

**REGULAR MEETING OF THE CITY COMMISSION  
MONDAY, SEPTEMBER 8, 2014 @ 5:30 P.M.  
CITY COMMISSION CHAMBERS, 214 S. LOVE STREET**

**Call to Order:** The meeting was called to order by Mayor Gandy at 5:30 p.m.

**Present and answering roll call:** Commissioner Trujillo, Commissioner Butcher, Commissioner Campos, Commissioner Bengue and Mayor Gandy

**Also Present:** City Manager James Williams, Assistant City Manager Jared Cobb, City Finance Director Gary Chapman, City Clerk Carol Ann Hogue, City Attorney Patrick McMahon, and Interim Police Chief David Rodriguez

**Invocation:** Commissioner Trujillo gave the invocation

**Pledge of Allegiance:** Commissioner Trujillo led the pledge

**Approval of Agenda:** Mayor Gandy called for a motion to approve the agenda as submitted. Commissioner Trujillo so moved to approve the agenda. Commissioner Bengue seconded and a roll call was taken: Commissioner Trujillo – Yes, Commissioner Butcher – Yes, Commissioner Bengue – Yes, Mayor Gandy – Yes and Commissioner Campos - Yes.

**Approval of the Regular Minutes of August 25, 2014:** Mayor Gandy called for a motion to approve the regular minutes of August 25, 2014. Commissioner Campos so moved. Commissioner Bengue seconded and a roll call was taken: Commissioner Campos – Yes, Commissioner Trujillo – Yes, Mayor Gandy – Yes, Commissioner Bengue – Yes, and Commissioner Butcher – Yes.

**COMMISSIONER AND STAFF REPORTS:**

- Finance Director Gary Chapman spoke in reference to auditors being pleased with City's improvements with changes from the previous year
- Commissioner Campos spoke in reference to School Resource Officer Program meeting with schools. Program will help improve relations with the police and schools and help with monitoring and patrolling of all schools. An allocation of funds is still in discussion.
- Commissioner Bernard thanked the City for job well done for taking care of business at Fran Atchley Center.
- Mayor Gandy mentioned Governor was in town. Governor Susan Martinez and Jon Barela announced funding of \$100,000 for updates to Lea Theatre. Library Director Tuerida McBride and Michael Delello with the department of cultural affairs shared some insight of projects developing in the near future.

- Commissioner Trujillo was glad to hear a good update from Finance Director Chapman concerning auditors. Asked what are the intentions for Christmas lights? City Manager Williams stated funds are allocated to lights but they have not been purchased will get with Mr. Graham.
- Assistant City Manager Cobb invited Commissioners to Steering Committee at Chamber Thursday, September 11, 2014 at 3:00 p.m.
- City Manager Williams introduced the new City Planner Merideth Hildreth; stated City Planner Hildreth is very experienced, very educated, has worked on various public and private entities, and is very familiar with this area. City Manager Williams informed Commissioners of Lodger's Tax Board Member Maria Valencia passing away; vacancy will need to be filled at our next commission meeting.

**NON-ACTION ITEMS:**

**Discussion of Pay and Classification Plan Study:** City Manager Williams addressed Commissioners of being presented with a proposal from a company to prepare a pay and classification plan study. The outcome of the study is to provide an evaluation of our current pay plan, establish prevailing market rates, prepare a fiscal impact analysis, and provide a plan to achieve a competitive pay structure. A total of eight municipalities, of similar size and demographics, will be included in this study. Request to bring a professional service agreement for approval at the September 22, 2014 meeting. Commissioners agreed with City Manager Williams and Commissioner Bengé thinks it is a great idea. No action was taken.

**ACTION ITEMS:**

**Consideration of Approval of Steering Committee Appointment:** Mayor Gandy called for a motion to approve the steering committee appointments. Assistant City Manager Jared Cobb stated the Lea County Electric has requested that Jeanette Faris be appointed to the Comprehensive Plan Steering Committee. Gary Hurse was previously appointed but has requested that this change be made. Commissioner Trujillo so moved. Commissioner Bengé seconded and a roll call was taken: Commissioner Campos – Yes, Commissioner Butcher – Yes, Mayor Gandy – Yes, Commissioner Trujillo – Yes, and Commissioner Bengé – Yes. Motion was approved.

**Consider Approval of Resolution 2014-43: Release of Claim of Lien, College Addition, Block 1, Lots 7-12:** Mayor Gandy called for a motion to consider approval of resolution 2014-43: release of claim of lien, college addition, block 1, lots 7-12. City Manager Williams addressed the Commissioners to approve resolution to release of claim of lien for several lots that Gabriel and Estella Garcia purchased from the City in 1998. The described lots were included in a paving lien in 1971. For lack of payment, a lien was filed on the property. However, in 1973 this property was quitclaimed to the City. The release of lien was never prepared or filed. Commissioner Bengé so moved. Commissioner Campos seconded and a roll call was taken: Commissioner Bengé – Yes,

Commissioner Butcher – Yes, Commissioner Campos – Yes, Commissioner Trujillo – Yes, and Mayor Gandy – Yes. Motion was approved.

**Consider Approval of Resolution 2014-44: Recycling Revenue Account:** Mayor Gandy called for a motion to approve the resolution 2014-44: recycling revenue account. City Manager Williams addressed Commissioners of designating revenues received from the sale of scrap metal be recorded in the Solid Waste Fund and will be utilized for operation of the solid waste department and other expenditures deemed necessary and authorized by the City Commission. Commissioner Campos so moved. Commissioner Bengé seconded and a roll call was taken: Commissioner Campos – Yes, Commissioner Butcher – Yes, Commissioner Bengé – Yes, Commissioner Trujillo – Yes, and Mayor Gandy - Yes. Motion was approved.

**Consider Approval of Resolution 2014-45: Grant Agreement Between New Mexico DFA and City of Lovington for Chaparral Park Irrigation System:** Mayor Gandy called for a motion to approve the resolution 2014-45: grant agreement between New Mexico DFA and City of Lovington. City Manager Williams addressed the Commissioners to grant agreement with the NM Department of Finance and Administration for the Chaparral Park Irrigation System Project allocated funds of \$50,000.00. This grant will partially fund the first phase of this project. Commissioner Bengé so moved. Commissioner Butcher seconded and a roll call was taken: Commissioner Trujillo – Yes, Commissioner Bengé – Yes, Commissioner Campos – Yes, Commissioner Butcher – Yes, and Mayor Gandy – Yes. Motion was approved.

**Consider Approval of Accounts Payable:** Mayor Gandy called for a motion to approve the accounts payable. Commissioner Butcher so moved. Commissioner Bengé seconded and a roll call was taken: Commissioner Campos – Yes, Commissioner Butcher – Yes, Commissioner Trujillo – Yes, Commissioner Bengé – Yes and Mayor Gandy - Yes. Motion was approved.

**PUBLIC COMMENT:** None

**CLOSED SESSION:**

At 5:55 p.m., Commissioner Trujillo moved to adjourn Regular Session and convene in Closed Session: Pursuant to Section 10-15-1 NMSA 1978, Subsection H-8 regarding the purchase, acquisition, or disposition of real property or water rights and Subsection H-2 regarding limited personnel matters. Commissioner Campos seconded and a roll call vote was taken: Commissioner Bengé - Yes; Commissioner Trujillo - Yes; Mayor Gandy – Yes; Commissioner Butcher – Yes; and Commissioner Campos - Yes.

At 6:15 p.m., Commissioner Trujillo so moved to adjourn Closed Session and reconvene in Regular Session stating that matters discussed were limited only to those specified in the motion and no action was taken. Commissioner Bengé seconded and a roll call vote

was taken: Mayor Gandy - Yes; Commissioner Bengé - Yes; Commissioner Trujillo - Yes; Commissioner Butcher – Yes; and Commissioner Campos - Yes.

**ADJOURNMENT:**

There being no further business the meeting adjourned at 6:16 p.m.

