of the capital improvements or modifications contemplated herein.]

INCORPORATION OF TERMS OF PRIOR AGREEMENT

1. The Professional Services Agreement entered into by City and Rim and later assigned by Rim to Grill is hereby incorporated, in its entirety, into this Third and Final One-Year Extension and Amendment of Professional Services Agreement by reference. (see Exhibit "1", attached hereto and incorporated herein)
2. All duties and responsibilities previously undertaken by both Grill and City under the Professional Services Agreement referenced herein and attached hereto shall remain in full force and effect.
3. All rights granted to both Grill and City under the Professional Services Agreement referenced herein and attached hereto shall remain in full force and effect.
4. The Professional Services Agreement referenced herein and attached hereto shall remain in full force and effect at all relevant times pursuant to Section 5.0 as amended herein.
5. Given the assignment of the duties, rights, and obligations from Rim to Rockwind Grill, all references to Rim under the Professional Services Agreement referenced herein and attached hereto shall be read and construed to mean "Rockwind Grill."

EFFECTIVE DATE

Pursuant to Section 10.0(8) of the Agreement, any modifications to the original Agreement must be in writing and approved by Resolution of the Hobbs City Commission. This document is intended to constitute the written amendment contemplated therein. The City and Grill understand that this document shall only be valid and enforceable if approved and adopted by resolution of the Hobbs City Commission. This amendment shall be effective upon adoption of the resolution and subsequent signatures of the parties.

IN WITNESS WHEREOF, each party hereto has caused this Amendment to 1st Assignment of Professional Services Agreement to be executed on behalf of such party by an authorized representative as of the date first set forth herein.

APPROVED:

CITY OF HOBBS

ROCKWIND GRILL, LLC

By: Sam D. Cobb, Mayor

By: Jaw Yue, Organizer

Date: _____

Date: _____

APPROVED AS TO FORM:

CITY OF HOBBS

By: Efren A. Cortez, City Attorney

1ST ASSIGNMENT OF PROFESSIONAL SERVICES AGREEMENT

CITY OF HOBBS – PACIFIC RIM, INC

WHEREAS, NMSA 1978, Section 3-17-1, 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 of Hobbs, Lea County, New Mexico (“City”) and Hobbs City Commission 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, City is the owner of Rockwind Community Links Golf Course (“Rockwind”) located at 5001 Jack Gomez Blvd., Hobbs, NM; and

WHEREAS, on March 6, 2019, the City of Hobbs issued a Request for Qualifications for providing restaurant, food, beverage and catering services at Rockwind Community Links Golf Course. Pacific Rim, Inc. (“Rim”) was determined the best qualified proposer; and

WHEREAS, City entered into a Professional Services Agreement with Rim which provided for Rim’s management and operation of the restaurant located at Rockwind Community Links Golf Course following approval of the Hobbs City Commission during a regular open meeting on June 17, 2019; and

WHEREAS, Section 11.0(5) of that Professional Services Agreement explicitly states, “Neither party may assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. Any purported assignment in contravention of this paragraph shall be void.”; and

WHEREAS, Rim seeks to assign all rights and responsibilities under the Professional Services Agreement entered into by City and Rim on June 17, 2019, to Rockwind Grill, LLC (“Rockwind Grill”), a New Mexico domestic limited liability company;

NOW, THEREFORE, for and in consideration of the foregoing, the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

I. ASSIGNMENT OF DUTIES, RIGHTS, AND OBLIGATIONS

- A. The Professional Services Agreement entered into by City and Rim is hereby incorporated, in its entirety, into this 1st Assignment of Professional Services Agreement by reference. (see Exhibit “A”, attached hereto and incorporated herein)

- B. All duties and responsibilities previously undertaken by Rim under the Professional Services Agreement referenced herein and attached hereto shall be assigned and undertaken by Rockwind Grill.
- C. All rights granted to Rim under the Professional Services Agreement referenced herein and attached hereto shall be granted to Rockwind Grill.
- D. The Professional Services Agreement referenced herein and attached hereto shall remain in full force and effect at all relevant times pursuant to Section 2.0 of that Agreement.
- E. Given the assignment of the duties, rights, and obligations from Rim to Rockwind Grill, all references to Rim under the Professional Services Agreement referenced herein and attached hereto, including but not limited to Exhibit 1, 2, and 3, shall be read and construed to mean "Rockwind Grill."

