

**REGULAR MEETING OF THE CITY COMMISSION
MONDAY, APRIL 27, 2015 @ 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 Campos, Commissioner Butcher, Mayor Gandy, Commissioner Trujillo and Commissioner Bengé

Also Present: City Manager Williams, Assistant City Manager Jared Cobb, City Attorney Patrick McMahon, Police Chief David Rodriguez, City Clerk Carol Ann Hogue, City Planner Meredith Hildreth, City Finance Director Gary Chapman and Administrative Assistant Anna Juarez

Invocation: Commissioner Bengé gave the invocation

Pledge of Allegiance: Commissioner Bengé led the pledge

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

Approval of the Regular Minutes of April 13, 2015: Mayor Gandy called for a motion. Commissioner Campos so moved to approve the regular minutes of April 13, 2015; Commissioner Trujillo seconded. Roll call was taken: Commissioner Campos – Yes, Commissioner Butcher – Yes, Commissioner Bengé – Yes, Commissioner Trujillo – Yes, and Mayor Gandy – Yes.

COMMISSIONER AND STAFF REPORTS:

- Commissioner Butcher asked for an update on Chaparral Park Irrigation; City Manager Williams responded to inquiry stating project is moving along as scheduled, main trunk line is almost completely installed, and working on secondary line of Phase I
- Mayor Gandy asked for a clock with timer
- City Manager Williams informed Commissioners of Beautification day was a success; 197 bags of trash were picked up in various locations around the City

NON-ACTION ITEMS:

Lovington EDC Annual Report: Evelyn Holguin, EDC Director, updated Commissioners of projects: Lea Theater, Central Plaza, 66 Room Complex by Nor-Lea Hospital, and 102 new homes. With LEDS: Domino's, Taco Bell, Hibbet Sports, Family Dollar, Casino's, and other retail in town. Three projects in process will bring about 300 new jobs, non-oil field related jobs.

Lovington MainStreet Annual Report: Mara Salcido spoke in behalf of Tabitha Lawson, MainStreet Director; Mrs. Lawson had a family emergency. Ms. Salcido stated 2014 added six new businesses, 32 new jobs and \$200,000 of private re-investment; 2nd year in a row to be accredited national certification. Ms. Salcido thanked Commissioner Butcher for attending Beautification day and all City personnel who attended.

Discussion of Quarterly Report: Finance Director Chapman informed Commissioners of projected quarterly Financial Report of Fiscal Year 2014-2015:

- Municipal Street Gas Tax revenues are down by \$61,969, due to lower fuel prices
- Economic Development revenues are down by \$171,919, because we have not received “Reimbursements budgeted of \$165,900” for the Central Plaza
- Water and Wastewater revenues are lower for the following reasons:
 - No transfer from Saltwater and Solid waste fund in the amount of \$1,150,000 due to not proceeding with the well field project
 - Charges for Solid Waste are now recorded in the Solid Waste Fund of \$1,815,503; due to accounting purposes
 - Grant funds will not be received until next fiscal year totaling \$948,025

Finance Director Chapman stated general fund expenditures exceeded our budget, primarily from Hail damages of \$265,009 and the 9th Street project at \$394,274, which were not included in our Fiscal Year 2014-15 budget.

Planning and Zoning Commission Appointment: City Manager Williams informed Commissioners of Gus Vejil resignation from the Planning and Zoning Commission as he is moving to Albuquerque. Three individuals have expressed interest in serving on the Planning & Zoning Commission: Gary Clemens, Clint Laughrin, and Dave Rowser; the appointment will be brought to Commission for action at the May 26, 2015 Commission Meeting.

PROCLAMATIONS:

Proclamation 201505: Cinco de Mayo: Mayor Gandy presented Cinco de Mayo proclamation to Evelyn Holguin, Lovington EDC director; Celebration will be held at the Courthouse on May 9, 2015.

ACTION ITEMS:

Consider Approval of Resolution 2015-34: Approval of MOA between Lea County and the City of Lovington for the Construction of a Radio Communications Tower: Mayor Gandy called for a motion. Commissioner Trujillo so moved to consider approval of resolution 2015-34: approval of MOA between Lea County and the City of Lovington for the Construction of a Radio Communications Tower; Commissioner Campos second. County Manager Gallagher introduced director of Lea County Communication Angela Martinez and facility director Eric Frank. County Manager Gallagher informed Commissioners of new site for tower which is located at the old animal shelter, MOA will allow the City to share 50% of the cost of construction of the new tower and demolition of the old tower; tower will be jointly owned by the City and County. The building will have to be rehab, site is already fenced, has electricity, and MOA calls for site to be owned by the City of Lovington. The expected life span of tower will be about 30 – 40 years; tower will be limited to the public emergency responders for fire department, animal control, sheriff department and police department. There being no further discussion, a roll call was taken: Commissioner Trujillo – Yes, Commissioner Butcher – Yes, Commissioner Campos – Yes, Commissioner Bengé – Yes, and Mayor Gandy – Yes. Motion was approved.

Non-Action Item:

Discussion of LCCA – County Manager Gallagher presented to Commissioners County wide/County area Emergency Communications & Emergency Medical & Behavioral Health Services Tax:

- Options to fund emergency communications by tax service
 - Eligibility: operate/a JPA for an emergency communications center
 - Lea County: JPA for Lea County Communications Authority
 - Countywide or Unincorporated County
 - Tax Service may not exceed one-fourth of one percent
 - Fund operations of emergency communications center
- County wide Emergency Communications Services Tax:
 - Sufficient funding for all municipalities to join without no additional governmental contribution/membership payment required
 - Dedicated revenue source to fund emergency communications that serve all of Lea County
 - Provide for efficient allocation of resources for personnel, operations, & capital expenditures
- NM combined dispatch Centers with the Emergency Communications Service Tax:
 - McKinley
 - San Juan
 - Santa Fe
 - Lea County – March 12, 2015 County Commission has expressed an interest
- Current FY LCCA Budget:
 - FY 14/15 Operational Budget : \$2,841,391
 - FY 14/15 Capital Budget: \$2,963,000
 - Total Budget: \$5,804,391
 - Lea County & City of Hobbs shall each provide 50% of the funds that are necessary for administrative & Operational expenses
 - In addition: nonmembers maintain NON 911 dispatch services and fund capital of separate dispatch centers (Lovington, Eunice, Jal, and Tatum)
- Discussed estimated Revenue from Additional GRT
- Consideration Process
 - Adoption of an ordinance imposing the Emergency Communications Tax – after an election and majority of voters are in favor of imposing the tax
 - County Commission adopt a resolution calling for an election within 75 days of the date the ordinance is adopted on the tax
 - Special or general election
 - If fails, shall wait one year from the election date
 - In addition, approval of revised LCCA JPA
- Summary
 - Emergency Communications Service Tax
 - County/JPA for a Combined Dispatch Center
 - Consider countywide service tax of 0.125% increase
 - Provide adequate funding for county wide dispatch services, to include each municipality
 - Alleviates the need of LCCA to “charge” for membership/dispatch services
 - Each member entity will save general fund dollars
 - Overall efficient strategy to provide countywide dispatch services
 - Adoption of Ordinance & Election required

City Manager Williams will report to Commissioners of disadvantages and advantages of joining LCCA by the next City Commission.

Consider Approval of Resolution 2015-35: Notice of Intent to Publish Ordinance 536 – Annexation and Zoning Classification of City Property located North of Gilmore Road, the Municipal Water Well Field located approximately 4 miles South of Lovington on Highway 18, and the City Industrial Park located approximately 1.6 miles West of Highway 18 on Stiles Road: Mayor Gandy called for a motion. Commissioner Trujillo so moved to consider resolution 2015-35: Notice of Intent to Publish Ordinance 536 –Annexation and Zoning Classification of City Property located North of Gilmore Road, the Municipal Water Well Field located approximately 4 miles South of Lovington on Highway 18, and the City Industrial Park located approximately 1.6 miles West of Highway 18 on Stiles Road; Commissioner Bengé seconded. City Manager Williams addressed Commissioners of approval of resolution which will authorize the City Clerk to publish the Notice of Intent to adopt Ordinance 536 that will allow the City to annex City owned land, which includes the municipal well field and industrial park; the Ordinance will be advertised, will be brought back to Commission at the May 26, 2015 meeting for adoption. Commissioner Trujillo asked about contaminates of soil and will the City is responsible; City Attorney McMahon stated City is not assuming responsibility or liability for operators oil spill and well field ordinance under authority of Oil Conservation Division requiring yearly testing. Police Chief Rodriguez stated if area is in the City limit it will definitely be regulated by police officers. There being no further discussion, a roll call was taken: Commissioner Bengé – Yes, Commissioner Trujillo – Yes, Commissioner Butcher – Yes, Commissioner Campos – Yes, and Mayor Gandy – Yes. Motion was approved.

Consider Approval of Amendment to Resolution 2015-5: Mayor Gandy called for a motion. Commissioner Butcher so moved to consider approval of amendment to resolution 2015-5; Commissioner Trujillo second. City Planner Hildreth and City Manager Williams stated J.L. Reed Addition has requested an amendment to Resolution 2015-5 to correct the vacation unintentionally left out description to vacate the western 55 feet of Avenue J. There being no further discussion, 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 Resolution to approve Zone Change for Property at 501 E. Washington (Zone B to Zone C): Mayor Gandy called for a motion. Commissioner Trujillo so moved to consider approval of resolution to approve Zone Change for Property at 501 E. Washington (Zone B to Zone C); Commissioner Butcher second. City Planner Hildreth addressed Commissioners of request of zone change for Jessica Padilla to be compliant with codes, zoning needs to be changed from Zone B- multi-family to Zone-C: Commercial to continue operating as Jessica’s Restaurant. There being no further discussion, a roll call was taken: Commissioner Bengé – Yes, Commissioner Butcher – Yes, Commissioner Trujillo – Yes, Commissioner Campos – Yes, and Mayor Gandy – Yes. Motion was approved. City Manager Williams asked Commissioners to request Resolution Number when making the motion to keep resolutions in numerical sequence. Commissioner Trujillo so moved to amend motion to include resolution number 2015-36; Commissioner Butcher second. There being no further discussion, a roll call was taken: Commissioner Trujillo – Yes, Commissioner Butcher – Yes, Commissioner Bengé – Yes, Commissioner Campos – Yes, and Mayor Gandy – Yes. Motion was approved.

Consider Approval of Resolution to approve Replat of Lots 22, 23, and 24 of Block 5, Faye Heights Addition: Mayor Gandy called for a motion. Commissioner Bengé so moved to consider resolution to approve Replat of Lots 22, 23, and 24 of Block 5, Faye Heights Addition; Commissioner Trujillo second. City Planner Hildreth and City Manager Williams addressed Commissioners of Lots 22, 23, and 24 of Block 5 of the Faye Heights Addition is requesting a replat to adjust lot lines, vacation of an existing public utility easement, and creation of a new public utility easement. Replat is necessary as a recent survey revealed that the public sanitary sewer line, installed over a decade ago, is not within the defined public utility easement. Instead of moving the line, the owners have agreed to grant an easement over the existing line so long as the old easement is vacated and adjust lot lines. There being no further discussion, a roll call was taken for Resolution 2015-37: Commissioner Butcher – Yes, Commissioner Trujillo – Yes, Commissioner Bengé – Yes, Commissioner Campos – Yes, and Mayor Gandy – Yes. Motion was approved.

Consider Approval of Ordinance No. 535: Sale of Real Property – 5.00 acres of tract located on Highway 18: Mayor Gandy called for a motion. Commissioner Campos so moved to consider resolution 2015-33: approval of New Mexico Department of Cultural Affairs Capital Appropriation Agreement for Lovington Public Library; Commissioner Butcher second. City Manager Williams addressed Commissioners of approval of resolution which will authorize the sale of the 5.00 acres of City land located on Highway 18 to the south of the Key Energy yard rewarded RFP to Parking Lot Co. because of the value of the sale, an ordinance had to be adopted; ordinance has been advertised. There being no further discussion, a roll call was taken: Commissioner Bengé – Yes, Commissioner Butcher – Yes, Commissioner Trujillo – Yes, Commissioner Campos – Yes, and Mayor Gandy – Yes. Motion was approved.