**APPROVED:** \_\_\_\_\_  
**SCOTTY GANDY, MAYOR**

**ATTEST:** \_\_\_\_\_  
**CAROL ANN HOGUE, CITY CLERK**

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 22, 2014



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

**SUBJECT:** Ordinance 528 Public Comment  
**DEPARTMENT:** Executive  
**SUBMITTED BY:** James R. Williams, City Manager  
**DATE SUBMITTED:** September 16, 2014

**STAFF SUMMARY:**

Staff are requesting a specific public comment period during tonights meeting for Ordinance 528 - Local Option Hold Harmless 3/8's Tax.

We suggest limiting comment to no more than 5 minutes per individual.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

**ATTACHMENTS:**

**RECOMMENDATION:**

Non-action item.

\_\_\_\_\_  
Department Head

James R. Williams  
City Manager

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 22, 2014



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

**SUBJECT:** Discussion of School Resource Officer MOU  
**DEPARTMENT:** Executive  
**SUBMITTED BY:** James R. Williams, City Manager  
**DATE SUBMITTED:** September 16, 2014

**STAFF SUMMARY:**

Staff have prepared a MOU between the City and the Lovington Municipal School District for a School Resource Officer Program. This document has been provided to the District for their review and comment as well.

The attachments in this packet include the agreement, potential term, and cost per entity.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

See packet detail

**ATTACHMENTS:**

MOU Proposal

**RECOMMENDATION:**

Discussion only.

\_\_\_\_\_  
Department Head

James R. Williams  
City Manager



# City of Lovington

214 S. Love St.  
PO Box 1268  
Lovington, NM 88260

Bus: 575-396-2884  
Fax: 575-396-6328  
[jwilliams@lovington.org](mailto:jwilliams@lovington.org)

September 11, 2014

Darin Manes  
Lovington Municipal School District  
18 W. Washington  
Lovington, NM 88260

Mr. Manes,

Enclosed you will find a proposed MOU regarding the placement of a SRO at Lovington High School. This agreement is modeled from a version obtained from a community in Oregon. Most importantly, it references and utilizes framework set forth by the National Association of School Resource Officers. I have sent the proposed MOU to the City Attorney for his review, comment, and changes. Please review the content of the agreement to ensure it identifies and meets the Districts needs and satisfies your legal counsel.

We have attached a detailed listing of the cost of the program. During our previous discussions, it was the opinion of City staff that the District would find a 50/50 split of the costs favorable. City staff reviewed several options in regards to the amount the District would need to provide to the City. The two options we have identified is a 3 year contract or a 5 year contract. To determine the cost, the annual salary and benefits (without anticipated increases) were totaled and divided by 2. Next, the cost of the vehicle and equipment were totaled, divided by two, and then divided by the term of the proposed contract. Below is a comparison of costs for the proposed contract terms:

	<b>3 Year Contract</b>	<b>5 Year Contract</b>
Salary Share per Year	\$37,060.50	\$37,060.50
Vehicle and Equipment Share per Year	\$8,080.67	\$4,848.40
<b>TOTAL ANNUAL COST</b>	<b>\$45,141.17</b>	<b>\$41,908.90</b>

We look forward to your response and working with you. Please do not hesitate to contact me should you require additional information or further dialogue.

Sincerely,

James R. Williams  
City Manager

Attachments: MOU, Cost Detail, NASRO Information

**THIS MEMORANDUM OF UNDERSTANDING** is made this \_\_\_\_\_ day of \_\_\_\_\_, 2014, between the City of Lovington, a municipal corporation, hereinafter known as "City", and the Lovington Municipal School District Board of Directors, hereinafter known as "District".

**1.0 PURPOSE**

The memorandum of understanding (hereinafter "MOU") formalizes the relationship between the participating entities in order to foster an efficient and cohesive program that will build a positive relationship between law enforcement and the youth of our community, with the goal of reducing crime committed by juveniles and young adults. This MOU delineates the mission, organizational structure, and procedures of the School Resource Officer Program (hereinafter the "SRO Program") as a joint cooperative effort between the City and District. The success of this program relies upon the effective communication between all involved employees, the principal of each individual school, and other key staff members of each organization.

**2.0 TERM**

The term of this MOU shall begin on \_\_\_\_\_ and end on \_\_\_\_\_, unless terminated earlier as provided herein. The parties may renew this MOU only by separate written agreement or addendum hereto, which must be executed by both parties.

**3.0 COMPENSATION**

Subject to the terms and conditions set forth below, the District covenants and agrees to pay to the City, the total sum of \$\_\_\_\_\_ for the SRO Program. (This sum is meant to cover fifty percent (50%) of the costs of the program)

**4.0 PAYMENT**

On execution of the agreement, two payments, quarterly payments?

**5.0 MISSION, GOALS, OBJECTIVES**

The mission of the SRO Program is the reduction and prevention of school related violence and crime committed by juveniles and young adults. The SRO Program aims to create and maintain safe, secure, and orderly learning environments for students, teachers and staff. This is accomplished by assigning a Law Enforcement Officer employed by the City (hereinafter referred to as "SRO") to District facilities on a permanent basis.

Goals and objectives are designed to develop and enhance rapport between youth, police officers, school administrators, and parents. Goals of the SRO program include:

1. Reduce incidents of school violence.
2. Maintaining a safe and secure environment on school grounds.
3. Reduction of criminal offenses committed by juveniles and young adults.
4. Establish a rapport between the SRO and the student population.
5. Establish a rapport between the SRO and parents, faculty, staff, and administrators.

Moreover, the SRO will establish a trusting channel of communication with students, parents, and teachers. The SRO will serve as a positive role model to instill in students good moral standards, good judgment and discretion, respect for other students, and a sincere concern for the school community. The SRO will promote citizen awareness of the law to enable students to become better informed and effective citizens, while empowering students with the knowledge of law-enforcement efforts and obligations regarding enforcement as well as consequences for violation of law. The SRO can serve as a confidential source of counseling for students and parents concerning problems they face as well as providing information on community resources available to them.

## **6.0 ORGANIZATIONAL STRUCTURE**

- A. Composition. The Lovington Police Department shall assign one (1) full-time law enforcement officer to serve as SRO. The City shall retain the exclusive right to exercise the customary functions of management. The SRO will be certified by the State of New Mexico and meet all requirements as set forth by the New Mexico Department of Public Safety Standards and Training.
- B. Supervision. The day-to-day operation and administrative control of the SRO Program will be the responsibility of the Police Department. Responsibility for the conduct of the SRO, both personally and professionally, shall remain solely with the Lovington Police Department. The SRO is employed and retained by the City, and in no event will be considered an employee of the District.

## **7.0 PROCEDURES**

- A. Selection. The SRO position will be filled per Police Department directives and selection process. The City will make the final selection of any SRO vacancy, however, input will be solicited from the District.
- B. SRO Program Structure. The SRO Program shall utilize the SRO Triad concept as set forth by NASRO (National Association of School Resource Officers), which is attached hereto and incorporated herein by reference.

Under this framework, the SRO is first and foremost a law enforcement officer for the providing law enforcement agency. The SRO shall be responsible for carrying out all duties and responsibilities of a law enforcement officer and shall remain at all times under the control, through the chain of command, of the Lovington Police Department. All acts of commission or omission shall conform to the guidelines of the Police Department. School officials should ensure that non-criminal student disciplinary matters remain the responsibility of school staff and not the SRO. Enforcement of the code of student conduct is the responsibility of teachers and administrators. The SRO shall refrain from being involved in the enforcement of disciplinary rules that do not constitute violations of law, except to support staff in maintaining a safe school environment.

The SRO is not a formal counselor or educator, and will not act as such. However, the SRO may be used as resource to assist students, faculty, staff, and all persons involved with the school. The SRO can be utilized to help instruct students and staff on a variety of subjects, ranging from alcohol and drug education to formalized academic classes. The SRO may use these opportunities to build rapport between the students and staff. The City recognizes, however, that the District shall maintain full, final, and plenary authority over curriculum and instruction in the school district, including the instruction of individual students. The parties recognize and agree that classroom instruction is responsibility of the classroom teacher, not the City or its employees, and the City and its employees shall not attempt to control, influence, or interfere with any aspect of the school curriculum or classroom instruction except in emergency situations.