II. RIM AS ASSIGNOR

- A. Rim, by signing this assignment, warrants that it seeks to voluntarily assign all duties, rights, and obligations under the Professional Services Agreement, referenced herein and attached hereto, to Rockwind Grill.
- B. In Consideration of all duties outlined herein, by execution of this document Rim, its agents, executors, assigns, employees, attorneys and subrogees, hereby releases and forever discharges City, as well as any of their past or current officials, employees, officers, employers, administrators, principals, agents, predecessors, successors, affiliated companies, departments and agencies from any and all claims, demands, actions, causes of action or suits of any kind or nature whatsoever, and particularly on account of all injuries and damages, known or unknown, to person, property, reputation and family relationships, from dealings with the City and provisions of the Professional Services Agreement referenced herein and attached hereto.

III. ROCKWIND GRILL AS ASSIGNEE

- A. Rockwind Grill, by signing this assignment, warrants that it fully understands all duties, rights, and responsibilities under the assigned Professional Services Agreement referenced herein and attached hereto, and agrees to be contractually bound by the same.
- B. Rockwind Grill, by signing this assignment, warrants that it is a domestic limited liability company whose principal place of business is in New Mexico and registered with the New Mexico Secretary of State as the same in "good standing."
- C. Rockwind Grill, by signing this assignment, warrants that it is capable of meeting all duties and obligations outlined in the Professional Services Agreement referenced herein and attached hereto.
- D. Notices, outlined in Section 11.0(6) of the Professional Services Agreement referenced herein and attached hereto, shall be delivered to:

If to City:

City of Hobbs
City Manager
200 E. Broadway
Hobbs, NM 88240

If to Rockwind Grill:

Rockwind Grill, LLC
Jaw Yue
5031 N. Carriage Road
Hobbs, NM 88240

IV. CITY OF HOBBS

- A. City agrees to allow the assignment of the duties, rights, and obligations of the Professional Services Agreement referenced herein and attached hereto, from Rim to Rockwind Grill.
- B. City shall operate in good faith with Rockwind Grill as an assignee of the Professional Services Agreement referenced herein and attached hereto.

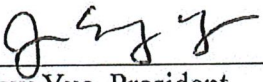
V. MISCELLANEOUS

- A. City and their public employees (as defined in the New Mexico Tort Claims Act) do not waive sovereign immunity, do not waive any defense(s), and/or do not waive any limitation(s) pursuant to the New Mexico Tort Claims Act. No provision in this Assignment modifies and/or waives any provision of the New Mexico Tort Claims Act as it relates to the City and their public employees.
- B. The forgoing constitutes the entire agreement between City and Rockwind Grill and may be modified only in writing signed by both parties and authorized by the governing body of the City of Hobbs as outlined in Section 11.0(8) of the Professional Services Agreement, referenced herein and attached hereto.
- C. If any part or portion of this Assignment shall be in violation of the laws of the State of New Mexico or the Constitution of New Mexico, only such part or portion thereof shall be thereby invalidated, and all other portions hereof shall remain valid and enforceable.
- D. This Assignment shall be in full force and effective upon execution and approval of the parties hereto.

IN WITNESS WHEREOF, each party hereto has caused this Professional Services Agreement to be executed on behalf of such party by an authorized representative as of the date first set forth herein.

ASSIGNOR:

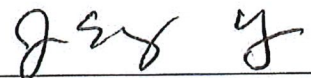
PACIFIC RIM, INC.


By: Jaw Yue, President

Date: 9/9/19'

ASSIGNEE:


ROCKWIND GRILL, LLC


By: Jaw Yue, Organizer

Date: 9/9/2019

APPROVED:

CITY OF HOBBS


By: Sam Cobb, Mayor

Approved as to Form:


Efrén A. Cortez, City Attorney

EXHIBIT 1

Rim shall provide the following in its management of the Rockwind restaurant and catering services located at the Rockwind Community Links Golf Course, located at 5001 Jack Gomez Blvd., Hobbs, NM:

1. Adequate qualified staff to operate all aspects of its responsibilities herein, including, but not limited to, the restaurant, catering, bar and beverage cart(s), and service at all tournaments;
2. Full service menus and hours of operation including breakfast, lunch and dinner;
3. Full service bar;
4. Food service and catering for meetings, banquets, parties and weddings at Rockwind;
5. Staffing of beverage cart(s), restaurant, and bar during peak play and tournaments;
6. Day-to-day custodial services and basic maintenance of restaurant, catering and dining facilities;
7. Supplies, food, beverages and materials for the operation of services and programs;
8. Plates, silverware, eating utensils, cooking utensils, pots, pans, glass ware, napkins, condiment containers, warming equipment, and all smallware item(s) required to operate the restaurant and catering business under this Agreement ;
9. All removable small appliances;
10. Point of sale (POS) electronic equipment, including all software and hardware;
11. Cook line equipment including convection oven, salamander, keg system, dishwasher rental, general assorted kitchen ware, assorted shelves, smallwares (as set forth in paragraph 8 herein), assorted equipment (food pro blenders etc.), medium and assorted prep tables.
12. All dining room furnishings, décor, and design service to restaurant over \$40,000.00.