Consider Award of RFP 030215: Financial Management Software and Implementation Services: Mayor Gandy called for a motion. Commissioner Butcher so moved to consider award of RFP 030215: Financial Management Software and Implementation Services; Commissioner Trujillo second. Finance Director addressed Commissioners of decision to move forward with Tyler Software Inc. Cost to implement program will be about \$80,000; annual cost of about \$35,000 to maintain software contract services for the next 7 years. Commissioner Bengé asked about being able to contact customer service without being charged for every call/issues; Finance Director Chapman stated software contract will cover the cost. City Manager Williams informed Commissioners of changing the way data is handled, instead of a server it will be hosted; increasing annual maintenance fee. The conversion will be handled by Tyler Software; transition period will take 6 – 9 months. There being no further discussion, 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. Commissioner Bengé so moved to approve the accounts payable; Commissioner Trujillo second. There being no further discussion, a roll call was taken: Commissioner Trujillo – Yes, Commissioner Bengé – Yes, Commissioner Butcher – Yes, Commissioner Campos – Yes, and Mayor Gandy – Yes. Motion was approved.

PUBLIC COMMENT:

Clint Laughrin addressed Commissioners with concerns to LCCA asking Commissioners not to consider joining the County. Mr. Laughrin stated 911 dispatchers are not familiar with the area

and responders take longer than anticipated to reach victims. Mr. Laughrin stated at what cost is LCCA worth the loss of lives. Commissioner Benge agreed with Mr. Laughrin with 911 dispatchers are not familiar with area and calling direct line gets you a faster response. Commissioner Trujillo stated LCCA is occurring, it is going to happen, moving forward City will save \$350,000. City Manager Williams stated the tax will need to be voted on by a Special or General Election by the County; the cost to run LCCA is flipped between the City of Hobbs and County, City of Lovington contribute nothing to LCCA. City Manager Williams gave a short history of 911 between the City of Lovington and State. City Manager Williams stated sitting down and conversing with Chief of Police and Fire to list the pros and cons for the Commissioners to be able to make a decision on whether to become a member or not of LCCA.

ADJOURNMENT:

There being no further business the meeting adjourned at 6:46 p.m.

APPROVED: _____
SCOTTY GANDY, MAYOR

ATTEST: _____
CAROL ANN HOGUE, CITY CLERK

**CALLED MEETING OF THE CITY COMMISSION
MONDAY, APRIL 20, 2015 @ 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 Bengé, Commissioner Trujillo, Commissioner Butcher, Commissioner Campos and Mayor Gandy

Also Present: City Manager James Williams, Assistant City Manager Jared Cobb, Finance Director Gary Chapman, Police Chief David Rodriguez, City Clerk Carol Ann Hogue, and Administrative Assistant Anna Juarez

Department Heads: Wyatt Duncan- Water Supervisor, Miguel DeLaCruz – Wastewater Supervisor, Carl Weaver – Street/Solid Waste Supervisor, Danny Reynolds – Cemetery Supervisor, Laura Brock – Animal/Code Enforcement Supervisor, Terrance Lizardo – Fire Chief, Dennis Martin – Parks Supervisor, Jesse Munoz – Recreation Supervisor, Jami Bailey – Youth Center Director, Norma Vejil – Senior Center Director, Tueredia McBride – Library Director, Maria Hernandez – MVD Supervisor, Merideth Hildreth – City Planner, and Nellie Stroh & Monica Velasquez – Municipal Department

Invocation: Commissioner Campos gave the invocation

NON-ACTION ITEMS:

Discussion of FY 15/16 Budget Work Session: City Manager Williams thanked the Department Heads and the City staff for all their hard work getting the budget done. Revenue in the General Fund 6.3% based on Finance Director Chapman's formula using GRT from last year's oil decline and doubled the amount. City Manager Williams stated some funds were shifted for example: the travel expenses for City Clerk and Commissioners were out of finance and added to legislative to help keep track of transfers coming in and out; changes are audit driven. The proposed transferred amount of \$579,995 from the salt water fund will help pay for part of the communication tower.

With proposed budget it is not eliminating any personnel, any vacancies will be taken case by case. Shifting capital improvement funds expenses helped the City to be able to move capital projects that comply with ordinance adopted for the 3/8's bond, relieving the obligation from general fund. City Manager Williams informed Commissioners of added positions to benefit the City: Special Projects Assistant, Seasonal Aide at Youth Center, Public Works Director, Facilities Maintenance Position, and a part time employment to full time employment in the Judicial Department. Commissioner Butcher stated for the City of Lovington employees to be considered for new positions first; to look in house first.

City Manager Williams stated City is anticipating a 5% increase in insurance cost for this fiscal year. Commissioner Bengé asked about designated franchise; City Manager

Williams stated designated franchise is funds City receives from companies using easements. Franchise pays for Youth Center salaries. Commissioner Campos stated an increase in salary to City employees is a way of rewarding employees for their hard work, especially with the economy and increase in health insurance cost. City Manager Williams discussed new implementation for overtime for new fiscal year. City Manager Williams discussed increasing and decreasing of GRT; GRT fluctuations in other cities were the same.

The expenditures for the general fund summary are as follows:

- Judicial – \$112,483 budget request (25% increase), part time position changed to a full time municipal clerk position, shared public safety entryway doors
- Executive – \$242,783 budget request (27% increase) – personnel expense has increased due to the addition of the Executive Assistant salary being moved from the Finance Department to the Executive Department
- Legislative – \$190,266 budget request (152% increase) – consist of City Clerk, Lovington City Commission and Attorney, auxiliary & travel expenses
- MVD – \$163,016 budget request (7% increase), insurance cost, same budget
- Finance – \$2,753,156 budget request (-12% decrease), officer printer, pays multiple salaries, health insurance, retirement plans, accounting system and licensing's
- Parks – \$312,691 budget request (-46% decrease), MLK park restroom rehabilitation, Chaparral Park bridge repairs, park security camera project, mosquito sprayer purchase & installation, playground equipment, park irrigation, splash pad (ICIP List item)
- Recreation – \$339,489 budget request (-29% decrease), baseball complex restrooms and concessions, athletic field improvements, aquatic center security camera system
- Pool – \$117,530 budget request (-4% decrease), circulating pump, and camera system, curb for landscaping
- Museum – \$74,621 budget request (15% increase), utility cost and increase in health insurance
- Senior Citizens - \$416,527 budget request (12% increase), replace ice machine and exercise equipment, ac/heater installation
- Library - \$392,237 budget request (6% increase), utility cost and increase in health insurance
- Cemetery - \$220,454 budget request (-1% decrease), reconstruction of main road – Gum street to flag pole, replacement of flag pole
- Animal Shelter - \$139,000 budget request (84% increase), fencing large animal pen, mobile home exterior repairs (hail damage)
- Code Enforcement - \$121,777 budget request (-46% decrease), tracking software – warnings/violations
- Planning & zoning - \$167,194 budget request, consists of city planner & project assistant
- Police - \$2,682,226 budget request (-4% decrease), public safety facility entryway doors, service & desktop computer upgrades, purchase and equip patrol vehicles (5)

- Fire - \$1,478,499 budget request (15% increase), replace all self-contained breathing apparatus (SCBAs), public safety facility entryway doors, fire station design
- EMS - \$20,000 budget request (0% increase), NMDOT Grant, miscellaneous equipment replacement, powerload stretcher
- Ambulance – \$703,224 budget request (2% increase), total revenues \$551,010 (-6%) and total expenditures \$693,074 (0%), new ambulance
- Street - \$689,404 budget request (-9% decrease), compaction roller, salt spreaders (2), hot patch trailer, south commercial street repairs (FEMA), minor street improvement program, N.17th Phase 1, N. Commercial Street Phase 1
- Denton Building - \$15,100 budget request (-5% decrease), utility cost
- Troy Harris - \$23,800 budget request (16% increase), cleaning cost
- Economic Development - \$0 budget request (-100% decrease), budget moved to Troy Harris
- Special Recreation - \$53,400 budget request (-35% decrease), gymnasium improvements (cooling units & interior), implement enhanced summer programs for youth, decrease due to personnel cost moved to designated franchise
- Utilities Fund – total revenue \$3,458,529 (-34% decrease) and total expenditures \$4,176,081 (-26% decrease)
- Water Fund - \$3,092,761 budget request (-35% decrease), fencing water wells, radio read water meters, new water wells (3), water well replacement equipment, portion of public works director and facility maintenance position & vehicle, upgrade to utility billing computers
- Wastewater - \$1,083,320 budget request (22% increase), repair air line leak from digesters to blowers, sewer line camera system, portion of public works director and facility maintenance position & vehicle
- Solid waste - \$2,095,625 budget request (15% increase), convenience center fencing, dump trailers (2), portion of public works director and facility maintenance position & vehicle
- Correction – total revenues \$40,284 (-2% decrease) and total expenditures \$40,284 (-2% decrease)
- Fire Protection Fund - \$78,443 budget request (0% increase)
- Law Enforcement Protection - \$34,400 budget request (-17% decrease), equipping vehicles
- Lodger's Tax Act - \$75,000 budget request (4% increase)
- Special Gasoline Tax - \$350,000 budget request (43% increase), various street improvements
- Local Economic Development Act - \$354,070 - Lovington EDC, M&L Housing incentive, Lovington Trails Housing incentive, Industrial Park Development Plan
- Judicial Education Fees -\$6,140 budget request (0% increase), fees
- Court Automation Fees -\$12,358 budget request (0% increase), fees

Commissioners and Staff discussed demolition cost and drainage issue. Commissioner and Staff discussed police department IT upgrade, cost of police vehicles, policy and procedures, and penalty assessment implementation. City Manager Williams discussed Youth Center enhanced summer programs for youth.

City Manager Williams mentioned that the reserve is for 4 ½ to 5 months for about 45% and would like for the Commissioners to approve the budget on May 11, 2015 at the regular commission meeting.

Commission & Staff discussed salary percentage increase and health insurance premium increase; discussed options to offset health insurance cost.

Commissioners thanked department heads for their hard work.

PUBLIC COMMENT: None

ADJOURNMENT:

There being no further business the meeting adjourned at 7:32 p.m.

APPROVED: _____
SCOTTY GANDY, MAYOR

ATTEST: _____
CAROL ANN HOGUE, CITY CLERK

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: Body Cam Policy Discussion
DEPARTMENT: Police
SUBMITTED BY: David Rodriguez, Police Chief
DATE SUBMITTED: May 5, 2015

STAFF SUMMARY:

The Police Department has prepared a policy regarding the use of body cam's by department personnel. Chief Rodriguez will be present to provide information regarding the policy and requests review by Commission prior to adoption at the next regular City Commission meeting.

FISCAL IMPACT:

REVIEWED BY: _____
(Finance Director)

ATTACHMENTS:

Body Cam Policy Draft

RECOMMENDATION:

Discussion only.

Department Head

James R. Williams

City Manager

LOVINGTON POLICE DEPARTMENT

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SECTION 05.06 – USE, CARE AND MAINTENANCE OF EQUIPMENT

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VIII. Body Worn Cameras – (BWC)

- I. Body Worn Cameras (BWC) is an “on-the-body” video and recording system assigned to an officer as an additional means of documenting specific incidents in the field. The purpose of this policy is to establish guidelines related to the use, management, storage, and retrieval of the audio and video recordings from the department issued BWC.

The Department provides body-worn camera (BWC's) recording devices to all officers with the expectation that this equipment will be used to provide a “record” of various citizen encounters occurring during a tour of duty and to assist in the gathering of evidence against a suspect. Failing to record incidents or any early termination of any recording may cast doubt on the actions of the officer. Deliberate or repeated failure to record incidents when mandated or tampering with any recording is prohibited.