## **8.0 DUTIES AND RESPONSIBILITIES**

- A. SRO. The responsibilities of the SRO will include but are not limited to:
  - 1. Enforce criminal law to protect students, staff, and public at large against criminal activity. The SRO shall follow the chain of command as set forth in the policies and procedures manual of the Lovington Police Department. School authorities and the parents of any child involved shall be notified as quickly as possible when the SRO takes any direct law

enforcement action involving a student, on-campus or off-campus, during school hours.

2. Complete reports and investigate crimes committed on campus.
3. Coordinate, whenever practical, investigative procedures between law enforcement and school administrators. The SRO shall abide by all applicable legal requirements concerning interviews for searches should it become necessary to conduct formal law enforcement interviews or searches with students or staff on property or school functions under the jurisdiction of the Lovington Police Department. The SRO will not be involved in searches conducted by school personnel unless a criminal act is involved or unless school personnel require the assistance of the SRO because of exigent circumstances, such as the need for safety or to prevent flight. Formal investigations and arrests by law enforcement officials will be conducted in accordance with applicable legal requirements.
4. Take appropriate enforcement action on criminal matters as necessary. The SRO shall, whenever practical, advise the principal before requesting additional enforcement assistance on campus and inform the principal of any additional law enforcement responsibilities that may need to be undertaken.
5. The SRO will wear the Lovington Police Department issued uniform with all normal accessories and equipment, including a taser and firearm.
6. Confirm with the principal to develop plans and strategies to prevent and/or minimize dangerous situations on or near the campus or involving students at school related activities.
7. Comply with all laws, regulations, and school board policies applicable to employees of the District, including but not limited to laws, regulations, and policies regarding access to confidential student records and or the detention, investigation, and searching of students on school premises, provided the SRO shall under no circumstances be required or expected to act in a manner inconsistent with their duties as law enforcement officers. The use of confidential school records by the SRO shall be done only with the principal's approval and as allowed under the Family Educational Rights and Privacy Act (FERPA). Any existing rights or benefits personnel assigned under this agreement shall not be abridged, and remain in full effect.

8. Provide information concerning questions about law enforcement topics to students and staff.
  9. Develop expertise in presenting various subjects, particularly in meeting federal and state mandates and drug/alcohol abuse prevention and education, and provide these presentations at the request of the school personnel in accordance with the establish curriculum.
  10. Prepare lesson plans necessary for approved classroom instruction.
  11. The SRO shall attend varsity football and basketball games. Other school special events outside of the normal workweek will require prior approval by the Chief of Police.
  12. Attend law enforcement agency in-service training as required. Reasonable attempts will be made to schedule such training to minimize his/her absence from school on an instructional day.
  13. Attend meetings of parent and faculty groups to solicit their support and understanding of the school resource program and to promote awareness of law-enforcement functions.
  14. The SRO will be familiar with all community agencies offering assistance to youth and their families such as mental health clinics, drug treatment centers, etc., and may make referrals when appropriate.
  15. It is the responsibility of the SRO to report schedule conflicts to the District.
- B. District. The responsibility of the District will include but is not limited to:
1. The District shall provide the SRO with a private, appropriately furnished and climate controlled office space at the high school that can be secured and is reasonably acceptable to the Police Department. This shall include but is not limited to a desk with drawers, chair, filing cabinets for files and other records which can be properly locked and secured, telephone, and a computer (if we supply the computer, we would need access to the network or Wi-Fi.)
  2. Reasonable opportunity to address students, teachers, school administrators, and parents about the SRO program, goals, and objectives. Administrators shall seek input from the SRO regarding criminal justice problems relating to students and site security issues.

3. When school personnel discover weapons, drugs, alcohol, or the illegal contraband on school property, the SRO shall be notified as soon as reasonably possible. If no juvenile or criminal charges are to be filed and no administrative action is to be taken by the school or District, the contraband shall be confiscated by the SRO according to Police Department policy and properly disposed of.
4. School personnel shall timely notify the SRO with the names of specific individuals who are not allowed on school property, and shall notify the SRO of any anticipated parental problems resulting from disciplinary action taken against a student.
5. Work cooperatively with the police department to make any needed adjustments to the SRO program throughout the year.
6. Provide the Police Department with updated copies of all laws, rules, regulations, and school board policies applicable to employees of the District, including but not limited to laws, rules, regulations and policies regarding access to confidential student records and/or the detention, investigation, and searching of students on school premises.
7. Provide the SRO with equipment required to access the school wireless communication system.

## **9.0 ENFORCEMENT**

Although the SRO has been placed in a formal educational environment, he/he are not relieved of the official duties as a law enforcement officer. The SRO shall intervene when it is necessary to prevent any criminal act or maintain a safe school environment. Citations shall be issued and arrests made when appropriate and in accordance with New Mexico law and department policy. The SRO and the Lovington Police Department will have a final decision on whether criminal charges shall be filed.

The Lovington Police Department will reserve the right to temporarily remove the SRO in the event that additional officers are needed during a critical incident or natural disaster.

## **10.0 TERMINATION**

This agreement may be terminated by either party, with or without cause, upon thirty (30) days written notice to the other party.

## **10.0 HOLD HARMLESS**

The District shall indemnify, defend, and hold harmless the City, its employees, agents, officers and officials from any and all claims, demands, losses, causes of action, costs, expenses, and liability of any nature whatsoever, including court costs, attorney's fees, and any expenses incurred in enforcing this provision, which may result from, arise out of, be related to, or in any way be connected with the City of Lovington providing the SRO Program to the District; provided, however, that nothing shall be construed to require or obligate the District to indemnify the City of Lovington against or hold the City harmless from the City's own negligent acts or omissions.

#### **11.0 GOVERNING LAWS AND PROVISIONS**

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

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

#### **12.0 NOTICE**

All notices to be given with respect to this agreement shall be given in writing. Each notice shall be sent either by certified mail, postage prepaid, and return receipt requested to the party to be notified, or by personal delivery at the address set forth herein or at such other address as either party may from time to time designate in writing.

City of Lovington  
Chief of Police  
214 S. Love  
Lovington, NM 88260

Lovington Municipal School District

#### **13.0 ENTIRE AGREEMENT**

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

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

**City of Lovington**

**Lovington Municipal School District**

\_\_\_\_\_  
By: Scotty Gandy, Mayor

\_\_\_\_\_  
By: Board President

ATTEST: Lovington City Clerk

ATTEST: Board Secretary

\_\_\_\_\_  
Carol Ann Hogue

APPROVED AS TO FORM:

\_\_\_\_\_  
Patrick McMahon, City Attorney

\_\_\_\_\_  
, Attorney

**SRO Program Cost  
1 Officer**

<b>OFFICER SALARY &amp; BENEFITS</b>	
<b>Item</b>	<b>Total</b>
Base Salary	\$ 45,427
Annual Overtime Estimate	\$ 2,600
FICA	\$ 3,674
Pension	\$ 4,724
Insurance	\$ 17,696
<b>SALARY &amp; BENEFITS TOTAL: \$ 74,121</b>	

<b>OFFICER VEHICLE</b>	
<b>Item</b>	<b>Total</b>
2015 Ford Tarus	\$ 34,000
Vehicle Equipment	\$ 7,000
<b>VEHICLE TOTAL: \$ 41,000</b>	

<b>OFFICER TRAINING</b>	
<b>Item</b>	<b>Total</b>
SRO Training/Certification	\$ 495
<b>TRAINING TOTAL: \$ 495</b>	

**TOTAL SRO PROGRAM COST**  
\$ 123,100

<b>OFFICER EQUIPMENT</b>	
<b>Item</b>	<b>Total</b>
Glock Model 22, 40 caliber	\$ 550
Vest, Level 3	\$ 880
Taser X2	\$ 1,600
Radio	\$ 3,500
Asp	\$ 46
S&W Cuffs	\$ 40
OC spray	\$ 15
Cuff key	\$ 10
Holster, Level 2	\$ 105
Radio clip	\$ 35
Asp holder	\$ 16
Magazine pouch	\$ 32
Belt keeper	\$ 14
Cuff case	\$ 24
Mace case	\$ 19
Duty belt	\$ 40
Inner belt	\$ 18
Jacket	\$ 120
Shirts, Long	\$ 98
Shirts, Short	\$ 114
Pants	\$ 117
Tie	\$ 6
Badge	\$ 85
<b>EQUIPMENT TOTAL: \$ 7,484</b>	

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 22, 2014



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

**SUBJECT:** Lodger Tax Board Appointment  
**DEPARTMENT:** Executive  
**SUBMITTED BY:** James R. Williams, City Manager  
**DATE SUBMITTED:** September 16, 2014

**STAFF SUMMARY:**

City staff have received interest from Art Sanchez of Cornerstone Coffee to serve on the Lodgers Tax Board.