EXHIBIT 2

City shall provide the following equipment, which is currently located at Rockwind, connected with the Rockwind restaurant:

1. Charbroiler;
2. Griddle (flattop);
3. Fryer;
4. Equipment table;
5. 4 burner stove top;
6. Prep table and freezer;
7. Sandwich table with cooler;
8. Prep Table with drawers;
9. Walk-in cooler;
10. Dish table with sink;
11. Dish table clean side;
12. Dish sink trap;
13. Hand sink (2);
14. Reach-in freezer;
15. Ice unit;
16. Glass cooler;
17. Beer cooler;
18. 3-comp sink (2);
19. All dining room furnishings, décor, and design services to restaurant under \$40,000.00.

EXHIBIT 3

Insurance Requirements (Minimum)

1. **Commercial General Liability:**
 - \$1,000,000.00 per occurrence
 - \$3,000,000.00 aggregate

2. **Automobile Liability:**
 - \$500,000.00 per accident (PI and PD combined single limit)

3. **Workers Compensation:**
 - Statutory Coverage

PROFESSIONAL SERVICES AGREEMENT

CITY OF HOBBS – PACIFIC RIM, INC

WHEREAS, NMSA 1978, §3-17-1, 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 of Hobbs, Lea County, New Mexico (“City”) and Hobbs City Commission 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, City is the owner of Rockwind Community Links Golf Course (“Rockwind”) located at 5001 Jack Gomez Blvd., Hobbs, NM; and

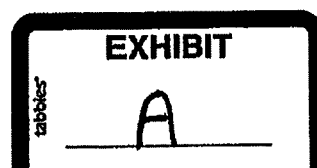
WHEREAS, on March 6, 2019, the City of Hobbs issued a Request for Qualifications for providing restaurant, food, beverage and catering services at Rockwind Community Links Golf Course. Pacific Rim, Inc. (“Rim”) was determined the best qualified proposer; and

WHEREAS, City desires to engage Rim to manage and operate Rockwind restaurant, food, beverage and catering services, on behalf and for the benefit of City, and Rim desires to accept such engagement, pursuant to the terms and conditions herein; and

NOW, THEREFORE, for and in consideration of the foregoing, the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1.0 SCOPE OF SERVICES

1. City hereby engages Rim to act as the sole and exclusive manager and operator of Rockwind restaurant and catering services, which will be the exclusive provider of food and beverage for Rockwind, subject to and as more fully described in this Agreement, and, in connection with, to perform the services described in Exhibit “1”, attached hereto.
2. Rim hereby accepts such engagement, and shall perform the services described herein, subject to the limitations expressly set forth in this Agreement.
3. Lease of Liquor License: The parties acknowledge that City has procured and maintains a governmental liquor license pursuant to NMSA 1978, §69-6A-101. City shall lease to Rim, as part of this Agreement, the liquor license, to be used exclusively for the operation of the Rockwind facility. Rim agrees to designate a qualified employee to serve as the designated representative to meet the requirements for issuance and maintenance of the license. Rim agrees all activities by Rim associated with the operation of the license shall



strictly conform to New Mexico law and regulations of the New Mexico Alcohol and Gaming Division of the New Mexico Regulation and Licensing Department. Rim shall ensure it receives approval from Alcohol and Gaming to act as Lessee under City's Municipal Liquor License. All income and proceeds from alcohol sales shall be considered revenue in determining gross sales under this Agreement. City shall implement the administrative modification for Rim to become City's Lessee and the City shall pay the administrative fees associated with the modification.