Purpose

The purpose of this Order is to provide officers with guidance for the use and care of available recordings. This policy is not intended to describe every possible situation where the system may be used; however, there are many situations where the use of the BWC device is recommended.

II. Body-Worn Camera Recordings

- A. Body-worn camera recorders provide for a means for:
 1. Video/Audio recording evidentiary or copious notes
 2. Recording incidents or contacts
 3. Protecting officers against false complaints or allegations
- B. Body-worn camera recorders shall be used in a professional manner at all times and shall not be used to record personal conversations between officers of the department, other City employees or officials. Electronic surveillance of a non-consenting two-party conversation or which the officer is not part of said conversation, or is not within normal hearing range of said conversation, is prohibited by Federal Law.

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III. Deployment of Body Worn Cameras

Body Worn Cameras (BWC) will be assigned to officers working in a uniformed capacity in a field assignment, such as patrol officers and Criminal Investigations. All BWC assigned to patrol should be utilized on a daily basis. Immediate supervisors are responsible for ensuring that affected on-duty officers are equipped with functioning BWC at the beginning of each shift. The supervisor will make sure the assigned BWC device is recorded on the daily log and that the BWC unit is functioning and uploading into the digital storage system.

Officers will wear the BWC on their uniform shirt or jacket near the center of their chest, utilizing only the mounting equipment provided by the manufacturer of the BWC. It shall be the responsibility of the officer to ensure that their BWC remains in a position which allows for the recording to closely replicate the perspective of the officer using the equipment.

IV. Activation of the BWC

Once the BWC is activated, with some exceptions, shall remain on and not be turned off until the initial incident that caused the activation had concluded. For purposes of this section, conclusion of the incident occurs when the gathering of evidence or exchange of communication related to police enforcement activities are concluded. It is understood that not all incidents will clearly start out as needing documentation by a BWC recording or having a clear ending when the BWC is no longer needed. Officer will be expected to use discretion and common sense when activating and deactivating the BWC.

Any incident that is recorded with either the video or audio system shall be documented in the officer's report. If a traffic citation is issued, the officer shall make a notation on the back of the citation copy that will be sent to court, indicating that the incident was recorded.

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V. Required activation of the BWC

This policy is not intended to describe every possible situation in which the BWC system may be used. In addition to the required situations, an officer may activate the system any time the officer believes its use would be appropriate and/or valuable to document an incident.

In some circumstances it is not possible to capture images of the incident due to conditions or the location of the camera. However, the audio portion can be valuable evidence and is subject to the same activation requirements as the video. The activation of the BWC system is required in any of the following situations:

- (A) All field contacts involving actual or potential criminal conduct within video or audio range.
 - a. Traffic stops to include, but not limited to, traffic violations, stranded motorist assistance and all crime interdiction stops. If the circumstances of the traffic stop indicate the BWC is no longer needed, then it is the officer's discretion to end the recording and document the reason why.
 - b. Priority responses
 - c. Disturbances or disorders
 - d. Calls involving emotionally or mentally disturbed subjects
 - e. Offenses involving weapons or violence
 - f. Vehicle pursuits
 - g. Suspicious person/vehicle contacts
 - h. Arrests
 - i. Vehicle searches
 - j. Physical or verbal confrontations or use of force
 - k. Domestic Violence calls

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- l. Voluntary contacts of an investigative nature
 - m. DUI Investigations including field sobriety maneuvers
 - n. Any call for service involving a crime where the recorder would clearly aid in the apprehension and/or prosecution of a suspect.
 - o. Any and all contacts involving juveniles.
- (B) Any self-initiated activity in which an officer would normally notify Lovington P.D. dispatch or L.C.C.A. dispatch and the BWC would be useful.
- (C) Any contact that becomes adversarial after the initial contact in a situation that would not otherwise require recording.
- (D) Additionally, the BWC shall be activated during the following situations:
- a. During tactical activities, including the execution of search warrants.
 - b. During warrantless searches of individuals, vehicles, buildings, and other places.
 - c. During the inventorying of seized money or any high value property.

VI. Video Recording Arrested Subjects

- A. Statements or confessions may be recorded at the booking counter, in the booking room, or in the Lovington Police department, as well while performing an officers duties in the field. Recordings of interrogations may be conducted with or without the knowledge or consent of the suspect.
- B. Officers/detectives will note in the report if a video recording was made of the booking process, chemical breath test, or interrogation and if the video recording was placed in evidence. Officers/detectives shall review the video recording prior to packaging as evidence in order to ensure that the DVD contains a quality recording.

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VII. Collection of Body Worn Camera Data

- A. All officers prior to end of the duty day, utilizing the provided and designated BWC USB cable will upload all videos and pictures taken on that shift.
- B. All BWC recordings will only be uploaded to an approved Lovington Police Department computer and server.
- C. Officers are encouraged to inform their supervisors and or the Training Sgt. of any recordings that may be of value for training purposes.

IX. Retention

- A. The Body Worn Camera (BWC) and all video and audio files are the property of the Lovington Police Department and are to be used for official purposes only.
- B. Any portion of a recorded image that records an event surrounding a violation of the law, which includes an infraction or a crime or offense prosecutable in the criminal courts in this state or the United States, is considered a record of criminal investigation, as described by NMSA 1978, §§ 14-2-1 et seq. (“IPRA”), and the release of any recording will conform to the laws related to open records act ensuring the release states “Reasonable Particularity” the information sought in storage of the devices data and is for the official records related to our personnel’s duties.
- C. Uploaded recordings will be retained on the remote digital storage system based upon the retention schedule established for each category of recording.
- D. In the event of an unintentional activation of the BWC, an officer may request the recording to be deleted. A memorandum detailing the circumstances of the unintentional recording will be forwarded to the Chief of Police. If approved, the deletion will be made by the Chief of Police or his designee.
- E. Any portion of a recorded image that may be used to subject an employee to Departmental disciplinary action is a part of that employee’s personnel file as defined in NMAC 1.15.7.127, and is open to inspection only as provided by that statute unless otherwise required to be disclosed as evidence in a criminal proceeding.

X. Cessation of Recording

- A. If there is a break in the recording of a case related incident, the officer report shall explain why that break occurred on the recording or in an associated report. Examples of such breaks include but are not limited to:

- a. There is a malfunction to or accidental deactivation of the device.

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- b. There is personal information being shared that is not case sensitive, such as victim family information/discussion, protected personal information, or personal medical information. In practice, BWC recordings should not be used in a medical facility unless there is an obvious need to document evidence, actions, or potential accountability issues.
- c. The officer is placed on a related assignment that has no investigative purpose such as a scene security post, scene processing, traffic post, etc. Recording may cease if an officer is simply waiting for the arrival of a tow truck, taxi, family member or other similar non-confrontation, non-evidentiary situation.
- d. There is a long break in the incident/contact such as an interruption related to routine police action that is not evidentiary in nature or unrelated to the initial incident.
- e. There is recognition by the officer that the contact no longer creates potential evidentiary or mutual accountability issues.
- f. There is activity such as a transport or change of venue where there is no incident related police activity occurring.

XII. Supervisor Responsibilities

- A. Supervisors will ensure that all uniformed officers are equipped with available Body Worn Cameras (BWC) prior to the beginning of their shift
- B. Upon receiving notification of any damage or malfunction of a BWC, the supervisor will remove the BWC from service and notify the Chief of Police, and the Training Sgt. of the need for repair.
- C. Supervisors will ensure that all recorded events are documented by the officer in the associated reports and traffic citations.
- D. Supervisors will ensure that any recordings relating to an administrative investigation are downloaded and stored for inclusion in the investigative file prior to their scheduled purge date from the remote storage system.
- E. Supervisors shall conduct routine reviews of selected recordings captured by officers assigned to them in order to assess officer performance, ensure the BWC is being utilized properly, and to identify videos that may be appropriate to enhance training programs or experiences.
- F. Notification of the existence of recordings which may be beneficial for training purposes shall be forwarded via the chain of command to the Training Sgt. for determination of the training value and use. If an involved officer objects to the use of a recording for training purposes, he/she may submit their objection in writing via the chain of command to both the Training Sgt. and the Chief of Police for review.

- G. Supervisors are accountable for all BWC's assigned and that each of their officers have uploaded all videos prior to the end of the shift.

LOVINGTON POLICE DEPARTMENT

ADMINISTRATION

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XIII. Security/Handling of Video files

- A. Video recordings shall not be viewed by anyone outside this department, without approval of the Chief of Police or his designee. Copying, releasing, altering, erasing, or

Allowing unauthorized viewing of a department video recording (or portion thereof) shall be grounds for disciplinary action and may expose the employee to personal liability. Internal requests for copies of any recordings will be directed to the Watch Commander.

- B. If a copy of a video recording is made for evidentiary purposes, it shall be packaged, and handled as evidence. If a copy of a video recording is made for administrative review it shall be securely maintained by the Chief of Police. Additional copies of audio or video recordings will not be made.
- C. If an external request for a copy of a video or audio recording is received from an authorized person, the request must be in writing and approved by the Chief of Police. Upon the Chief's approval, a copy of the recording will be sent and the original video will be maintained by Lovington Police Department. The requesting person/agency must acknowledge that the recording will be used for law enforcement purposes only. The City of Lovington Prosecuting attorney, the District Attorney and the U.S. Attorney's offices are exempt from this requirement.

XIV. Disposal/Destruction of Audio/Video Recordings

- A. Audio/Visual recordings entered into evidence shall be retained until final court disposition. The Evidence Technician is responsible for directing the destruction and disposal of any recordings no longer needed as evidence.
- B. Copies of audio or video recordings that are no longer needed to resolve citizen complaints or for training purposes will be turned over to the Chief of Police or his designee who shall be responsible for directing the destruction and disposal.

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: Ordinance No. 534 Adoption
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED: May 4, 2015

STAFF SUMMARY:

Ordinance No. 534 will authorize the sale of Hold Harmless Gross Receipts Tax Revenue Bonds not to exceed \$3,500,000. The proceeds will be utilized to fund projects identified in the ICIP, as amended.

The 3/8's HHGRT Tax will provide for the debt service.

This Ordinance was drafted by the Hughes Law Firm, bond counsel for the City of Lovington. The Ordinance has been published as required and staff have not received any public comment.

FISCAL IMPACT:

REVIEWED BY: _____

(Finance Director)

Bond sale will create \$3,500,000 in revenue for the Capital Improvement Fund.

ATTACHMENTS:

Ordinance No. 534

RECOMMENDATION:

Motion to adopt Ordinance Number 534.

Department Head

James R. Williams

City Manager

CITY OF LOVINGTON, NEW MEXICO

ORDINANCE NO. 534

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LOVINGTON, NEW MEXICO HOLD HARMLESS GROSS RECEIPTS TAX REVENUE BONDS, IN ONE OR MORE TAX EXEMPT OR TAXABLE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,500,000 (THE "BONDS") FOR THE PURPOSES OF REPLACEMENT, REPAIR, PURCHASE, OR CONSTRUCTION OF ITEMS IDENTIFIED IN THE CITY'S CAPITAL IMPROVEMENT PLAN AS AMENDED; ALL WITHIN THE CITY OF LOVINGTON; PROVIDING FOR THE FORM, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO; PROVIDING FOR THE PAYMENT OF THE COSTS OF ISSUANCE OF THE BONDS; APPROVING DISCLOSURE AND OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

Capitalized terms used in the following preambles have the same meaning as defined in Section 1 of this Bond Ordinance unless the context requires otherwise.