This appointment will fill the recent vacancy on this board.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

**RECOMMENDATION:**

Motion to appoint.

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 22, 2014



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

SUBJECT: Resolution 2014-46: Pay and Classification Plan Agreement  
DEPARTMENT: Executive  
SUBMITTED BY: James R. Williams, City Manager  
DATE SUBMITTED: September 16, 2014

**STAFF SUMMARY:**

Staff have received a professional services agreement from The Mercer Group, Inc. which will authorize them to conduct a Pay and Classification Plan study and update. This study will include a comparison of Lovington with seven other municipalities of similar demographics. This study will include information gathering, job description and classification review, salary surveys, on site visits, report preparation, and fiscal impact reports. The entire process will take approximately thirteen weeks once a notice to proceed is provided.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

Project Fee: \$8,500 (this amount meets requirements of the procurement code)

Direct costs will be printing and binding fees, travel costs per current GSA and mileage rates.

**ATTACHMENTS:**

Resolution 2014-46  
Proposal and Professional Services Agreement

**RECOMMENDATION:**

Motion to approve Resolution 2014-46.

\_\_\_\_\_  
Department Head

\_\_\_\_\_  
*James R. Williams*  
City Manager

**RESOLUTION 2014-46**

**WHEREAS**, the City of Lovington has a Pay and Classification Plan in place; and

**WHEREAS**, it is recommended that municipalities update their pay and classification every five years in order to remain competitive in their pay structure; and

**WHEREAS**, this update process would require a comparison with other New Mexico municipalities of similar demographics; and

**WHEREAS**, The Mercer Group, Inc. has provided the City with a proposal that will compare the current pay and classification plan with similar municipalities and provide an implementation plan if adjustments are recommended.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Commission authorizes the Mayor to enter into a Professional Services Agreement with The Mercer Group, Inc. to prepare an updated Pay and Classification Plan for the City of Lovington.

DONE THIS 22<sup>nd</sup> DAY OF SEPTEMBER, 2014.

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Scotty Gandy, Mayor

ATTEST:

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Carol Ann Hogue, City Clerk



**The Mercer Group, Inc.**

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Consultants to Management

# Proposal to Conduct a Pay and Classification Plan for the City of Lovington, New Mexico

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August 25, 2014

**Submitted by**

**THE MERCER GROUP INC.**

1000 Cordova Place, #726  
Santa Fe, New Mexico 87505

[www.mercergroupinc.com](http://www.mercergroupinc.com)

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## **Organization and Background**

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The Mercer Group, Inc. is pleased to submit this proposal to survey and prepare an updated Pay and Classification Plan for the City of Lovington. This proposal has been prepared to reduce the cost to the City by preparing a consolidated survey report during the same time period with other comparable sized cities in New Mexico. The report will be prepared by surveying comparable sized cities for each of the job classifications, and determining the prevailing market rates for each classification.

The Mercer Group, Inc. provides exceptionally high quality management consulting services to state and local governments, transit authorities, health care providers, utilities, special districts, and private sector clients. Specialty practice areas include: salary and classification surveys, executive recruitment, organization and operations analysis, strategic planning, organizational climate surveys, and general management consulting.

Our key consultants have provided professional services for hundreds of public sector organizations nationally and can offer numerous references as testimony of our work. This important engagement will be conducted under the direction of Mr. James L. Mercer, President of the Mercer Group. Listed below are the qualifications of the project team:

### *Project Team Members*

#### *1. James L. Mercer, President - Atlanta and Santa Fe Offices*

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Mr. Mercer holds a Master of Business Administration degree from the University of Nevada, Reno, and a Bachelor of Science degree in Industrial Management from the same institution. He has also received a Certificate in Municipal Administration from the University of North Carolina at Chapel Hill and is a graduate of the Executive Development Program at Cornell University. Mr. Mercer is a Certified Management Consultant (CMC) and has more than 30 years of experience in executive search and management consulting. He has authored or co-authored six books and has written more than 250 articles on various management topics. His experience covers the following functional areas: executive search, organization and operations analysis, management systems, productivity improvement, seminars/training, goal setting, strategic planning, privatization, government, and general consulting.

## *2. Gustavo "Gus" Cordova, Senior Vice President – Santa Fe*

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Mr. Cordova holds a Master of Science degree and a Bachelor of Science degree from New Mexico Highlands University. He also holds a graduate diploma from the U.S. Army Command and General Staff College in Fort Leavenworth Kansas. Mr. Cordova is a Credentialed Manager (ICMA-CM) with the International City/County Management Association, and has over 25 years of experience in local government management in New Mexico. Mr. Cordova served as the Regional Vice President of ICMA, and as a member of the Committee on Professional Conduct. He has served as City Manager in Taos and in Espanola; and as the Executive Director of the New Mexico Association of Counties. He holds the rank of Colonel with the U.S. Army Reserve, and is a veteran of over 27 years of military service. Amongst his many distinguished recognitions, he is the recipient of the Profile in Courage Award and the New Mexico Distinguished Public Service Award. His experience includes over seven years of executive recruitment for City and County Managers and other key local government officials through the Mercer Group. He also specializes in strategic planning and priority setting for elected officials, planning and development of municipal budgets, preparation of pay and classification plans, organizational assessment surveys, and general consulting for local governments.

## *3. Vivian V. Santistevan, Taos HR Ganics, Taos*

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Ms. Santistevan holds a Master of Arts degree in Human Resource Management from New Mexico Highlands University. She is also a graduate of the Human Resource Management School at Fort Benjamin Harrison, Indiana, and a graduate of the Senior Officer Staff College in Fort Leavenworth, Kansas. She is the current owner and President of Taos HR Ganics which provides professional services to small business, local governments, and non-profit agencies in employment law, human resource solutions, best practices, organizational development, and business performance improvement. She has previously served as the Director of Human Resources and Training Manager in the public, tribal, and private sectors. She has over 20 years' experience with documented success in the areas of human resources management, strategic planning, recruiting, executive coaching, training, and organizational development.

#### *4. Diane R. Cordova, Independent Consultant, Santa Fe*

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Ms. Cordova holds a Master's in Business Administration (MBA), and a BBA in Management from New Mexico Highlands University. She is the previous co-owner of CRJ and Company, a management and Human Relations professional business services company located in Santa Fe. She is also a former Director of Human Services and Executive Management member for First Choice Healthcare in Albuquerque. Prior to that, she was the Executive Management member and Striving Towards Improvement Coordinator for Northeastern Regional Hospital in Las Vegas. Her expertise is in Human Relations policy development, career development, professional development training, quality improvement, self-directed work team training, and development of personnel job descriptions and pay plans.

### **SCOPE OF SERVICES**

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The Mercer Group Inc. will conduct a review of the Job Descriptions of all City employees to determine appropriate job classifications when compared to comparable communities, collect employee salary data, and perform a salary survey to update the Pay and Classification plan based on employee classifications. Pay plans become outdated over time and require updating in order to keep up with prevailing market rates. The desired outcome is to provide the City with a completed report as to how their current salaries compare to the prevailing market rates for each employee classification.