2.0 TERM & TERMINATION

1. This Agreement, shall commence on July 1, 2019, and pursuant to NMSA 1978, §13-1-150(B), shall be for one (1) year, subject to termination as described herein.
2. This Agreement may be renewed for three (3) one-year extensions with the mutual written consent of the parties. Mutual written consent to renew this Agreement must be executed prior to expiration of the current one-year term. This Agreement shall be construed so as to provide for a continuity of services for the benefit of the general public. In the event all extensions are exhausted as contemplated herein, Rim shall continue to provide services under this Agreement until such time as a new agreement is executed, or a new manager and operator occupies the restaurant at Rockwind pursuant to a professional services agreement, whichever is earlier.
3. If the parties mutually agree to terminate this Agreement, or if the contract expires, the parties shall work together to transition the subsequent manager and operator, however, termination shall not occur less than 120 days after the parties enter a written agreement to terminate. Unless specifically objected to by City, Rim shall continue to provide services until such time as a subsequent manager and operator occupies the restaurant at Rockwind. If the parties mutually agree to terminate this Agreement, City reserves the right to issue a Request for Qualifications for providing restaurant, food, beverage and catering services at Rockwind during the transition time contemplated herein.
4. Either party may terminate, for cause, upon thirty days written notice, if the other party fails to perform or comply with any of the material terms, covenants, agreements or conditions hereof, and such failure is not cured during such thirty day notification period. Such notification shall be in writing subject to paragraph 11.0(6) herein. If this Agreement is terminated for cause following a thirty days written notice and subsequent failure to cure, City and Rim may agree in writing to provide for continuity of services, until such time as a Request for Qualifications for providing restaurant, food, beverage and catering services at Rockwind can be issued and awarded. In the alternative, City reserves the right to proceed without restaurant, food, beverage and catering services until such time as an award to a subsequent manager and operator is made.
5. Upon conclusion of this Agreement for any of the reasons outlined above and transfer of occupancy of the restaurant to a subsequent manager and operator, Rim shall (i) promptly discontinue the performances of all services hereunder, (ii) deliver or otherwise make available to City all data, electronic files, documents, procedures, reports, estimates,

summaries, and other such information and materials with respect to the facility as may have been accumulated by Rim in performing its obligations hereunder, whether complete or in progress, and (iii) assign to City, or at the City's discretion the subsequent manager and operator, all contracts or leases entered into by Rim in furtherance of its duties hereunder, who shall accept such contracts and perform all obligations thereunder following the expiration or termination date. This does not include any proprietary information of Rim including recipes, menus, intellectual property or other such material.

6. In addition to any other cause for termination, "cause" shall exist to terminate this Agreement in the event Rim exhibits deficient performance as further outlined in Section 3.0, and fails to cure the same within the thirty-day notice period outlined in subsection 4 above.
7. The remedies described in this Section 2.0 shall be in addition to any other remedies the parties may be entitled to, either by virtue of the terms of this Agreement, at law or in equity, as a result of a breach or termination of this Agreement.

3.0 EVALUATION OF PERFORMANCE

1. City, through the City Manager or his/her designee, shall conduct quarterly, or at a frequency deemed necessary by City Manager, performance evaluations of the performance of The Rim at Rockwind. City also reserves the right to conduct periodic evaluations following any event. The performance evaluations shall be conducted in a manner determined as most effective for City. The performance evaluations shall be designed to ensure the general public is receiving the best possible service from The Rim at Rockwind.
2. The Rim shall be entitled to and the City shall provide the performance evaluation criteria so that The Rim may meet the standards and expectations of City in rendering service to the general public. However, The Rim shall not be entitled to prior notice of any performance evaluations.
3. In the event The Rim's performance is found deficient, City shall provide The Rim with a thirty-day notice which shall state the deficiencies in The Rim's performance and shall make an affirmative statement of the City's intent to terminate the Agreement in the event that The Rim does not cure said deficiencies as outlined in Section 2.0(6) herein.
4. City, at its sole discretion, shall make the initial determination as to whether or not the deficiency is cured. City shall be reasonable in all determinations regarding satisfaction of deficient performance, and it will be based on specific performance related criteria.
5. The Rim shall timely address all complaints regarding their performance – whether from City or members of the general public. The Rim shall timely inform the City in writing of the resolution of each complaint.
6. All records discussed herein shall constitute "public records" subject to inspection pursuant to NMSA 1978, §14-2-1, et seq.

7. In the event there exists a dispute as to whether The Rim has met the performance criteria, the City and The Rim shall enter into negotiations, the negotiation process should be completed within 30 days. If the dispute has not be resolved by negotiations, then the parties shall proceed to mediation. The City and The Rim shall agree to identify a third party knowledgeable about the food service industry who will act as a Mediator between the parties. The mediation session shall be held within 45 days of the retention of the mediator, and last for at least one full mediation day, before any party has the option to withdraw from the process. The parties may agree to continue the mediation process beyond one day, until there is a settlement agreement, or one party [or the mediator] states that there is no reason to continue because of an impasse that cannot be overcome and sends a "notice of termination of mediation." All reasonable efforts will be made to complete the mediation within 30 days of the first mediation session. If mediation fails the parties may decide to go to trial, go back to mediation, continue negotiations on their own without formal proceedings, or may decide upon a mutual alternate resolution.