WHEREAS, the City is a legally and regularly created, established, organized and existing municipality under the general laws of the State of New Mexico; and

WHEREAS, the City is authorized by the Act, to issue gross receipts tax revenue bonds for the purpose of providing funds, together with other funds of the City, to acquire the Project and to adopt any ordinance 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 Pledged Revenues are not pledged to the payment of any bonds or other obligations which are presently outstanding; and

WHEREAS, the Commission has determined and hereby determines that it is in the best interests of the City and its residents that the Bonds be issued with a first lien, but not an exclusive first lien, on the Pledged Revenues; and

WHEREAS, the Bonds shall be issued pursuant to the Act; and

1 **WHEREAS**, the Purchaser will purchase the Bonds upon such terms and conditions as will
2 be established in a Bond Purchase Agreement to be adopted by the City pursuant to this
3 Ordinance; and

4 **WHEREAS**, all required authorizations, consents or approvals of any state, governmental
5 body, agency or authority, in connection with the authorization, execution and delivery of the
6 Bonds which are required to have been obtained by the date hereof have been obtained, and which
7 will be required to be obtained prior to the date of issuance of the Bonds, will have been obtained
8 by such date; and

9 **WHEREAS**, there has been on deposit with the City Clerk the proposed form of Bond
10 Ordinance;

11 **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF**
12 **LOVINGTON, NEW MEXICO:**

13 1. *Definitions.* As used in this Bond Ordinance, the following terms shall, for all
14 purposes, have the meanings herein specified, unless the context clearly requires otherwise (such
15 meanings to be equally applicable to both the singular and the plural forms of the terms defined):

16 “*Acquisition Account*” means the fund used to acquire the Project created in Section 14 of
17 this Ordinance.

18 “*Act*” means collectively, Section 3-31-1, NMSA 1978, et seq and Section 7-19D-18,
19 NMSA 1978.

20 “*Beneficial Owner*” shall mean those entities from time to time for whose account the
21 Participants hold Bonds.

22 “*Bond*”, “*Bonds*” or the “*Bonds*” means the “City of Lovington, New Mexico Hold
23 Harmless Gross Receipts Tax Revenue Bonds,” issued in one or more tax-exempt or taxable
24 series.

1 **“Bond Counsel”** means Hughes Law, LLC, Albuquerque, New Mexico.

2 **“Bond Fund”** means the debt service fund established by Section 18 of this Bond
3 Ordinance.

4 **“Bond Ordinance”** or **“Ordinance”** means this Ordinance, as amended or supplemented
5 from time to time.

6 **“Bond Purchase Agreement”** means the contract for the sale and purchase of the Bonds
7 by the Purchaser as may be approved by the Mayor.

8 **“Bondholder”, “holder”, “owner”** or **“Owner”** means the registered owner of any Bond
9 as shown on the registration books of the City for the Bonds, from time to time, maintained by the
10 Registrar. Any reference to a majority or a particular percentage or proportion of the
11 Bondholders shall mean the Holders at the particular time of a majority or of the specified
12 percentage or proportion in aggregate principal amount of all Bonds then Outstanding.

13 **“Business Day”** means a day on which commercial banks in the city in which the principal
14 office of the Paying Agent and Registrar is located are open for the conduct of substantially all of
15 their business operations.

16 **“Capital Improvement Fund”** means the fund created in the City Treasury for paying the
17 costs of capital improvements.

18 **“City”** means City of Lovington, New Mexico.

19 **“City Clerk”** means the duly appointed Clerk of the City or a duly appointed deputy City
20 Clerk acting in the absence of the Clerk.

21 **“Code”** means the Internal Revenue Code of 1986, as amended, the federal income tax
22 regulations of the United States Treasury Department (whether proposed, temporary or final) and
23 any amendments of, or successor provisions to, the foregoing and any official rulings,
24 announcements, notices, procedures and judicial determinations regarding any of the foregoing, all

1 as and to the extent applicable. Unless otherwise indicated, reference to a section of the Code in
2 this Bond Ordinance means that section of the Code and such applicable regulations, rulings,
3 announcements, notices, procedures and determinations pertinent to that section.

4 **“Commission”** means the City Commission of City of Lovington, New Mexico or any
5 future successor governing body of the City.

6 **“Department”** means the Taxation and Revenue Department of the State.

7 **“Event of Default”** means any of the events stated in Section 24 of this Bond Ordinance.

8 **“Expenses”** means the reasonable and necessary fees, commissions, costs and expenses
9 incurred by the City with respect to the issuance of the Bonds, including but not limited to the
10 fees, commissions, costs and expenses paid to or to be paid by the City directly or to the Paying
11 Agent, Registrar, rating agencies, financial printers, bond counsel and other attorneys’ fees.

12 **“Financial Advisor”** means George K. Baum & Company, Albuquerque, New Mexico.

13 **“Fiscal Year”** means the period commencing on July 1 in each calendar year and ending
14 on the last day of June of the next succeeding calendar year, or any other twelve-month period
15 which any appropriate authority may hereafter establish for the City as its fiscal year.

16 **“General Fund”** means the main operating account of the City.

17 **“Gross Receipts Tax”** means the excise tax imposed pursuant to the Gross Receipts Tax
18 Ordinance authorized by the Municipal Local Option Gross Receipts Taxes Act.

19 **“Gross Receipts Tax Revenue Bonds”** means bonds or other obligations of the City,
20 payable in whole or in part, from Gross Receipts Tax Revenues.

21 **“Gross Receipts Tax Ordinance”** means, City Ordinance No. 528 adopted on September
22 22, 2014.

1 ***“Herein”, “hereby”, “hereunder”, “hereof”, “herein-above” and “hereafter”*** refer to the
2 entire Bond Ordinance and not solely to the particular section or paragraph of this Bond Ordinance
3 in which such word is used.

4 ***“Independent Accountant”*** means any certified public accountant, or firm of such
5 accountants, duly licensed to practice and practicing as such under the laws of the State of New
6 Mexico, appointed and paid by the City who (a) is, in fact, independent and not under the
7 domination of the City, (b) does not have any substantial interest, direct or indirect, with the City,
8 and (c) is not connected with the City as an officer or employee of the City, but who may be
9 regularly retained to make annual or similar audits of the books or records of the City.

10 ***“Insured Bank”*** means a bank or savings and loan association insured by an agency of the
11 United States.

12 ***“Interest Payment Date”*** means a particular day of each month to be established in the
13 Bond Purchase Agreement for payment of interest on the Bonds.

14 ***“Mayor”*** means the duly elected Mayor or the Mayor Pro Tem acting in the absence of the
15 Mayor.

16 ***“Municipality Gross Receipts Tax Revenues”*** means the revenues derived from the
17 three-eighths increment of the City hold harmless gross receipts tax levied by the City pursuant to
18 Section 7-19D-18, NMSA 1978, imposed on persons engaging in business in the City, which
19 revenues are remitted monthly by the Revenue Division of the Department to the City as
20 authorized by Sections 7-1-6.1 and 7-1-6.13, NMSA 1978, and which remittances currently equal
21 3/8ths of one percent (.375 %) of the taxable gross receipts reported for the City for the month for
22 which such remittance is made.

23 ***“Municipal Local Option Gross Receipts Taxes Act”*** means Sections 7-19D-1 through
24 7-19D-18, NMSA 1978.

1 **“NMSA 1978”** means the New Mexico Statutes Annotated, 1978 Compilation, as
2 amended and supplemented.

3 **“Official Statement”** means the final disclosure document relating to the issuance and sale
4 of the Bonds.

5 **“Outstanding”** when used in reference to Bonds means, on any particular date, the
6 aggregate of all Bonds delivered under this Bond Ordinance except:

7 A. those canceled at or prior to such date or delivered or acquired by the City
8 at or prior to such date for cancellation;

9 B. those otherwise deemed to be paid in accordance with Section 27 or Section
10 32 of this Bond Ordinance;

11 C. those in lieu of or in exchange or substitution for which other Bonds shall
12 have been delivered, unless proof satisfactory to the City and the Paying Agent is presented that
13 any Bond for which a new Bond was issued or exchanged is held by a bona fide holder in due
14 course; and

15 D. those Bonds which have been refunded in accordance with this Bonds
16 Ordinance or other ordinance of the City authorizing the issuance of the applicable bonds.

17 **“Parity Bonds”** means any bonds or other obligations, now or hereafter issued or incurred,
18 payable from or secured by a lien or a pledge of the Pledged Revenues on a parity with the Bonds.

19 **“Participants”** shall mean those broker-dealers, banks and other financial institutions from
20 time to time for which DTC holds Bonds as Securities Depository.

21 **“Paying Agent”** means the City Treasurer or any successor to the City Treasurer which
22 shall be a trust company, national or state banking association or financial institution at the time
23 appointed Paying Agent by resolution of the Commission.

24 **“Pledged Revenues”** means the City Gross Receipts Tax Revenues.

1 ***“Preliminary Official Statement”*** means the preliminary disclosure document setting
2 forth information concerning the Bonds and the City omitting the offering price(s), interest rate(s),
3 selling compensation, aggregate principal amount per maturity, delivery dates, ratings, and other
4 terms of the Bonds depending on such matters.

5 ***“Project”*** means the constructing, purchasing, furnishing, equipping, rehabilitating,
6 making additions to or making improvements to Capital items identified in the City’s Capital
7 Improvement Plan.

8 ***“Purchaser”*** means the entity or entities named in the Bond Purchase Agreement to whom
9 each Series of Bonds will be sold.

10 ***“Rebate Fund”*** means the “City of Lovington, New Mexico Hold Harmless Gross
11 Receipts Tax Revenue Bonds Rebate Fund” established pursuant to Section 14 of this Bond
12 Ordinance.

13 ***“Registrar”*** means the City Treasurer or any successor to the City Treasurer which shall
14 be a trust company, national or state banking association or financial institution at the time
15 appointed by resolution of the Commission.

16 ***“Reserve Fund”*** means the “City of Lovington, New Mexico Hold Harmless Gross
17 Receipts Tax Revenue Bonds Reserve Fund” established by Section 18 of this Bond Ordinance.

18 ***“Revenue Fund”*** means the Revenue Fund established by Section 17 of this Bond
19 Ordinance.

20 ***“Securities Depository”*** shall mean the Depository Trust Company, 711 Stewart Avenue,
21 Garden City, New York 11530, Fax (516) 227-4039 or 4190 (“DTC”); or, in accordance with
22 the then current guidelines of the Securities and Exchange Commission, to other addresses and/or
23 other such securities depositories, or to any other such depositories as the City may designate in
24 writing.

1 “*State*” means the State of New Mexico.

2 2. *Ratification.* All action heretofore taken (not inconsistent with the provisions of
3 this Bond Ordinance) by the Commission and officers of the City directed toward the Project, and
4 toward the authorization, sale and issuance of the Bonds to the Purchaser (including, but not
5 necessarily limited to the distribution of the Preliminary Official Statement) be, and the same
6 hereby is, ratified, approved and confirmed.

7 3. *Authorization of Project.* The Project is hereby authorized and ordered at a total
8 cost not to exceed \$3,500,000 excluding any such cost defrayed or to be defrayed by any source
9 other than Bond proceeds.

10 4. *Findings.* The Commission hereby declares that it has considered all relevant
11 information and data and hereby makes the following findings:

12 A. The acquisition of the Project is needed to meet the future needs of the City
13 and its inhabitants.

14 B. Moneys available for acquiring the Project from all sources other than the
15 issuance of the Bonds are not sufficient to defray the cost of acquiring the Project.

16 C. The Pledged Revenues may lawfully be pledged to secure the payment and
17 redemption of the Bonds.

18 D. The issuance of the Bonds pursuant to the Act, to provide funds for
19 acquiring the Project is necessary and in the interest of the future public health, safety, morals and
20 welfare of the residents of the City. The exact principal amount of the first series of Bonds, the
21 interest rates and sale prices of the Bonds will be established in the Bond Purchase Agreement.
22 Subsequent Series of Bonds may have these details established in a Bond Purchase Agreement
23 from time to time, in no event shall the net effective interest rate on the Bonds exceed twelve
24 percent per annum as required by Section 6-14-3, NMSA 1978.