The Mercer Group Inc. proposes the following scope of services:

1. The Mercer Group will meet with the City Manager, the HR Director, and other staff as designated by the City Manager. During this meeting, we will go over the proposal to obtain a clear understanding of the project goals and the expected outcomes. A timeline will be presented and agreed to. Finally, the cost of services will be reviewed and agreed to. The City Manager would issue a notice to proceed, and the contract will be executed.
2. The Mercer Group will schedule a follow-up meeting with the HR Director and staff designated by the City Manager to review the current Job Descriptions, evaluate any issues with the current descriptions, and formulate specific recommendations if needed. In some cases, a new job description may need to be prepared, and recommendations will be made on how to accomplish this. The desired outcome is to identify the number of job classifications to be surveyed based on the amended job descriptions. This review

will be performed by the Mercer Group. It is anticipated that this review may require a couple of days on-site to complete.

3. The Mercer Group has identified the comparable sized communities that will be used in the salary survey as part of this proposal. The demographics of the comparable sized cities will be presented in a matrix. If deemed necessary, adjacent county governments or relevant employers may be selected for the survey in the event one of the selected communities is unable to participate. The desired outcome is a list of 8 comparable employers to be surveyed based on similar demographics.
4. The City will provide the Mercer Group with a copy of the most recent Pay and Classification Plan (if available), and a copy of the Salary and Benefits schedule that is submitted to Local Government Division with the annual operating budget. In addition, the City will also provide a listing of each employee, their current job classification, their starting salary, current salary, and the number of years of service in current classification will be needed for each employee.
5. The Mercer Group will create a series of worksheets that include each job classification, the participating survey cities, and the average rate of pay for each classification. The matrix would reflect the average rate of pay, and calculate the external aged midpoint for each classification. Copies of this matrix would be used to obtain the salary data from the surveyed communities. The desired outcome is to establish the prevailing market rates for each job classification. In addition, the survey will also obtain data on the fringe benefits and compare them as part of this analysis
6. The Mercer Group will schedule and arrange a site visit with the City Manager and the HR Director in each of the comparable sized communities. During these meetings, they would be briefed on the purpose of the survey and asked to participate in the survey by providing the salary data in the above mentioned paragraph. In consideration for their participation in the survey, they would be provided with a summary of the final report.
7. Once the salary data is obtained from each of the comparable sized communities, the Mercer Group will conduct a competitive pay practice analysis that will illustrate the City's position in relation to its labor market, and provide recommendations on salary plan development, design, and implementation strategies that support the pay policies of the City.

8. Prepare a Permanent Pay Range Structure graphic that will be utilized in establishing the salary range for each job classification. This structure will include the minimum, midpoint, and maximum salary for each range in the classification.
9. Prepare a Pay Range Assignment graphic(s) that will list each of the job classifications and the recommended pay range based on the Permanent Pay Range Structure. The chart will show the pay range, the minimum, midpoint, and maximum pay for each job classification. The Mercer Group recommends that the City adopt a policy to place its pay competitiveness at 95% and 100% of the prevailing market rates paid for similar occupations within the labor market. At this rate, it allows the City to compete for high quality employees based on the market rates.
10. Prepare an Outline of Job Classes. Using the data obtained in the Pay Range Assignment graphics, a separate graphic would be prepared to show the occupational job families and job classes. It should be noted here that in the event a City has a job classification that is not comparable to those of the surveyed cities, every effort will be made to match that classification using the job descriptions.
11. Prepare a Recommended Classification of Individual Positions for each of the two participating Cities. This position classification plan will list the employees by name, department, current job classification, and the recommended Job classification.
12. Finally, an Implementation and Fiscal Impact Report will be prepared to show the fiscal impact upon the City at the 95% and 100% of prevailing market rates is adopted by the City. The report would show current salary by employee, the recommended adjustments based on the survey results, and the total fiscal impact if adopted.
13. The Mercer Group will then meet with the City Manager, the HR Director and other staff designated by the Manager to review the preliminary report. This presentation will include the results of the market survey of the comparable sized communities. The report will also include recommendations by the Mercer Group on position classification, and the new salary ranges for each classification.
14. Delivery of final report to the City Manager. During this meeting, time has been reserved in the event the City Manager desires a presentation to the Mayor and Council, members of the staff, or both.

## **PROJECT FEE AND BILLING**

The regular and customary fee charged by the Mercer Group for similar sized cities varies from \$12,800.00 to \$15,000.00. The Mercer Group Inc. has agreed to perform the professional services outlined in the Scope of Services to conduct a Pay and Classification Plan for the City of Lovington for a **reduced fee of only Eight thousand five hundred dollars (\$8,500.00) plus gross receipts taxes and direct costs. This reduced fee is made possible by performing the above described services for each of the comparable sized cities during the same time period.**

The following shows our estimated breakdown of primary tasks related to the Scope of Services as described previously:

- A. Information gathering, job description and classification review
- B. Salary survey, visits with comparable cities, and data collection
- C. Job classification, market analysis, and report preparation

**Total Project Fee**

**\$8,500.00**

Direct Costs:

- A. Printing and binding costs of preliminary and final reports. These costs will be billed to the City based on actual cost receipts from FedEx Office. The City Manager will determine how many copies will be needed for both preliminary and final reports.
- B. Travel costs will be billed to the City based on current GSA per diem and mileage rates.

Billing: Invoices will be sent to the City after the completion of each of the above three phases. Any direct costs incurred will be included in each invoice. The City will promptly pay each invoice within 10 working days after receipt.

## **PROPOSED TIMELINE**

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The Mercer Group Inc. estimates project completion within thirteen weeks after receiving a notice to proceed. This assumes that each of the comparable sized cities provide the survey data in a timely manner. The eight comparable sized cities have identified as part of this proposal. The Mercer Group retains the right to substitute another similar City for the survey in the event we are unable to obtain the completed survey from one or more of the comparable sized cities.

It is understood by both parties that timely completion of this project anticipates reasonable access to relevant information, documents, files, and most important, the cooperation of your staff.

1. Task A – Information gathering, job description and classification review phase is expected to take approximately four weeks.
2. Task B – Salary surveys, visits with comparable sized cities, and data collection phase is expected to take approximately five weeks.
3. Task C – Job classifications, market analysis, and report preparation phase is expected to take approximately four weeks.

## **PROFESSIONAL SERVICES AGREEMENT**

**THIS AGREEMENT** is made and entered into by and between the City of Lovington, a municipal corporation, hereinafter referred to as the "City", and Mercer Group Inc., hereinafter referred to as the "Consultant".

### **IT IS MUTUALLY AGREED BETWEEN THE PARTIES:**

#### 1. Scope of Work.

Consultant shall prepare a Pay and Classification Plan for the employees of the City based on the work plan and Scope of Services outlined in the attached proposal. The proposal is identified as Attachment A, and also incorporated hereto by reference, and made a part of this agreement.

#### 3. Compensation.

The City shall pay to Consultant for professional services rendered in the amount of \$8,500.00, plus applicable gross receipts taxes travel, and direct expenses incurred in the performance of this agreement. Direct expenses include the costs incurred in travel, preparing reports, printing and copying costs, and handouts as required.

The New Mexico gross receipts tax levied on the amounts payable under this Agreement shall be at the rate at Consultant's office in Santa Fe. Consultant shall be responsible for reporting and paying any taxes owed on money received under this agreement.

The City shall pay Consultant upon receipt of a periodic detailed statement for services performed and direct expenses incurred hereunder within 15 days after receipt of invoice.

#### 3. Term.

**THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE CITY.**

The term of this agreement shall be for a period not to exceed 120 days from the date it is approved by the Council. It is agreed by the parties that this agreement shall terminate following the completion of the scope of services, and the submittal of a final invoice by the Consultant to the City Manager.

#### 5. Termination.

This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. By such termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination.

#### 6. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City of Lovington Council for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Council, this Agreement shall

terminate upon written notice being given by the City to Consultant, and payment for services performed up to the date of termination. The City's decision as to whether sufficient appropriations are available shall be accepted by Consultant and shall be final.

7. Status of Consultant.

Consultant and its agents and employees are independent Consultants performing professional services for the City and are not employees of the City of Lovington. Consultant and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City of Lovington as a result of this Agreement.

Consultant acknowledges that all sums received hereunder are personally reportable by it for income tax purposes as self-employment or business income and are reportable for self-employment tax.

8. Assignment.

Consultant shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the City.