4.0 COMPENSATION

1. The Rim shall pay City \$1,000.00 per month, plus 5% of its gross sales on or before the 25th day of the following month (gross sales is determined by the monthly New Mexico Taxation and Revenue CRS Report). The Rim shall provide documentation of the 5% gross sales payment as determined by the CRS Report.
2. Gross sales shall include all income received by The Rim pursuant to its responsibilities under this Agreement, including, but not limited to, restaurant, bar and catering income, including income from tournaments, meetings, banquets, parties or weddings held at Rockwind.
3. City is entitled, but not obligated, to sponsor up to three "major events" each year and shall be entitled to 80% of the net income, which means the income after expenses are deducted, from The Rim's sales for each event after deduction of The Rim's prior City approved expenses for each event. As used herein, "major event" means any concert, exhibition, live performance, or event outside of non-professional golf tournaments and non-professional golf events.
4. City shall be entitled to conduct periodic audits of all monthly gross sales of The Rim at Rockwind, upon reasonable notice to The Rim and during The Rim's ordinary business hours. All audits required by City shall be at City's expense. The Rim shall cooperate with City in said audits.

5.0 OWNERSHIP/USE OF FACILITY

1. The equipment displays, fixtures and similar property materials and any improvements made during the term, not specifically designated as to be provided by The Rim in Exhibit "1" herein shall at all times be owned by City. City shall provide equipment at restaurant as set forth in Exhibit "2" which shall at all times be owned by City. All designated equipment shall remain in the care and custody of the owner designated in Exhibits 1 and 2 upon termination or expiration of this Agreement.
2. City hereby gives The Rim the right and license to use facility, and The Rim accepts such right of use, for the sole purpose of performing the services herein specified, including the operation and maintenance of the restaurant dining room, kitchen, outdoor covered patio (subject to scheduling and prior approval of Rockwind General Manager) and any storage approved by Rockwind General Manager.
3. City shall assign to The Rim, at no cost, parking spaces sufficient for all of The Rim's management staff. All other Rim employees shall park in the designated public parking spaces. The Rim staff shall not park in any of the drop off or pick up areas at Rockwind. Rockwind General Manager has final authority over all parking issues.
4. Any and all scheduling of events outside of the restaurant, including the outdoor patio, shall be coordinated through the Rockwind General Manager and use by The Rim is subject to Rockwind General Manager approval.
5. In the event The Rim utilizes any portion of the facility it shall be responsible for cleaning and maintaining that portion of the facility immediately following its use.
6. The Rim shall be responsible for the maintenance and service of all grease traps on a regular basis.
7. Repair of Equipment: The party who has ownership of each individual piece of equipment shall be responsible for all repairs and any necessary replacement of the same. In the event The Rim makes emergency expenditures for maintenance or repair if any City owned pieces of equipment, the City will cause The Rim to be reimbursed for any such expenses reasonably incurred.

6.0 PERSONNEL

1. All Rim staff and employees shall be engaged or hired by The Rim and shall be employees of The Rim and not City. The Rim shall select, in its sole discretion, the number, function, qualifications, and compensation, including salary and benefits, of its employees and shall control the terms and conditions of employment/termination, relating to such personnel. The Rim agrees to use reasonable and prudent judgment in the selection and supervision of such personnel. City agrees that The Rim shall be entitled to pay its employees, as an operating expense, bonuses and benefits in

accordance with The Rim's current employee manual or as a reasonable amount for the locale.

2. The Rim shall employ sufficient number and qualified employees to perform all of its obligations under this Agreement. Additionally, The Rim shall ensure that all events, including but not limited to golf tournaments, are adequately staffed so as to meet the needs of the general public.
3. The Rim agrees to abide by all state and federal rules, regulations and statutes pertaining to equal opportunity employment issues. In accordance with these laws and regulations, The Rim agrees to assure that no person shall, on the basis of race, color, natural origin, sex, age, handicap or medical condition, be discriminated against in regards to its personnel.

7.0 TAXES, ASSESSMENTS, GOVERNMENTAL FEES

1. The Rim agrees to pay all New Mexico Gross Receipts Tax, Federal and State Income Taxes and all required wage withholding taxes for its employees, and all alcohol related taxes. City shall not be responsible for any of the aforementioned taxes and assessments.
2. The Rim agrees to pay all assessments and/or other required governmental licensing fees they may be required to pay pursuant to state and federal regulations. City shall not be responsible for any of the aforementioned assessments and governmental licensing fees.

8.0 FISCAL RESPONSIBILITY / REPORTING

1. The Rim agrees to keep and maintain, at its office in the facility, separate and independent records, in accordance with generally accepted accounting principles, devoted exclusively to its operation and management of the facility. Such records shall contain all entries reflecting the business operations of The Rim at the facility under this Agreement. City shall have the right to audit and inspect such records from time to time during the term of this Agreement, upon reasonable notice to The Rim and during The Rim's ordinary business hours.
2. The Rim agrees to provide to City monthly financial reports for the facility including a CRS Report, balance sheet aging reports on accounts receivable, and statement of revenues and expenditures for such month and year to date in accordance with generally accepted accounting principles. The Rim agrees to provide City a summary of bookings for each month and separate cash receipts and disbursement reports for each catering event held at the facility.
3. The Rim agrees to provide City, within one hundred-twenty (120) days following the end of each operating year, a certified audit report on the accounts and records as kept by The Rim for the facility. Costs associated with obtaining such certified audit report shall be an operating expense of The Rim. Such audit shall be conducted in accordance with generally accepted auditing standards.