25 5. *Bonds - Authorization and Detail.*

26 A. *Authorization.* This Bond Ordinance has been adopted by the affirmative
27 vote of a majority of the members of the Commission. For the purpose of protecting the public

1 health, conserving the property, protecting the general welfare and prosperity of the citizens of the
2 City, it is hereby declared necessary that the City, pursuant to the Act, issue its negotiable, fully
3 registered, Gross Receipts Tax Revenue Bonds to be designated City of Lovington, New Mexico
4 Hold Harmless Gross Receipts Tax Revenue Bonds, in one or more series, in an aggregate
5 principal amount not to exceed \$3,500,000 and the issuance, sale and delivery of the Bonds is
6 hereby authorized. The Bonds may be sold from time to time, but not later than two (2) years
7 from the effective date of this Ordinance, at a negotiated sale to the Purchaser.

8 B. *Details of the Bonds.*

9 (1) The form, terms, and provisions of the Bonds, as set forth in Section
10 13, are hereby approved with only such changes therein as are not inconsistent with this Bond
11 Ordinance, the Bond Purchase Agreement.

12 (2) The Bonds shall be negotiable instruments but shall be issued only
13 as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, in such
14 numbers and denominations, subject to Section 11 of this Bond Ordinance, as may be requested by
15 the Purchaser, but exchangeable for other fully registered Bonds. The Bonds shall be numbered
16 separately and consecutively and shall be dated as of a date to be established in the Bond Purchase
17 Agreement. The Bonds shall bear interest from their date payable on the dates to be established
18 in the Bond Purchase Agreement, commencing on the date established in the Bond Purchase
19 Agreement until maturity at the rate of interest to be established in the Bond Purchase Agreement.
20 The exact principal amount, authorized denominations, transfer restrictions, if any, and maturity
21 schedule and/or mandatory sinking fund schedule for the Bonds shall be established in the Bond
22 Purchase Agreement.

23 In no event shall any Bonds mature later than fifty years from the date of their issuance
24 except for Bonds issued for reconstructing, resurfacing or repairing existing streets which shall
25 mature not later than twenty years from their date of issuance. The Bonds shall be sold for cash,
26 at, above or below par at a price or prices that result in net effective interest rates that do not

1 exceed the maximum permitted by the Public Securities Act, Sections 6-14-1 to 6-14-3 NMSA
2 1978.

3 6. *Prior Redemption.*

4 A. *Redemption, Date and Price.* The Bonds may be subject to prior
5 redemption as established in the Bond Purchase Agreement.

6 B. *Notice.* Notice of redemption shall be given by the Registrar by sending a
7 copy of such notice by registered or certified first-class mail, postage prepaid, at least thirty (30)
8 days prior to the redemption date, to the registered owners of the Bonds to be redeemed at the
9 address shown on the registration books kept by the Registrar as of the close of business of the
10 Registrar on the fifth day prior to the mailing of notice. The City shall give the Registrar written
11 instructions to give notice of redemption to the registered owners of the Bonds to be redeemed at
12 least forty-five (45) days prior to such redemption date. If the Bonds are subject to mandatory
13 sinking fund redemption pursuant to the Bond Purchase Agreement, no notice from the City to the
14 Registrar shall be required for mandatory sinking fund redemptions. Neither the City's failure to
15 give such notice nor the Registrar's failure to give such notice to the registered owners of the
16 Bonds, or any defect therein, shall affect the validity of the proceedings for the redemption of any
17 Bonds for which proper notice was given. Notice of redemption shall specify the amount being
18 redeemed, the date fixed for redemption, and that on such redemption date there will become and
19 be due and payable upon the Bonds to be redeemed at the office of the Paying Agent the principal
20 amount to be redeemed plus accrued interest to the redemption date and that from and after such
21 date interest will cease to accrue on such amount. Notice having been given in the manner
22 hereinbefore provided, the Bonds so called for redemption shall become due and payable on the
23 redemption date so designated and if an amount of money sufficient to redeem the Bonds called
24 for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds to be
25 redeemed shall be deemed not Outstanding and shall cease to bear interest from and after such
26 redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying

1 Agent, the Paying Agent will pay the Bonds so called for redemption with funds deposited with
2 the Paying Agent by the City.

3 7. *Filing of Signatures.* Pursuant to Sections 6-9-2 to 6-9-6, NMSA 1978, the
4 Mayor, Mayor Pro Tem and City Clerk may each file with the New Mexico Secretary of State his
5 or her manual signature certified by him or her under oath; provided that filing shall not be
6 necessary for any officer where any previous filing may have legal application to the Bonds.

7 8. *Execution and Authentication of the Bonds.*

8 A. *Execution.* The Bonds shall be signed with the engraved, imprinted,
9 stamped or otherwise reproduced facsimile of the signature, or the manual signature, of the Mayor
10 and shall be attested with the facsimile or manual signature of the City Clerk. There shall be
11 affixed to the Bonds the printed, engraved, stamped or otherwise placed facsimile of, or imprint
12 of, the City's corporate seal. The Bonds shall be authenticated by the manual signature of an
13 authorized officer of the Registrar. The Bonds, when authenticated and bearing the manual or
14 facsimile signatures of the officers in office at the time of signing thereof, shall be valid and
15 binding special obligations of the City, notwithstanding that before delivery thereof and payment
16 therefor, any or all of the persons whose signatures appear thereon shall have ceased to fill their
17 respective offices. The Mayor and City Clerk, at the time of the execution of the Bonds and the
18 signature certificate, each may adopt as and for his or her own facsimile signature, the facsimile
19 signature of his or her predecessor in office if such facsimile signature appears upon the Bonds or
20 any certificates pertaining to the Bonds.

21 B. *Authentication.* No Bond shall be valid or obligatory for any purpose
22 unless the certificate of authentication has been duly executed by the Registrar. The Registrar's
23 certificate of authentication shall be deemed to have been fully executed if manually signed and
24 inscribed by an authorized officer of the Registrar.

25 9. *Negotiability.* The Bonds shall be fully negotiable and shall have all the qualities
26 of negotiable paper, and the registered owners of the Bonds shall possess all rights enjoyed by the

1 holders of negotiable instruments under the provisions of the Uniform Commercial
2 Code-Investment Securities.

3 10. *Payment and Presentation of Bonds for Payment.* Principal and interest on the
4 Bonds shall be payable in lawful money of the United States of America, without deduction for
5 exchange or collection charges. Principal and interest on the Bonds shall be payable by check or
6 draft mailed to the registered owners thereof (or in such other manner as may be agreed upon by
7 the Paying Agent and the registered owners), as shown on the registration books maintained by the
8 Registrar at the address appearing therein on the 15th day of the calendar month next preceding
9 the interest payment date or such dates as may be established in the Bond Purchase Agreement
10 (the "Record Date"). Any interest which is not timely paid or provided for shall cease to be
11 payable to the owner thereof (or of one or more predecessor Bonds) as of the Record Date, but
12 shall be payable to the owner thereof (or of one or more predecessor Bonds) at the close of
13 business on a special record date for the payment of that overdue interest. The special record
14 date shall be fixed by the Paying Agent whenever moneys become available for payment of the
15 overdue interest, and notice of the special record date shall be given to Bond owners not less than
16 ten days prior thereto. If any Bond, when presented for payment, remains unpaid at maturity or
17 redemption, it shall continue to bear interest at the rate designated in, and applicable to, such Bond
18 from time to time. If any Bond is not presented for payment at maturity or redemption when
19 funds available therefor have been deposited with the Paying Agent, it shall cease bearing interest
20 on and from the date of maturity or redemption.

21 11. *Registration, Transfer, Exchange and Ownership Of Bonds.*

22 A. *Registration, Transfer and Exchange.* The City shall cause books for
23 registration, transfer, and exchange of the Bonds as provided herein to be kept at the principal
24 office of the Registrar. Upon surrender for transfer or exchange of any fully registered Bond at
25 the principal office of the Registrar duly endorsed by the registered owner or his attorney duly
26 authorized in writing, or accompanied by a written instrument or instruments of transfer or
27 exchange in form satisfactory to the Registrar and duly executed, the Registrar shall authenticate

1 and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be
2 transferred, in the name of the transferee or registered owner, as appropriate, a new Bond or Bonds
3 in fully registered form of the same aggregate principal amount, maturity and interest rate.

4 B. *Limitations.* The Registrar shall not be required to transfer or exchange
5 the Bond (i) during the period of fifteen (15) days next preceding the mailing of notice calling any
6 Bonds for redemption as herein provided, or (ii) after the mailing to the registered owner of notice
7 calling such Bonds as herein provided. The Registrar shall close books for change of registered
8 owners' addresses on each Record Date; transfers will be permitted within the period from each
9 Record Date to each interest payment date, but such transfers shall not include a transfer of
10 accrued interest payable.

11 C. *Owners of the Bonds.* The person in whose name any Bond is registered
12 shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either
13 the principal of or interest on such Bond shall be made only to or upon the order of the registered
14 owner thereof or his legal representative as stated herein, but such registration may be changed as
15 hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the
16 liability upon such Bond to the extent of the sum or sums so paid.

17 D. *Lost Bonds.* If any Bond shall be lost, stolen, destroyed or mutilated, the
18 Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information or
19 indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed,
20 authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of
21 the same series, maturity and interest rate. If any such lost, stolen, destroyed or mutilated Bond
22 shall have matured or have been called for redemption, the Registrar may request the Paying
23 Agent to pay such Bond in lieu of replacement.

24 E. *Additional Bonds.* Executed but unauthenticated Bonds are hereby
25 authorized to be delivered to the Registrar in such quantities as may be convenient to be held in
26 custody by the Registrar pending delivery upon transfer or exchange as herein provided.

1 F. *Charges.* For each new Bond issued in connection with a transfer or
2 exchange, the Registrar may make a charge to the owner of the Bond requesting such exchange or
3 transfer sufficient to reimburse the Registrar for any tax, fee or other governmental charge
4 required to be paid with respect to such transfer or exchange.

5 G. *Book-Entry Bonds.*

6 (1) The registered bondholder of all of the Bonds may be a
7 Securities Depository and such Bonds may be registered in the name of the nominee for the
8 Securities Depository. The Bonds referred to in this subsection 11.G shall refer to the Bonds
9 registered in the name of the Securities Depository.

10 (2) The Bonds shall be initially issued in the form of separate,
11 single, authenticated fully-registered Bonds in the amount of each separately stated maturity of the
12 Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the
13 registration books kept by the Registrar in the name of the nominee of the Securities Depository.
14 The Registrar, Paying Agent and the City may treat the Securities Depository (or its nominee) as
15 the sole and exclusive Holder of the Bonds registered in its name for the purposes of (a) payment
16 of the principal or redemption price of or interest on the Bonds, (b) selecting the Bonds or portions
17 thereof to be redeemed, (c) giving any notice permitted or required to be given to Bondholders
18 under this Ordinance, (d) registering the transfer of Bonds, and (e) obtaining any consent or other
19 action to be taken by Bondholders and for all other purposes whatsoever and neither the Registrar,
20 Paying Agent or the City shall be affected by any notice to the contrary (except as provided in
21 subparagraph (3) below). Neither the Registrar, Paying Agent or the City shall have any
22 responsibility or obligation to any Participant, any Beneficial Owner or any other person claiming
23 a beneficial ownership interest in the Bonds under or through the Securities Depository or any
24 Participant, or any other person which is not shown on the registration books of the Registrar as
25 being a Bondholder, with respect to the accuracy of any records maintained by the Securities

1 Depository or any Participant, the payment to the Securities Depository of any amount in respect
2 of the principal or redemption price of or interest on the Bonds; any notice which is permitted or
3 required to be given to Bondholders under this Ordinance; the selection by the Securities
4 Depository or any Participant of any person to receive payment in the event of a partial
5 redemption of the Bonds; or any consent given or other action taken by the Securities Depository
6 as Bondholder. Paying Agent shall pay all principal and redemption price of and interest on the
7 Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as
8 adopted in the State) the Securities Depository . All such payments shall be valid and effective
9 to fully satisfy and discharge the City’s obligations with respect to the principal, purchase price or
10 redemption price of and interest on the Bonds to the extent of the sum or sums so paid. Except as
11 provided in subparagraph (3) below, no person other than the Securities Depository shall receive
12 an authenticated Bond for each separate stated maturity evidencing the obligation of the City to
13 make payment of principal or redemption price and interest pursuant to this Ordinance. Upon
14 delivery by the Securities Depository to the Registrar of written notice to the effect that the
15 Securities Depository has determined to substitute a new nominee in place of the preceding
16 nominee, the Bonds will be transferable to such new nominee in accordance with subparagraph (6)
17 below.