9. Subcontracting.

Consultant shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

10. Records and Audit.

Consultant shall maintain detailed records of work performed and nature of services rendered. These records shall be subject to inspection by the City and the City Auditor. The City shall have a right to audit billings both before and after payment; payment under this Agreement.

11. Release.

Consultants' acceptance of final payment of the amount due under this Agreement shall operate as a release of the City, its officers and employees, and the City of Lovington from all liabilities, claims and obligations whatsoever arising from or under this Agreement. Consultant agrees not to purport to bind the City of Lovington unless Consultant has express written authority to do so, and then only within the strict limits of that authority. The City's final payment shall also serve as a release to the Contractor that all work was performed as expected by the City.

12. Confidentiality.

It is understood by both parties that all information compiled, provided, or developed by Consultant in the performance of this Agreement may be subject to the Public Records Act. However the release of such information to the public is the responsibility of the City, and not the Consultant. The parties also agree that the process and procedures used by the Consultant in the preparation of the reports are proprietary in nature. The City designates the Manager to serve as the point of contact for all inquiries from the news media in regard to this agreement. Consultant shall refer all inquiries from the news media to the Manager for appropriate response.

13. Product of Service.

The preliminary and final reports prepared by Consultant under this Agreement shall be delivered to the City no later than the termination date agreed upon by the City and Consultant, the date of which has yet to be determined. It is understood by both parties that the reduced fees charged for the above described scope of services is based on using data obtained from comparable sized communities, and sharing such data to determine prevailing market rates. All materials must be submitted to the City in hard copy or electronic form.

14. Conflict of Interest.

Consultant warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement. Consultant certifies that the requirements of the Governmental Conduct Act, Sections 10-16-1 through 10-16-18 NMSA 1978, regarding contracting with a public officer or City employee have been followed.

15. Amendment.

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto.

16. Insurance.

Consultant agrees to maintain in full force and effect during the term of this agreement professional liability insurance. Said policy of insurance shall include coverage for the scope of services to be performed for the City by Consultant. Insurance coverage for the use of automobiles used by the Consultant in the performance of this contract shall be no less than required by State law.

Workers' Compensation Insurance. Consultant shall provide for its employees workers' compensation insurance, as applicable, under the New Mexico Workers' Compensation Act.

17. Merger.

This Agreement incorporates all the agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

18. Notice.

This agreement has been entered into by the City in accordance with the New Mexico Procurement Code. Both parties understand that Sections 13-1-28 through 13-1-199 NMSA 1978, imposes civil and criminal penalties for its violation of that Code. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

19. Equal Opportunity Compliance.

Consultant agrees to abide by all federal and state laws and rules and regulations of the City Council of the City of Lovington, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, Consultant agrees to conduct the scope of work

so that assure no person shall, on the grounds of race, religion, color, national origin, ancestry, sex, age or handicap, be excluded from consideration with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement.

20. Applicable Law.

This Agreement shall be governed by the laws of the State of New Mexico. Consultant agrees to comply with state laws and rules applicable to workers compensation benefits for its employees.

**IN WITNESS WHEREOF**, parties have executed this Agreement as of the date of signature by the City of Lovington, below.

**CITY OF LOVINGTON**

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

**Date of Approval:** \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Approved as to form:

City Attorney

**CONTRACTOR:**

By: \_\_\_\_\_  
James Mercer, President  
Mercer Group, Inc.  
Federal Tax Identification No.: 58-1877068  
1000. Córdoba Place #726  
Santa Fe, New Mexico 87505

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 22, 2014



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

SUBJECT: Ordinance 528 - Hold Harmless 3/8 Local Option  
DEPARTMENT: Executive  
SUBMITTED BY: James R. Williams, City Manager  
DATE SUBMITTED: September 16, 2014

**STAFF SUMMARY:**

Ordinance 528: 3/8's Hold Harmless Gross Receipts Tax has been advertised as required.

The Ordinance will establish a Capital Improvement Fund as well as ensuring a distribution of 30% of the revenues generated by the 3/8's Tax to the General fund. During the first 15 years, the distribution to the General Fund will be equivalent to the percentage of the Hold Harmless Distribution being eliminated by the State.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

See attached detail of anticipated revenues

**ATTACHMENTS:**

Ordinance No 528  
Anticipated Revenues

**RECOMMENDATION:**

Motion to approve Ordinance 528.

If adopted, this tax will be implemented January 1, 2015.

\_\_\_\_\_  
Department Head

James R. Williams  
City Manager

## ORDINANCE NUMBER 528

### ADOPTING A MUNICIPAL HOLD HARMLESS GROSS RECEIPTS TAX

#### BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LOVINGTON:

**Section 1. Imposition of Tax.** There is imposed on any person engaging in business in this municipality for the privilege of engaging in business in this municipality an excise tax equal to three eighths of one percent (.375%) of the gross receipts reported or required to be reported by the person pursuant to the New Mexico Gross Receipts and Compensating Tax Act as it now exists or as it may be amended. The tax imposed under this ordinance is pursuant to the Municipal Local Option Gross Receipts Taxes Act as it now exists or as it may be amended and shall be known as the “municipal hold harmless gross receipts tax.”

**Section 2. General Provisions.** This ordinance hereby adopts by reference all definitions, exemptions, and deductions contained in the Gross Receipts and Compensating Tax Act as it now exists or as it may be amended.

**Section 3. Specific Exemptions.** No municipal hold harmless gross receipts tax shall be imposed on the gross receipts arising from:

- A. transporting persons or property for hire by railroad, motor vehicle, air transportation or any other means from one point within the municipality to another point outside the municipality,
- B. a business located outside the boundaries of a municipality on land owned by that municipality for which a state gross receipts tax distribution is made pursuant to Subsection C of Section 7-1-6.4 NMSA 1978; or
- C. direct broadcast satellite services.

**Section 4. Dedication.** Revenue from the municipal hold harmless gross receipts tax will be used for:

Reducing the financial impact of the Hold Harmless Distribution reduction to the General Fund and the creation of a Capital Improvement Fund to be used for the replacement, repair, purchase, or construction of items identified in the City’s Infrastructure Capital Improvement Plan as amended.

1. Distribution of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax to the General Fund to replace the revenue reduction by elimination of the Hold Harmless Distribution from the State of New Mexico will occur as follows:

- a. On or after January 1, 2015 and prior to July 1, 2015 zero percent (0%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- b. On or after July 1, 2015 and prior to July 1, 2016 six percent (6%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- c. On or after July 1, 2016 and prior to July 1, 2017 twelve percent (12%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- d. On or after July 1, 2017 and prior to July 1, 2018 eighteen percent (18%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- e. On or after July 1, 2018 and prior to July 1, 2019 twenty-four percent (24%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- f. On or after July 1, 2019 and prior to July 1, 2020 thirty percent (30%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- g. On or after July 1, 2020 and prior to July 1, 2021 thirty-seven percent (37%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- h. On or after July 1, 2021 and prior to July 1, 2022 forty-four percent (44%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- i. On or after July 1, 2022 and prior to July 1, 2023 fifty-one percent (51%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- j. On or after July 1, 2023 and prior to July 1, 2024 fifty-eight percent (58%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- k. On or after July 1, 2024 and prior to July 1, 2025 sixty-five percent (65%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- l. On or after July 1, 2025 and prior to July 1, 2026 seventy-two percent (72%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- m. On or after July 1, 2026 and prior to July 1, 2027 seventy-nine percent (79%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- n. On or after July 1, 2027 and prior to July 1, 2028 eighty-six percent (86%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.

- o. On or after July 1, 2028 and prior to July 1, 2029 ninety-three percent (93%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
  - p. On or after July 1, 2029 and each year thereafter one hundred percent (100%) of thirty percent (30%) of the revenue generated by the Hold Harmless Gross Receipts Tax.
- 2. The revenue generated from the Hold Harmless Gross Receipts Tax less the General Fund Distribution will be placed in the Capital Improvement Fun.

**Section 5. Effective Date.** The effective date of the municipal hold harmless gross receipts tax shall be either January 1 or July 1, whichever date occurs first after the expiration of three months from the date this ordinance is adopted.