9.0 INDEMNIFICATION

1. The Rim agrees to defend, indemnify and hold harmless City, its commissioners, elected officials and employees, agents, successors and assigns against any claims, causes of action, costs, expenses (including reasonable attorney fees even if City utilizes in-house counsel) liabilities, or damages (collectively, "Losses") suffered by such parties, arising out of or in connection with any (a) negligent act or omission, or intentional misconduct, on the part of The Rim or any of its employees or agents in the performance of its obligations under this Agreement, or (b) breach by The Rim of any of its representations, covenants or agreements made herein; except to the extent such Losses arise out of or relate to City's negligence, intentional misconduct, or failure to comply with the terms of this Agreement.
2. City agrees to indemnify The Rim only to such extent as allowed by New Mexico law, including any negligence or intentional tortious conduct on the part of the City or its employees may be responsible for.
3. With respect to each separate matter brought by any third party against which a party hereto ("Indemnitee") is indemnified by the other party ("Indemnitor") under this paragraph 9.0, the Indemnitor shall be responsible, at its sole cost and expense, for controlling, litigating, defending and/or otherwise attempting to resolve any proceeding, claim, or cause of action underlying such matter, except that (a) the Indemnitee may at its option participate in such defense or resolution at its expense and through counsel of its choice; (b) the Indemnitee may at its option assume control of such defense or resolution, if the Indemnitor does not promptly and diligently pursue such defense or resolution, provided that the Indemnitor shall continue to be obligated to indemnify the Indemnitee hereunder in connection therewith; and (c) neither Indemnitor nor Indemnitee shall agree to any settlement without the other's prior written consent (which shall not be unreasonably withheld or delayed). In any event, Indemnitor and Indemnitee shall in good faith cooperate with each other and their respective counsel with respect to all such actions or proceedings, at the Indemnitor's expense. With respect to each and every matter to which any indemnification may be sought hereunder, upon receiving notice of such matter, Indemnitee shall promptly (and in no event more than 20 days after any third party litigation is commenced assessing such claim) give reasonable detailed written notice to the Indemnitor of the nature of such matter and the amount demanded or claimed in connection therewith.
4. The obligations of the parties contained in this paragraph 9.0 shall survive the termination or expiration of this Agreement.

10.0 INSURANCE

1. The Rim agrees to maintain insurance in the manner and amounts as set forth in Exhibit "3", attached hereto, and shall provide to City promptly following the effective date a certificate of insurance evidencing such coverage. The insurance contemplated herein shall list City as an additional insured and shall be primary. The Rim shall maintain such

referenced insurance coverage at all times during the term of this Agreement and shall not make any material modifications or changes to the coverage without the prior written consent of City. Each policy shall include a requirement that the insurer provide to City at least thirty days written notice of cancellation or material change in the terms and provisions of the applicable policy. The cost of such insurance shall be an operating expense.

2. The Rim agrees to maintain appropriate dram shop liability coverage arising from its dispensing of alcoholic beverages under this Agreement.

11.0 Miscellaneous

1. Except as required by the New Mexico Inspection of Public Records Act, and any other statutory provision of the laws of the State of New Mexico, as same now read, or may be modified in the future, this Agreement and its terms, conditions provisions and contents, shall be kept strictly confidential and shall not be disclosed by either party hereto to any persons, except to such party's employees, attorneys, accountants, financial advisors and advertising agencies who have a need to know such information, except in the case of a proceeding surrounding a dispute under this Agreement or as may otherwise be required by court order or applicable law, in which case such disclosure shall be conditioned on all reasonable steps being taken to maintain the confidentiality of the economic terms of this Agreement (unless applicable laws requires disclosure of such terms).
2. The Rim shall have the right to use throughout the term of this Agreement, without restriction and without charge, the name and all logos of the facility, on The Rim's stationary, in its advertising of the facility, and whenever conducting the business of the facility; provided that The Rim shall take all prudent and appropriate measures to protect the intellectual property rights of City and its logos. All intellectual property rights in any facility logos developed by City shall be and at all times remain the sole and exclusive property of City. The Rim agrees to execute any documentation requested by City from time to time to establish, protect or convey any such intellectual property rights.
3. City agrees that in all advertisements placed by City for the facility or events at the facility, whether such advertisements are in print, on radio, television, the internet or otherwise, it may include a designation that the facility is operated by The Rim.
4. Except as provided herein, neither party shall be obligated to perform, and neither party shall be deemed to be in default of its performances, if prevented by occurrences outside its reasonable control, including without limitation: (a) fire, earthquake, hurricane, wind, tornado, flood, act of God, riot, or civil commotion occurring at the facility; or (b) any law rule or ordinance, regulation, or order of any public or military authority stemming from the existence of economic or energy controls, hostilities, war, or governmental law and regulation; or (c) labor dispute which results in a strike or work stoppage, affecting the facility or services described in this Agreement. Notwithstanding the foregoing, a