18 (3) In the event the City determines that it is in the best interest
19 of the City not to continue the book-entry system of transfer or that the interest of the Beneficial
20 Owners might be adversely affected if the book-entry system of transfer is continued, the City
21 may notify the Securities Depository, whereupon the Securities Depository will notify the
22 Participants of the availability through the Securities Depository of Bond certificates. In such
23 event, the Registrar shall authenticate, transfer and exchange Bond certificates as requested by the
24 Securities Depository in appropriate amounts in accordance with subparagraph (6) below. The

1 Securities Depository may determine to discontinue providing its services with respect to the
2 Bonds at any time by giving notice to the City and discharging its responsibilities with respect
3 thereto under applicable law, or the City may determine that the Securities Depository is incapable
4 of discharging its responsibilities and may so advise the Securities Depository. In either such
5 event, the City shall either establish its own book-entry system or use reasonable efforts to locate
6 another Securities Depository. Under such circumstances (if there is no successor Securities
7 Depository) the City and the Registrar shall be obligated to deliver Bond certificates as described
8 in this Ordinance and in accordance with subparagraph (6) below. In the event Bond
9 certificates are issued, the provisions of this Ordinance shall apply to such Bond certificates in all
10 respects, including, among other things, the transfer and exchange of such certificates and the
11 method of payment of principal or redemption price of and interest on such certificates.
12 Whenever the Securities Depository requests the City and the Registrar to do so, the Registrar and
13 the City will cooperate with the Securities Depository in taking appropriate action after reasonable
14 notice (a) to make available one or more separate certificates evidencing the Bonds to any
15 Participant having Bonds credited to its account with the Securities Depository or (b) to arrange
16 for another securities depository to maintain custody of certificates evidencing the Bonds.

17 (4) Notwithstanding any other provision of this Ordinance to the
18 contrary, so long as any Bond is registered in the name of the nominee of the Securities
19 Depository, all payment with respect to the principal or redemption price of and interest on such
20 Bond and all notices with respect to such Bond shall be made and given to the Securities
21 Depository as provided in its Representation Letter.

22 (5) In connection with any notice or other communication to be
23 provided to Bondholders pursuant to this Ordinance by the City, the Registrar, or the Paying
24 Agent with respect to any consent or other action to be taken by Bondholders, the City, the

1 Registrar, or the Paying Agent, as the case may be, shall establish a record date for such consent or
2 other action and give the Securities Depository notice of such record date not less than fifteen (15)
3 calendar days in advance of such record date to the extent possible. Such notice to the Securities
4 Depository shall be given only when the Securities Depository is the sole Bondholder.

5 (6) In the event that any transfer or exchange of Bonds is
6 permitted under subparagraphs (2) and (3) hereof, such transfer or exchange shall be
7 accomplished upon receipt by the Registrar from the registered owner thereof of the Bonds to be
8 transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in
9 accordance with the applicable provisions of this Ordinance. In the event Bond certificates are
10 issued to owners other than the nominee of the Securities Depository, or another securities
11 depository as holder of all the Bonds, the provisions of this Ordinance shall also apply to, among
12 other things, the printing of such certificates and the methods of payment of principal or
13 redemption price of and interest on such certificates.

14 (7) Notwithstanding any provision of this Ordinance to the
15 contrary, in connection with any redemption of Bonds while the DTC is the sole Bondholder, the
16 City shall give notice of such redemption to the Registrar at least forty-five (45) days prior to the
17 date fixed for redemption and the Registrar shall give notice of redemption to DTC as holder of
18 such Bonds at least thirty (30) days and not more than sixty (60) days prior to the date fixed for
19 redemption.

20 12. *Special Limited Obligations.* All of the Bonds and all payments of principal,
21 premium, if any, and interest thereon whether at maturity or on a redemption date, together with
22 any interest accruing thereon, shall be special limited obligations of the City and shall be payable
23 and collectible solely from the Pledged Revenues which revenues are so pledged and are payable
24 as set forth in Section 20 of this Bond Ordinance. The owner of the Bonds may not look to any

1 general or other fund for the payment of the principal of or interest on such obligations, except the
 2 designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a
 3 debt of the City within the meaning of any constitutional, charter or statutory provision or
 4 limitation, nor shall it be considered or held to be a general obligation of the City, and each of the
 5 Bonds shall recite that it is payable and collectible solely out of the Pledged Revenues, pledged as
 6 set forth in this Bond Ordinance, and that the holder thereof may not look to any general or other
 7 City fund for the payment of the principal of and interest on the Bonds. Nothing herein shall
 8 prevent the City, in its sole discretion, from applying other funds of the City legally available
 9 therefor to the payment of the Bonds.

10 13. *Form of the Bonds.* The form, terms and provisions of the Bonds shall be
 11 substantially as set forth below, with such changes therein as are not inconsistent with this Bond
 12 Ordinance and the Bond Purchase Agreement:

[FORM OF BOND]

14 **UNITED STATES OF AMERICA**

STATE OF NEW MEXICO

15 AS PROVIDED IN THE BOND ORDINANCE REFERRED TO HEREIN, UNTIL THE
 16 TERMINATION OF REGISTERED OWNERSHIP OF ALL OF THE BONDS THROUGH THE
 17 DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES
 18 DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND
 19 NOTWITHSTANDING ANY OTHER PROVISION OF THE BOND ORDINANCE TO THE
 20 CONTRARY, THE PRINCIPAL AMOUNT OUTSTANDING UNDER THIS BOND MAY BE
 21 PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE REGISTRAR. DTC OR
 22 A TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE
 23 PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF
 24 OUTSTANDING AND TO BE PAID. THE PRINCIPAL AMOUNT OUTSTANDING AND
 25 TO BE PAID ON THIS BOND SHALL FOR ALL PURPOSES BE THE AMOUNT
 26 INDICATED ON THE BOOKS OF THE REGISTRAR.

27
 28 UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC
 29 TO THE REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT,
 30 AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH
 31 OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND
 32 ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE
 33 HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE
 34 THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

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CITY OF LOVINGTON, NEW MEXICO

HOLD HARMLESS GROSS RECEIPTS TAX REVENUE BOND

SERIES _____

Bond No. R- _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Bond</u>	<u>Cusip</u>
_____ % per annum	_____, _____	_____	_____

The City of Lovington (the "City"), in the State of New Mexico, a Municipality duly organized and existing under the Constitution and laws of the State of New Mexico, for value received, hereby promises to pay, solely from the special funds available for the purpose as hereinafter set forth, to CEDE & Co. or registered assigns, no later than the Maturity Date stated above (unless this bond is called for prior redemption, in which case on such redemption date), upon presentation and surrender hereof at the principal office of the City Treasurer as paying agent, or any successor paying agent (the "Paying Agent"), the sum of _____ DOLLARS (\$ _____) and to pay from said sources interest on the unpaid principal amount at the Interest Rate stated above on _____, and on _____ and _____ of each year (each an "Interest Payment Date") thereafter to its maturity, or until redeemed if called for redemption prior to maturity. This bond will bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Interest on this bond is payable by check mailed to the registered owner hereof (or by such other arrangement as may be mutually agreed to by the Paying Agent and the registered owner) as shown on the registration books for this issue maintained by the City Treasurer as registrar, or any successor registrar (the "Registrar") at the address appearing therein at the close of business on the

1 fifteenth day of the calendar month next preceding the Interest Payment Date (the “Record Date”).
2 Any interest which is not timely paid or duly provided for shall cease to be payable to the owner
3 hereof as of the Record Date but shall be payable to the owner hereof at the close of business on a
4 special record date to be fixed by the Paying Agent for the payment of interest. The special
5 record date shall be fixed by the Paying Agent whenever moneys become available for payment of
6 the overdue interest, and notice of the special record date shall be given to the owner of the Bonds
7 (defined below) as then shown on the Registrar’s registration books not less than ten days prior to
8 the special record date. If, upon presentation at maturity or redemption, payment of this bond is
9 not made as herein provided, interest hereon shall continue at the Interest Rate stated above until
10 the principal hereof is paid in full. The principal, premium, if any, and interest on this bond are
11 payable in lawful money of the United States of America, without deduction for the services of the
12 Paying Agent or the Registrar.

13 This bond is one of a duly authorized issue of fully registered bonds of the City in the
14 aggregate principal amount of \$ _____, issued in denominations of \$5,000 or integral
15 multiples thereof, designated as City of Lovington, New Mexico Hold Harmless Gross Receipts
16 Tax Revenue Bonds, Series _____ (the “Bonds”), issued under and pursuant to City Ordinance
17 No. ____ (the “Bond Ordinance”).

18 The Bonds are subject to prior redemption at the option of the City, in whole or in part, as
19 more particularly described below:

20 Bonds maturing on _____ are subject to mandatory sinking fund redemption at the
21 times and in the amounts as follows:

22 ***[INSERT SINKING FUND REDEMPTION]***

23 Notice of redemption of this bond will be given by providing at least 30 days prior written
24 notice by registered or certified first-class mail, postage prepaid, to the owner hereof or portion

1 hereof to be redeemed at the address shown on the registration books as of the fifth day prior to
2 the mailing of notice as provided in the Bond Ordinance. Notice of redemption will specify the
3 amount being redeemed, and shall further state that on such redemption date there will become
4 and be due and payable upon each Bond to be redeemed at the office of the Paying Agent, the
5 principal amount thereof plus accrued interest to the redemption date and the stipulated premium,
6 if any, and that from and after such date, the redemption amount having been deposited and
7 notice having been given, interest will cease to accrue.

8 Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon
9 the surrender for transfer or exchange of this bond at the principal office of the Registrar, duly
10 endorsed or accompanied by an assignment duly executed by the registered owner or his attorney
11 duly authorized in writing, the Registrar shall authenticate and deliver, not more than three (3)
12 business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or
13 owner, a new Bond or Bonds in fully registered form of the same aggregate principal amount,
14 maturity and interest rate. Exchanges and transfers of the Bonds shall be without charge to the
15 owner or any transferee, but the Registrar may require the payment by the owner of any Bonds of
16 any tax or other similar governmental charge required to be paid with respect to such exchange or
17 transfer. The Registrar shall not be required (i) to transfer or exchange any Bond during the
18 period of fifteen days next preceding the mailing of notice calling any Bond for redemption, or (ii)
19 to transfer or exchange any Bond or part thereof called for redemption. The Registrar will close
20 the books for change of registered owners' addresses on each Record Date; transfers will be
21 permitted within the period from each Record Date to each interest payment date, but such
22 transfers shall not include a transfer of accrued interest payable.

23 The person in whose name any Bond is registered on the registration books kept by the
24 Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making

1 payment thereof and for all other purposes, except as may otherwise be provided with respect to
2 payment of overdue interest in the Bond Ordinance; and payment of or on account of either
3 principal or interest on any Bond shall be made only to or upon the written order of the registered
4 owner thereof or his legal representative. All such payments shall be valid and effectual to
5 discharge the liability upon such Bond to the extent of the sum or sums so paid.

6 If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar will, upon receipt of
7 such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the
8 Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a
9 replacement Bond, or Bonds, of a like aggregate principal amount and of the same maturity and
10 interest rate, bearing a number or numbers not contemporaneously outstanding. If such lost,
11 stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, the
12 Registrar may direct the Paying Agent to pay such Bond in lieu of replacement.