**ADOPTED BY THE GOVERNING BODY OF THE CITY OF LOVINGTON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

APPROVED:

\_\_\_\_\_  
Scotty Gandy, Mayor

ATTEST:

\_\_\_\_\_  
Carol Ann Hogue, City Clerk

**OPTION D**  
**3/8's Tax Implementation**  
**General Fund Distribution and Capital Improvement Fund Established (30% Rate)**

<b>End of Fiscal Year</b>	<b>Hold Harmless Reduction %</b>	<b>Total Projected GRT Received</b>	<b>Projected Hold Harmless Received</b>	<b>Projected 3/8's Revenue Received</b>	<b>General Fund Distribution</b>	<b>Capital Improvement Fund</b>
June 30, 2015	100%	\$ 9,109,635	\$ 449,287	\$ 1,313,890	\$ -	\$ 1,313,890
June 30, 2016	94%	\$ 9,380,256	\$ 422,330	\$ 1,349,418	\$ 24,290	\$ 1,325,129
June 30, 2017	88%	\$ 9,660,398	\$ 395,373	\$ 1,386,129	\$ 49,901	\$ 1,336,229
June 30, 2018	82%	\$ 9,950,372	\$ 368,415	\$ 1,424,059	\$ 76,899	\$ 1,347,159
June 30, 2019	76%	\$ 10,250,499	\$ 341,458	\$ 1,463,242	\$ 105,353	\$ 1,357,889
June 30, 2020	70%	\$ 10,561,112	\$ 314,501	\$ 1,503,718	\$ 135,335	\$ 1,368,383
June 30, 2021	63%	\$ 10,882,626	\$ 283,051	\$ 1,544,877	\$ 171,481	\$ 1,373,395
June 30, 2022	56%	\$ 11,215,553	\$ 251,601	\$ 1,587,406	\$ 209,538	\$ 1,377,869
June 30, 2023	49%	\$ 11,560,273	\$ 220,151	\$ 1,631,348	\$ 249,596	\$ 1,381,751
June 30, 2024	42%	\$ 11,917,174	\$ 188,701	\$ 1,676,743	\$ 291,753	\$ 1,384,990
June 30, 2025	35%	\$ 12,286,660	\$ 157,250	\$ 1,723,637	\$ 336,109	\$ 1,387,528
June 30, 2026	28%	\$ 12,669,147	\$ 125,800	\$ 1,772,074	\$ 382,768	\$ 1,389,306
June 30, 2027	21%	\$ 13,065,062	\$ 94,350	\$ 1,822,100	\$ 431,838	\$ 1,390,262
June 30, 2028	14%	\$ 13,474,850	\$ 62,900	\$ 1,873,762	\$ 483,431	\$ 1,390,332
June 30, 2029	7%	\$ 13,898,967	\$ 31,450	\$ 1,927,111	\$ 537,664	\$ 1,389,447
June 30, 2030	0%	\$ 14,337,886	\$ -	\$ 1,982,196	\$ 594,659	\$ 1,387,537

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 22, 2014



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

SUBJECT: Approval of Historic Theater Funding letter  
DEPARTMENT:  
SUBMITTED BY:  
DATE SUBMITTED:

**STAFF SUMMARY:**

Approval of the attached letter is one of several documents required in order for the City to receive the \$100,000 in funding for the Lea Theater Project.

Additional documentation that will be submitted will be a LEDA-CO application, a draft Project Participation Agreement between the City and NMEDD and Security Interest Document. Upon approval of the PPA and Security Document, an Intergovernmental Agreement will be prepared by the NMEDD and sent to the City. We will then be required to adopt the project by ordinance.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

\$100,000 in reimbursement for the Lea Theater Project

**ATTACHMENTS:**

Acceptance Letter

**RECOMMENDATION:**

Motion to approve letter.

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager



## City of Lovington

214 S. Love St.  
PO Box 1268  
Lovington, NM 88260

Bus: 575-396-2884  
Fax: 575-396-6328  
[jwilliams@lovington.org](mailto:jwilliams@lovington.org)

September 16, 2014

Antionette Vigil  
Finance Development Team Leader  
New Mexico Economic Development Department  
1100 St. Francis Drive  
Santa Fe, NM 87505-4147

Dear Ms. Vigil,

The City of Lovington is in receipt of the letter dated August 15, 2014 advising that the EDD has set aside \$100,000 from its LEDA-CO Program – Historic Theater Initiative. Please view this letter as the City's acceptance and request for this funding. The Lea Theater Project will be an enormous cultural asset as well as enhancing further economic development in the historic downtown area of Lovington.

The Lea Theater was purchased by the City of Lovington in order to ensure the preservation and restoration of this valuable asset. A key component of this transaction was utilizing funds from the 1/8 of one percent local option municipal infrastructure gross receipts tax. Prior to the purchase, the project was first reviewed by the Lovington Economic Development Corporation Due Diligence Committee. An economic impact analysis and an outline of the participation agreement was provided to the full Board of Directors of the Lovington EDC, which in turn gave their endorsement of the project. This information was provided to the Lovington City Commission who authorized the project at the April 14, 2014 regular meeting. The final project participation agreement between the City and the Lea Community Foundation for the Arts (entity that will be responsible for operation and restoration of the Theater) was approved on August 11, 2014.

Per the Foundation and the Economic Impact Analysis, this project will create six direct jobs and one indirect job over the first 10 years. In terms of salary, the project will provide a total of \$943,439 in salaries over the next ten years for the direct and indirect employees. The analysis has also projected that this project will produce approximately 3.8 million dollars in taxable sales and purchases in the City by year 10.

The City has carefully reviewed this project to ensure that it complies with LEDA. The NMEDD regional representative and NM MainStreet are in agreement that this project does fully comply with LEDA. The City of Lovington agrees to serve as the fiscal agent for this program funding and will ensure that State procurement code and accounting standards are followed.

City staff will work with your Department to ensure that all requirements are met. We will continue to honor your request that all public, press or media announcements regarding this funding will be coordinated with your Public Information Officer. Please direct all inquires and any additional documentation to James Williams, City Manager. His contact information is [jwilliams@lovington.org](mailto:jwilliams@lovington.org) and 575-396-2884.

Sincerely,

Scotty Gandy  
Mayor

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 22, 2014



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

**SUBJECT:** Accounts Payable  
**DEPARTMENT:** Finance  
**SUBMITTED BY:** Gary Chapman, Finance Director  
**DATE SUBMITTED:** September 18, 2014

**STAFF SUMMARY:**

The Finance Department has prepared the accounts payable for your review and approval.

**FISCAL IMPACT:**

See attached detail

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

**ATTACHMENTS:**

General Fund Accounts Payable  
Utilities Fund Accounts Payable

**RECOMMENDATION:**

Motion to approve accounts payable

Gary Lee Chapman  
Department Head

James R. Williams  
City Manager

**City of Lovington (New)**  
 Summary A/P Ledger - A/P Summary CCMeeting - General  
 101 - General Fund  
 From 9/1/2014 Through 9/30/2014

Vendor Name	Dept Code	Current Balance
3S Services		0.00
A-Tech Air Cond. & Heating		261.84
Abraham's Construction, Inc		0.00
Accounting & Consulting Group		8,342.26
Albuquerque Publishing Co.		336.00
ALCO Stores, Inc		247.53
Alsco		379.93
American Library Sales		0.00
American Medical Group, Inc		138.85
Artesia Fire Equipment		84.12
ASCO		2,271.70
AT&T Mobility		2,115.13
Atco International		0.00
Baja Broadband		0.00
BeGeo Investment LLC		0.00
Benchmark		0.00
Blaine Industrial Supply		1,500.43
Bob's Thriftway		394.95
Bradon Dew		130.00
Brodart-McNaughton Inc.		72.33
C & S Motor Parts Co.		169.86
C E S		0.00
C. W. Associates		0.00
Cactus Junction		0.00
California Cont. Supplies, Inc		0.00
Casco Industries		42.00
Center Point Large Print		0.00
Certified Air Cond. & Applianc		6,449.00
Certified Laboratories		0.00
Copies, Inc.		458.99

**City of Lovington (New)**  
 Summary A/P Ledger - A/P Summary CMeeting - General  
 101 - General Fund  
 From 9/1/2014 Through 9/30/2014