party's failure to make payments due hereunder shall not be considered to be a force majeure.

5. Neither party may assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. Any purported assignment in contravention of this paragraph shall be void.
6. All notices required or permitted to be given pursuant to this Agreement shall be in writing and delivered personally or sent by registered or certified mail, return receipt requested. All such notices to either party shall be deemed to have been provided when delivered, if delivered personally, or three days after mailed, if sent by registered or certified mail.

If to City:

City of Hobbs
City Manager
200 E. Broadway
Hobbs, NM 88240

If to The Rim:

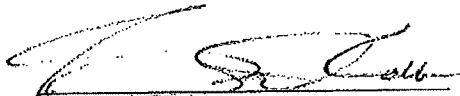
Pacific Rim, Inc.
Jaw Yue
5031 N. Carriage Rd.
Hobbs, NM 88240

7. If a court of competent jurisdiction or an arbitrator determines any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.
8. This Agreement supersedes and replaces all prior negotiations, correspondence, conversations, agreements, and understandings concerning the subject matter hereof. This Agreement must be approved by the Resolution of the Hobbs City Commission. Any modifications to this Agreement must be in writing and approved by Resolution of the Hobbs City Commission.
9. The parties agree that this Agreement is to be construed by the laws of the State of New Mexico and any legal action to enforce or construe the terms of the Agreement shall be brought in Lea County, New Mexico only.
10. City and The Rim acknowledge and agree they are not joint venturers, partners, or joint owners with respect to the facility, and nothing contained in this Agreement shall be construed as creating a partnership, joint venture or similar relationship between City and The Rim. In operating the facility, entering into contracts, accepting reservations and conducting financial transactions for the facility, The Rim acts on behalf of and agent for City (but subject to the limitations on The Rim's authority as set forth in this Agreement) and assumes no independent contractual liability with respect to any obligations incurred in operating the facility or performing its obligations under this Agreement so long as The Rim does not exceed the authority granted by this Agreement.

IN WITNESS WHEREOF, each party hereto has caused this Professional Services Agreement to be executed on behalf of such party by an authorized representative as of the date set forth herein.

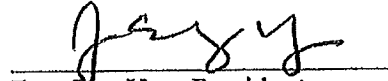
CITY OF HOBBS

PACIFIC RIM, INC.



By: SAM D. COBB, Mayor

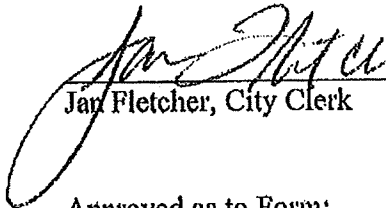
Date: 6-17-19



By: Jay Yue, President

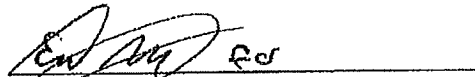
Date: 7-9-19

Attest:



Jan Fletcher, City Clerk

Approved as to Form:



Efrén A. Cortez, City Attorney

EXHIBIT 1

The Rim shall provide the following in its management of the Rockwind restaurant and catering services located at the Rockwind Community Links Golf Course, located at 5001 Jack Gomez Blvd., Hobbs, NM:

1. Adequate qualified staff to operate all aspects of its responsibilities herein, including, but not limited to, the restaurant, catering, bar and beverage cart(s), and service at all tournaments;
2. Full service menus and hours of operation including breakfast, lunch and dinner;
3. Full service bar;
4. Food service and catering for meetings, banquets, parties and weddings at Rockwind;
5. Staffing of beverage cart(s), restaurant, and bar during peak play and tournaments;
6. Day-to-day custodial services and basic maintenance of restaurant, catering and dining facilities;
7. Supplies, food, beverages and materials for the operation of services and programs;
8. Plates, silverware, eating utensils, cooking utensils, pots, pans, glass ware, napkins, condiment containers, warming equipment, and all smallware item(s) required to operate the restaurant and catering business under this Agreement ;
9. All removable small appliances;
10. Point of sale (POS) electronic equipment, including all software and hardware;
11. Cook line equipment including convection oven, salamander, keg system, dishwasher rental, general assorted kitchen ware, assorted shelves, smallwares (as set forth in paragraph 8 herein), assorted equipment (food pro blenders etc.), medium and assorted prep tables.
12. All dining room furnishings, décor, and design service to restaurant over \$40,000.00.