13 This Bond does not constitute an indebtedness of the City within the meaning of any
14 constitutional or statutory provision or limitation, shall not be considered or held to be a general
15 obligation of the City, and is payable and collectible solely from the one-fourth increment of the
16 hold harmless City gross receipts tax levied by the City pursuant to Section 7-19D-18 NMSA
17 1978, which equals three-eighths of one percent (.375%) of the taxable gross receipts reported for
18 the City and remitted to the City by the State pursuant to Sections 7-1-6.1 and 7-1-6.13, NMSA
19 1978, (the "Pledged Revenues"), City Ordinance No. ____, as amended, and the bondholders may
20 not look to any general or other City fund other than described above for the payment of the
21 interest and principal of this bond. Additional bonds may be issued and made payable from the
22 Pledged Revenues, upon satisfaction of the conditions set forth in the Bond Ordinance, having a
23 lien thereon either on a parity with, or subordinate and junior to, the lien on the Pledged Revenues,

1 but additional bonds may not be issued with a lien thereon superior to the lien thereon of the
2 Bonds.

3 The Bonds are issued to provide funds for various City capital improvement projects as
4 defined in the Bond Ordinance.

5 The City covenants and agrees with the owner of this bond and with each and every person
6 who may become the owner hereof that it will keep and perform all of the covenants of the Bond
7 Ordinance.

8 This bond is subject to the condition, and every owner hereof by accepting the same agrees
9 with the obligor and every subsequent owner hereof, that the principal of and interest on this bond
10 shall be paid, and this bond is transferable, free from and without regard to any equities, set-offs or
11 crossclaims between the obligor and the original or any other owner hereof.

12 It is hereby certified that all acts and conditions necessary to be done or performed by the
13 City or to have happened precedent to and in the issuance of the Bonds to make them legal, valid
14 and binding special obligations of the City, have been performed and have happened as required
15 by law, and that the Bonds do not exceed or violate any constitutional or statutory limitation of or
16 pertaining to the City.

17 This bond shall not be valid or obligatory for any purpose until the Registrar shall have
18 manually signed the Certificate of Authentication on this bond.

19 **IN WITNESS WHEREOF**, the City of Lovington, New Mexico has caused this bond to be
20 signed and executed on the City's behalf with the manual or facsimile signature of the Mayor, to
21 be countersigned with the manual or facsimile signature of the City Clerk and has caused a
22 facsimile of the corporate seal of the City to be affixed hereon, all as of the Date of Bond.

23 **CITY OF LOVINGTON, NEW MEXICO,**
24 City Commission

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By _____
Mayor

SEAL

By _____
City Clerk
(FACSIMILE SEAL)

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Bond Ordinance and has been duly registered on the registration books kept by the undersigned as Registrar/Paying Agent for the Bonds.

Date of Authentication and
Registration: _____

CITY OF LOVINGTON TREASURER
as Registrar/Paying Agent

By _____
Authorized Officer

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**[END OF FORM OF CERTIFICATE OF AUTHENTICATION]
[FORM OF ASSIGNMENT]**

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, of Assignee)

(Social Security or Federal Taxpayer Identification Number)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Bond Ordinance as attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature of the registered owner to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed by:

NOTICE: Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

[END OF FORM OF ASSIGNMENT]

[END OF FORM OF BOND]

1 14. *Disposition of Bond Proceeds.* Except as herein otherwise specifically provided
2 the proceeds from the sale of the Bonds shall be used as follows:

3 A. *Accrued Interest.* First, all moneys received as accrued interest from the
4 sale of the Bonds shall be deposited into the Bond Fund, to be applied to the payment of interest
5 next due on the Bonds.

6 B. *Reserve Fund.* Second, as may be established in a Bond Purchase
7 Agreement, an amount equal to the lesser of: (1) ten percent (10%) of the principal amount of the
8 Bonds; (2) the maximum annual debt service of the Bonds; or (3) one hundred twenty five percent
9 (125%) of the average annual debt service of the Bonds shall be credited to the Reserve Fund.

10 C. *Expenses.* Third, an amount necessary to pay expenses shall be paid on
11 behalf of the City.

12 D. *Acquisition Account.* Fourth, an amount necessary, together with funds
13 transferred to the Acquisition Account pursuant to Section 15.A, if any, to finance the Project in
14 whole or in part from the proceeds derived from the sale of the Bonds shall be credited to the
15 Acquisition Account, which is hereby created.

16 E. *Rebate Fund.* There is hereby created the Rebate Fund within the treasury
17 of the City for the purpose of payment to the United States Department of the Treasury of any
18 rebatable arbitrage due.

19 The City shall deposit into the Rebate Fund any amounts available from the proceeds of
20 the Bonds, as specified in the Tax Matters Certificate of the City, in the Rebate Fund as will be
21 sufficient to pay any rebate due to the United States Department of the Treasury for the applicable
22 rebate period. Moneys in the Rebate Fund shall be invested in accordance with the Tax Matters
23 Certificate. Excess moneys shall be released from the Rebate Fund at the end of the applicable
24 rebate period.

1 F. *Use of Proceeds.* Except as otherwise specifically provided in this
2 Ordinance, the proceeds derived from the sale of the Bonds shall be used and paid solely for one
3 or more of the purposes of the Project.

4 15. *Acquisition Account.*

5 A. *Additional Acquisition Account Deposit.* Upon the issuance of the Bonds,
6 the City Treasurer shall cause to be withdrawn from funds legally available therefor and
7 transferred and credited to the Acquisition Account such amount as he or she determines shall be
8 necessary to assure that the amount in the Acquisition Account will be sufficient for the purposes
9 set forth in paragraph B of this Section 15.

10 B. *Maintenance of the Acquisition Account.* The Acquisition Account shall
11 be maintained by the City in an amount at the time of the deposit and at all times subsequently at
12 least sufficient to pay the costs of the Project, both accrued and not accrued, as the same become
13 due.

14 C. *Use of the Acquisition Account.* Moneys shall be withdrawn by the City
15 from the Acquisition Account in sufficient amounts and at times to permit the payment without
16 delay of the costs of the Project. Any moneys remaining in the Acquisition Account after
17 provision shall have been made for the payment in full of the costs of the Project shall be subject
18 to the provision of Section 18.F.

19 D. *Insufficiency of the Acquisition Account.* If, for any reason, the amount in
20 the Acquisition Account shall at any time be insufficient for the purposes of paragraphs B and C
21 of this Section 15, the City shall forthwith, from the first legally available revenues, deposit in the
22 Acquisition Account such additional moneys as shall be necessary to permit the payment in full of
23 the costs of the Project.

24 16. *Purchaser Not Responsible.* The Purchaser, or any subsequent owner of any
25 Bonds, shall in no manner be responsible for the application or disposal by the City, or by any
26 officer or any employee or other agent of the City, of the moneys derived from the sale of the
27 Bonds or of any other moneys designated in this Ordinance.

1 17. *Revenue Fund.* So long as the Bonds are outstanding, the Pledged Revenues held in
2 the Capital Improvement Fund and the General Fund shall be set aside and deposited monthly in
3 to the Revenue Fund hereby established and thereafter transferred to the Bond Fund, as hereinafter
4 provided.

5 18. *Administration of Revenue Fund.* So long as any of the Bonds shall be
6 outstanding, whether as to principal or interest or both, the following payments shall be made from
7 the Pledged Revenues:

8 A. *Bond Fund Created.* The following amounts shall be withdrawn from the
9 Revenue Fund, and shall be concurrently credited to the Bond Fund, which is hereby created:

10 (1) *Interest Payments.* Monthly, commencing on the first day of the
11 first month following the delivery of any of the Bonds, an amount in equal monthly installments
12 necessary, together with any moneys in the Bond Fund available therefor, to pay the next maturing
13 installment of interest on the Bonds then outstanding and monthly thereafter commencing on each
14 interest payment date, one-sixth (1/6th) of the amount necessary to pay the next maturing
15 installment of interest on the outstanding Bonds; and

16 (2) *Principal Payments.* Monthly, commencing on the first day of the
17 first month following the delivery of any of the Bonds, an amount in equal monthly installments
18 necessary, together with any moneys in the Bond Fund available therefor, to pay the next maturing
19 installment of principal on the Bonds and monthly thereafter commencing on each principal
20 payment date, one-twelfth (1/12th) of the amount necessary to pay the next maturing installment
21 of principal on the Bonds.

22 If prior to any interest payment date or principal payment date, there has been accumulated
23 in the Bond Fund the entire amount necessary to pay the next maturing installment of the interest
24 or principal, or both, the payment required under subparagraph (1) or (2) (whichever is applicable)
25 of this paragraph A, may be appropriately reduced and the required monthly amounts again shall

1 be so credited to such account commencing on such interest payment date or principal payment
2 date (whichever is applicable).

3 B. *Payment of Parity Bonds.* Concurrently with the payment of the Pledged
4 Revenues required by paragraph A of this Section 18, any amounts on deposit in the Revenue
5 Fund shall be used by the City for the payment of principal of and interest on the Parity Bonds, if
6 any, currently, or hereafter authorized to be, issued and payable from the Pledged Revenues as the
7 same are required to be paid or deposited.

8 C. *Termination Upon Deposits to Maturity.* No payment need be made into
9 the Bond Fund if the amount in the Bond Fund is a sum at least equal to the entire amount of the
10 Bonds then outstanding, both as to principal and interest to their respective maturities, and both
11 accrued and not accrued, in which case, moneys in the Bond Fund in an amount at least equal to
12 such principal and interest requirements shall be used solely to pay such as the same accrue and
13 any moneys in excess thereof in the Bond Fund and any other moneys derived from the Pledged
14 Revenues may be used in any lawful manner determined by the City. The sufficiency of such
15 sum shall be verified by an opinion addressed to the City from an independent accountant.

16 D. *Use of Moneys in the Bond Fund.* The moneys in the Bond Fund shall be
17 used solely and only for the purpose of paying the principal of and the interest on the Bonds;
18 provided, however, that any moneys in the Bond Fund in excess of accrued and unaccrued
19 principal and interest requirements to the respective maturities of the outstanding Bonds may be
20 used as provided in paragraph F of this Section 18.

21 E. *Reserve Fund Created.* There is hereby created the Reserve Fund, to be
22 held by the City. After the payments required by paragraphs A and B of this Section 18, there
23 shall be withdrawn from the Revenue Fund, and there shall be concurrently credited to the
24 Reserve Fund, to the extent such amounts are available in the Revenue Fund, such amounts as
25 may be necessary in order that the balance in the Reserve Fund is equal to the lesser of an amount
26 equal to: (1) ten percent (10%) of the original principal amount of Bonds delivered to and
27 purchased by the Purchaser; (2) the maximum annual debt service of the Bonds; or (3) one

1 hundred twenty five percent (125%) of the average annual debt service of the Bonds. If the
2 balance in the Reserve Fund exceeds the amount so determined, the excess shall be withdrawn
3 from the Reserve Fund and concurrently credited to the Bond Fund. Moneys in the Reserve
4 Fund shall be withdrawn from the Reserve Fund and concurrently credited to the Bond Fund, to
5 the extent and at the times necessary, and to the extent such amounts are available in the Reserve
6 Fund, to prevent deficiencies in the payments required to be made pursuant to paragraph A of this
7 Section 18.

8 F. *Use of Surplus Pledged Revenues.* After making the payments required to
9 be made by paragraphs A, B and D of this Section 18, the remaining Pledged Revenues, if any,
10 will be distributed as follows:

11 (1) An amount up to the amount of Pledged Revenues deposited in the Revenue
12 Fund from the General Fund shall be deposited in the General Fund; and

13 (2) The remainder of the Pledged Revenues, if any, shall be deposited in the
14 Capital Improvement Fund.