Vendor Name	Dept Code	Current Balance
Cowboys Corner		110.40
Cowboys Corner	1660	0.00
Crop Production Service		0.00
David Davila		0.00
EDC Educational Services		0.00
Estacado Library Inf. Network		0.00
Farmer Brothers Company		121.10
Forrest Tire Co.		40.26
Fred Pryor Seminars		0.00
G & G Roofing, Inc.		0.00
Gale/Cengage Learning		194.91
Galls/Quartermaster		172.86
Gardner Media, LLC		280.53
Gasco Mfg. Corp.		0.00
Gebo Credit Corporation		0.00
General Welding Supply		399.00
Geoffrey Herweg		0.00
Goserco, Inc.		0.00
Grey House Publishing		215.00
GT Distributors, Inc.		0.00
H & K Pest Control Co.		0.00
HERO247		972.94
Higginbotham-Bartlett Co.		809.72
High Plains Refrigeration, Inc		128.18
Hobbs News-Sun		0.00
Hospital Services Corporation		135.98
Hustler Turf Equipment, Inc.		0.00
Jim D Koontz & Associates		0.00
Jim Trujillo		192.37
John's Carpet Barn		0.00

**City of Lovington (New)**  
 Summary A/P Ledger - A/P Summary CCMeeting - General  
 101 - General Fund  
 From 9/1/2014 Through 9/30/2014

Vendor Name	Dept Code	Current Balance
Johnnie's Floral & Gifts		109.55
Joyce's Threadworks		0.00
Junior Library Guild		3,672.00
Kandy Kane Water Well Service		0.00
Ketch-All Co.		0.00
KLEA Radio		151.00
Klein Automation & Electric		665.50
Kyocera		4,761.00
Larry Mahan's Paint & Body		1,823.49
Lea County Electric		0.00
Lea County Oil & Gas Co.		141.34
Lea County Roadside		0.00
Lea County Septic Tank Service		369.25
Lea County Treasurer		5,927.75
Life-Assist, Inc.		1,755.49
Lovington Auto Supply		270.44
Lovington Chamber of Commerce		0.00
Lovington Economic Development		25,000.00
Lovington Economic Development	1210	(25,000.00)
Lovington Leader		931.86
M & R Tire Service, LLC		0.00
Master Printers		766.25
Med-Vet International		0.00
Michael Frederick		0.00
Michael's Prescription Corner		645.28
Modern Marketing		261.93
Morris Publishing Group		0.00
Mustang Country		992.30
National Business Furniture		0.00
New Mexico Emergency Products		4,199.58

**City of Lovington (New)**  
 Summary A/P Ledger - A/P Summary CCMeeting - General  
 101 - General Fund  
 From 9/1/2014 Through 9/30/2014

Vendor Name	Dept Code	Current Balance
New Mexico Gas Company		0.00
New Mexico Jr. College		3,340.00
New Mexico Municipal League		2,240.00
New Mexico Self Insurers Fund		0.00
NM Municipal League		0.00
Noble Industrial Supply Corp		0.00
Nutri-Systems Corporation		0.00
OCLC, Inc.		1,563.44
Ole-Jax Drive In		0.00
Olin Lynch		0.00
P & D Petroleum, Inc		0.00
Permian GMC		0.00
Phillips 66 Co.		85.89
Premier Electric		0.00
Pro-Treat Power Equipment		164.80
Professional Ambulance Sales		0.00
Public Safety Center, Inc.		0.00
Ram Software Systems		0.00
Recorded Books LLC		134.95
Red Bud Supply, Inc		3,558.00
Roberts Oil & Lube		324.00
Robotronic Inc		0.00
Sage Publications Inc.		184.47
Salem Press		670.00
San Bar Construction Corp		0.00
Sebco Books		626.54
Sherwin-Williams		885.24
Sirchie Finger Print Lab, Inc.		0.00
Stanley Brownfield Motorplex		0.00
Staples		384.21

**City of Lovington (New)**  
 Summary A/P Ledger - A/P Summary CCMeeting - General  
 101 - General Fund  
 From 9/1/2014 Through 9/30/2014

Vendor Name	Dept Code	Current Balance
Staples Advantage		1,027.87
Star Welding Service		0.00
Steel Depot-Hobbs		0.00
Stericycle, Inc.		0.00
Strong Electric		1,551.16
SWAT, LLC		621.63
SYSCO West Texas, Inc.		0.00
TargetSolutions		3,147.00
Tate Branch Dodge		0.00
Tbl and Associates, LLC		0.00
Texas Fire Hydrant Maintenance		0.00
The Radar Shop Inc		2,285.00
Tom's Plumbing		0.00
Tom's Sharp Shop		0.00
U S Food Service		1,360.32
University Small Animal Clinic	1660	0.00
Valentine Auto Service		5,626.90
VerMed		0.00
Watermaster Irrigation Supply		0.00
Windstream		0.00
Workhorse		0.00
WTG Fuels, Inc		5,337.00
Xerox Government Systems. LLC		0.00
Report		89,730.60
Balance		89,730.60

**City of Lovington (New)**  
 Summary A/P Ledger - A/P Summary CCMeeting - Water  
 505 - Water & WasteWater  
 From 9/1/2014 Through 9/30/2014

Vendor Name	Current Balance
A & L Plains Agricultural Lab	0.00
Accounting & Consulting Group	8,342.46
Advanced Analysis, Inc.	1,883.75
American Medical Group, Inc	0.00
ASCO	0.00
AT&T Mobility	582.84
Blaine Industrial Supply	0.00
Bob's Thriftway	0.00
C & S Motor Parts Co.	0.00
California Cont. Supplies, Inc	359.88
Cardinal Laboratories	0.00
Certified Laboratories	0.00
Copies, Inc.	0.00
Culligan Water Conditioning	0.00
Dana Kepner Co.	3,661.39
DPC Industries Inc.	0.00
Farmer Brothers Company	0.00
Federal Express Services	12.89
Ferguson Waterworks #3083	0.00
Forrest Tire Co.	42.22
Gebo Credit Corporation	122.25
General Mailing & Shipping	0.00
General Welding Supply	138.00
Haarmeyer Electric	171.33
Hach Co.	0.00
Higginbotham-Bartlett Co.	1,569.60
Hospital Services Corporation	34.20
IMP	0.00
Industrial Muncipal Products	1,186.65
J & L Equipment	0.00
Jim D Koontz & Associates	0.00

**City of Lovington (New)**  
 Summary A/P Ledger - A/P Summary CCMeeting - Water  
 505 - Water & WasteWater  
 From 9/1/2014 Through 9/30/2014

Vendor Name	Current Balance
John Shomaker & Associates, IN	0.00
Johnnie's Floral & Gifts	122.91
Just Supplies	0.00
Lea County Electric	0.00
Lea County Water Users Assoc.	0.00
Lobo Nut & Bolt, Inc	0.00
Lovington Auto Supply	128.16
Lovington Leader	0.00
Master Printers	0.00
New Mexico 811	0.00
New Mexico Gas Company	0.00
New Mexico Self Insurers Fund	0.00
NMWWA-SE Section	36.00
NXKEM Products	583.67
NXTEC Sales Group Inc.	850.68
P & D Petroleum, Inc	0.00
Patriot Pipe & Supply LTD	0.00
PBMaterials DBA Wallach Concre	0.00
Polydyne Inc.	504.00
Pro-Treat Power Equipment	326.00
Rocky Mountain Office Systems	0.00
Solid Waste Authority	5,855.53
Staples	141.82
Staples Advantage	0.00
Sunguard Tinting & Accessories	0.00
Tbl and Associates, LLC	0.00
Texas Fire Hydrant Maintenance	0.00
Tom's Sharp Shop	0.00
Utility Operator Certification	0.00
Waste Management of New Mexico	8,911.58
Windstream	124.21

**City of Lovington (New)**  
Summary A/P Ledger - A/P Summary CCMeeting - Water  
505 - Water & WasteWater  
From 9/1/2014 Through 9/30/2014

Vendor Name	Current Balance
Report Balance	35,692.02