EXHIBIT 2

City shall provide the following equipment, which is currently located at Rockwind, connected with the Rockwind restaurant:

1. Charbroiler; (Replaced and Paid for by The Rim)
2. Griddle (flattop); (Replaced and Paid for by The Rim)
3. Fryer; (Replaced and Paid for by The Rim)
4. Equipment table;
5. 4 burner stove top;
6. Prep table and freezer;
7. Sandwich table with cooler;
8. Walk-in cooler;
9. Dish table with sink;
10. Dish table clean side;
11. Dish sink trap;
12. Hand sink (2);
13. Reach-in freezer;
14. Ice unit;
15. Glass cooler;
16. Beer cooler; (2, one of which is currently out of order)
17. 3-comp sink (2);
18. All dining room furnishings, décor, and design services to restaurant under \$40,000.00.

Equipment purchased by The Rim due to necessity for operations:

1. Large Stand Alone Oven
2. Double Glass Door Reach In Refrigerator
3. Single Glass Door Reach In Refrigerator
4. Sandwich Unit with Refrigerator
5. Stand Alone Food Warmer
6. Chest Freezer
7. Small Ice Maker
8. Prep Table with Wooden Counter

EXHIBIT 3

Insurance Requirements (Minimum)

1. Commercial General Liability:
 - \$1,000,000.00 per occurrence
 - \$3,000,000.00 aggregate

2. Automobile Liability:
 - \$500,000.00 per accident (PI and PD combined single limit)

3. Workers Compensation:
 - Statutory Coverage



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 16, 2022

SUBJECT: AWARD OF RFP 530-22: FURNISH MEAL SERVICES FOR THE SENIOR CENTER

DEPT. OF ORIGIN: Recreation Department
DATE SUBMITTED: May 9, 2022
SUBMITTED BY: Doug McDaniel, Recreation Director/Angela Courter, Senior Affairs Coordinator

Summary:

RFP 530-22 to Furnish Meal Services for the Hobbs Senior Center was advertised on March 13, 2022, and responses were due on April 5, 2022. The Finance Department received one (1) proposal, and that proposal was deemed responsive. The Evaluation Committee, which was comprised of staff from the Recreation, General Services and Fire Departments, scored the proposal as follows:

Great Western Dining Service, Inc. - Average Score 83 points (100 points possible)

Great Western Dining has provided meals for the Hobbs Senior Center for 15+ years, and is also the current meal service provider at the University of the Southwest (USW). City of Hobbs staff picks up the meals for the Hobbs Senior Center at the USW campus. The number of meals included in the RFP was 500 meals per week for the Congregate Meal served at the Senior Center's Meal Site, and 500 meals per week for Home Delivered Meals. Staff updates the exact number of meals needed on a regular basis if more/fewer meals are needed. Diabetic meals are prepared daily for those who need them.

The cost per meal submitted in the RFP was \$5.45 per meal. Current meal cost is \$3.97 per meal.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

It is anticipated that the Senior Center will serve approximately 46,000 meals, annually. Total cost of these meals at \$5.45 per meal is \$250,700.00. Included in the FY22 budget are a total of \$147,500 of reimbursements from the Aging and Long Term Services Division (NMALTS) and Non-Metro Area Agency on Aging, and \$48,000 in donations from seniors who receive meals. The City also receives additional funding from NMALTS and NMAAA when funds are available. Funding levels for FY23 have not been determined at this time.

Attachments: RFP 530-22 Score Sheet

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Staff recommends that the City Commission consider the award of RFP 530-22 to Great Western Dining Service, Inc.

Approved For Submittal By:

[Signature]
Department Director

[Signature]
City Manager

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

RFP 530-22 FURNISH MEAL SERVICES FOR THE SENIOR CENTER

Evaluation (100 points possible)

DESCRIPTION/POINTS POSSIBLE

LOCATIONS:Hobbs Senior Center congregate/Grab-m-Go/Home Delivered Meals

	Points Possible	Great Western Dining/Points
Staff Experience and References	20 points	20
Meal Planning and Preparation	20 points	20
Ability to meet supply time and requirements schedule	10 points	10
Resident Bidder/Veterans Preference	10 points	0
Price Consideration	40 points	33
TOTAL POINTS FOR RFP 530-22	100 points	83