15 19. *General Administration Of Funds.* The funds and accounts designated in Sections
16 14, 15, 17 and 18 shall be administered and invested as follows:

17 A. *Places and Times Of Deposits.* The funds shall be separately maintained
18 as a trust fund or funds for the purposes established and shall be deposited in one or more bank
19 accounts in an Insured Bank or Banks. Each account shall be continuously secured to the extent
20 required by law and shall be irrevocable and not withdrawable by anyone for any purpose other
21 than the designated purpose. Payments shall be made into the proper fund or account on the first
22 day of the month except when the first day shall not be a Business Day, then payment shall be
23 made on the next succeeding Business Day. No later than two Business Days prior to each
24 interest and principal payment date, moneys sufficient to pay interest and principal then due on the
25 Bonds shall be transferred to the Paying Agent. Nothing in this Bond Ordinance shall prevent
26 the City from establishing one or more bank accounts in an Insured Bank or Banks for all the

1 funds required by this Bond Ordinance or shall prevent the combination of such funds and
2 accounts with any other bank account or accounts or other funds and accounts of the City.

3 B. *Investment of Moneys.* Moneys in any fund or account not immediately
4 needed may be invested in any investment permitted by law. The obligations so purchased as an
5 investment of moneys in any fund or account shall be deemed to be part of such fund or account,
6 and the interest accruing thereon and any profit realized therefrom shall be credited to such fund
7 or account, and any loss resulting from such investment shall be charged to such fund or account.
8 The City Treasurer shall present for redemption or sale on the prevailing market any obligations so
9 purchased as an investment of moneys in the fund or account whenever it shall be necessary to do
10 so in order to provide moneys to meet any payment or transfer from such fund.

11 20. *Lien on Pledged Revenues.* The Pledged Revenues, the amounts and securities on
12 deposit in the Bond Fund and the Reserve Fund, and the proceeds thereof, are hereby authorized to
13 be pledged to, and are hereby pledged, and the City grants a security interest therein for the
14 payment of the principal of, premium, if any, and interest on the Bonds, subject to the uses thereof
15 permitted by, and the priorities set forth in, this Bond Ordinance. The Bonds constitute an
16 irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as
17 set forth herein.

18 21. *Bonds or Other Obligations Payable From Pledged Revenues.*

19 A. *Limitations Upon Issuance of Parity Revenue Bonds.* No provision of this
20 Bond Ordinance shall be construed in such a manner as to prevent the issuance by the City of
21 additional bonds or other obligations payable from Pledged Revenues constituting a lien upon
22 such Pledged Revenues equal to or on a parity with the Bonds, nor to prevent the issuance of
23 bonds or other obligations refunding all or a part of the Bonds; provided, however, that before any
24 such additional bonds are actually issued, including parity refunding bonds and obligations
25 which refund subordinate obligations as provided in Section 20 hereof, it must be determined that:
26 The City is then current in all of the accumulations required to be made into the Bond Fund and
27 the Reserve Fund as provided in Section 18 of this Bond Ordinance; and

1 1.) No default shall exist in connection with any of the covenants or
2 requirements of this Bond Ordinance; and

3 2.) The Pledged Revenues received by the City for the twelve
4 months immediately preceding the date of the issuance of such additional Bonds shall have been
5 sufficient to pay an amount representing one hundred fifty percent (150%) of the combined
6 maximum annual principal and interest coming due in any subsequent Fiscal Year on the then
7 outstanding Bonds and Parity Bonds and the Parity Bonds proposed to be issued.

8 B. *Certificate or Opinion of Revenues.* A written certificate by the City
9 Manager that such annual Pledged Revenues are sufficient to pay such amounts shall be
10 conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell
11 and deliver such additional bonds or other obligations on a parity with the Bonds herein
12 authorized.

13 C. *Subordinate Obligations Permitted.* No provision of this Bond Ordinance
14 shall be construed in such a manner as to prevent the issuance by the City of additional bonds or
15 other obligations payable from the Pledged Revenues constituting a lien upon such Pledged
16 Revenues subordinate and junior to the lien of the Bonds nor to prevent the issuance of bonds or
17 other obligations refunding all or part of the Bonds herein authorized as permitted by Section 20
18 hereof.

19 D. *Superior Obligations Prohibited.* The City shall not issue bonds payable
20 from the Pledged Revenues having a lien thereon prior and superior to the Bonds.

21 22. *Refunding Bonds Payable From Pledged Revenues.* The provisions of Section 21
22 hereof are subject to the following exceptions:

23 A. *Privilege of Issuing Refunding Obligations.* If at any time after the Bonds
24 shall have been issued and remain outstanding, the City shall find it desirable to refund any
25 outstanding bonds or other outstanding obligations payable from the Pledged Revenues, such
26 bonds or other obligations, or any part thereof, may be refunded (but the holders of bonds to be

1 refunded may not be compelled to surrender their bonds, unless the bonds or other obligations, at
2 the time of their required surrender for payment, shall then mature, or shall then be callable for
3 prior redemption at the City's option), regardless of whether the priority of the lien for the
4 payment of the refunding obligations on the Pledged Revenues is changed, except as provided in
5 subparagraph D of Section 21 hereof and in subparagraphs B and C of this Section 22.

6 B. *Limitations Upon Issuance of Parity Refunding Obligations.* No refunding
7 bonds or other refunding obligations payable from the Pledged Revenues shall be issued on a
8 parity with the Bonds herein authorized, unless the refunding bonds or other refunding obligations
9 are issued in compliance with subparagraph A of this Section 22.

10 C. *Refunding Part of an Issue.* The refunding bonds or other obligations so
11 issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of any
12 bonds or other obligations of the same issue which is not refunded, if any; and the holder or
13 holders of such refunding bonds or such other refunding obligations shall be subrogated to all of
14 the rights and privileges enjoyed by the holder or holders of the bonds or other obligations of the
15 same issue refunded thereby. If only a part of the outstanding bonds and any other outstanding
16 obligations of any issue or issues payable from the Pledged Revenues is refunded, then such
17 obligations may not be refunded without the consent of the holder or holders of the unrefunded
18 portion of such obligations, unless the refunding bonds or other refunding obligations are issued in
19 compliance with subparagraph A of this Section 22.

20 D. *Limitations Upon Issuance of Refunding Obligations.* Any refunding
21 bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such
22 details as the City may provide by ordinance, but without any impairment of any contractual
23 obligations imposed upon the City by any proceedings authorizing the issuance of any unrefunded
24 portion of such outstanding obligations of any one or more issues (including, but not necessarily
25 limited to, the Bonds).

26 23. *Protective Covenants.* The City hereby covenants and agrees with each and every
27 holder of the Bonds issued hereunder:

1 A. *Use of Bond Proceeds.* The City will proceed without delay to apply the
2 proceeds of the Bonds to acquiring the Project.

3 B. *Payment of the Bonds Herein Authorized.* The City will promptly pay the
4 principal of interest on, and premium, if any, on the Bonds at the place, on the date and in the
5 manner specified herein and in the Bonds according to the true intent and meaning hereof.

6 C. *City's Existence.* The City will maintain its corporate identity and
7 existence so long as the Bonds remain outstanding, unless another political subdivision by
8 operation of law succeeds to the liabilities and rights of the City, without adversely affecting, to
9 any substantial degree, the privileges and rights of any owner of the Bonds.

10 D. *Prohibition of extension of Interest Payments.* In order to prevent any
11 accumulation of claims for interest after maturity, the City will not directly or indirectly extend or
12 assent to the extension of time for the payment of any claim for interest on the Bonds, and the City
13 will not directly or indirectly be a party to or approve any arrangements for any such extension.
14 If the time for payment of any such interest shall be extended, such installment or installments of
15 interest, after such extension or arrangement, shall not be entitled, in case of default hereunder, to
16 the benefit or security hereof, except subject to the prior payment in full of the principal of the
17 Bonds then outstanding and of the matured interest on such Bonds, the payment of which has not
18 been extended.

19 E. *Records for Pledged Revenues.* So long as the Bonds remain Outstanding,
20 proper books of record and account will be kept by the City, separate and apart from all other
21 records and accounts, showing complete and correct entries of all transactions relating to the
22 Pledged Revenues.

23 F. *Audits.* The City will, at the time of the annual audit required by law,
24 cause an audit of its books and accounts relating to the Pledged Revenues to be performed by an
25 Independent Accountant showing the receipts and disbursements in connection with the such
26 Pledged Revenues. The City agrees to furnish forthwith a copy of each of such audits and
27 reports to the owners of the Bonds upon written request.

1 G. *Other Pledged Revenues and Liens.* Other than as described and identified
2 by this Bond Ordinance, there are no liens or encumbrances of any nature whatsoever on or
3 against the Pledged Revenues.

4 H. *Duty to Impose Gross Receipts Tax.* If any City ordinance or part thereof,
5 which in any manner affects the Pledged Revenues, shall ever be held to be invalid or
6 unenforceable, it shall be the duty of the City to immediately take any action necessary to produce
7 sufficient Pledged Revenues to comply with the contracted obligations of this Bond Ordinance,
8 except as is provided in paragraph I of this Section 23.

9 I. *Impairment of Contract.* The City agrees that any law, ordinance or
10 resolution of the City that in any manner affects the Pledged Revenues or the Bonds shall not be
11 repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely the
12 Bonds Outstanding, unless such Bonds have been discharged in full or provision has been fully
13 made therefor, or unless the required consents of the holders of the then Outstanding Bonds are
14 obtained pursuant to Section 31 of this Bond Ordinance.

15 24. *Events of Default.* Each of the following events is hereby declared an “Event of
16 Default”:

17 A. *Nonpayment of Principal or Interest.* Failure to pay the principal of or
18 interest on the Bonds when the same becomes due and payable.

19 B. *Incapable to Perform.* The City shall, for any reason, be rendered
20 incapable of fulfilling its obligations hereunder.

21 C. *Default of any Provision.* Default by the City in the due and punctual
22 performance of its covenants or conditions, agreements and provisions contained in the Bonds, in
23 this Bond Ordinance, or in the Bond Purchase Agreement on its part to be performed, and the
24 continuance of such default (other than a default set forth in subparagraph A of this Section 24 for
25 sixty (60) days after written notice specifying such default and requiring the same to be remedied
26 has been given to the City by the holder of any Bonds then Outstanding.

1 25. *Remedies Upon Default.* Upon the happening and continuance of any of the
2 events of default as provided in Section 24 of this Bond Ordinance, then in every case , the holder,
3 including, but not limited to, a trustee or trustees therefor, may proceed against the City, the
4 Commission and its agents, officers and employees to protect and enforce the rights of any holder
5 of the Bonds under this Bond Ordinance by mandamus or other suit, action or special proceedings
6 in equity or at law, in the District Court for the State of New Mexico, Sixth Judicial District
7 either for the appointment of a receiver or for the specific performance of any covenant or
8 agreement contained herein, or in an award relating to the execution of any power herein granted
9 for the enforcement of any legal or equitable remedy as such holder or holders may deem most
10 effectual to protect and enforce the rights provided above, or to enjoin any act or thing which may
11 be unlawful or in violation of any right of any Bondholder, or to require the Commission to act as
12 if it were the trustee of an express trust, or any combination of such remedies. All such
13 proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of the
14 holders of the Bonds then Outstanding. The failure of any Bondholder so to proceed shall not
15 relieve the City or any of its officers, agents or employees of any liability for failure to perform
16 any duty. Each right or privilege of such holder (or trustee thereof) is in addition and cumulative
17 to any other right or privilege, and the exercise of any right or privilege by or on behalf of any
18 holder shall not be deemed a waiver of any other right or privilege.

19 26. *Duties Upon Default.* Upon the happening of any of the Events of Default
20 provided in Section 24 of this Bond Ordinance, the City will do and perform all proper acts on
21 behalf of the owners of the Bonds to protect and preserve the security created for the payment of
22 the Bonds and to insure the payment of the principal of and interest on the Bonds promptly as the
23 same become due. All proceeds derived therefrom, so long as the Bonds, either as to principal or
24 interest, are Outstanding and unpaid, shall be applied as set forth in Section 18 of this Bond
25 Ordinance. In the event the City fails or refuses to proceed as provided in this Section 26, the
26 owners of the Bonds then outstanding, after demand in writing, may proceed, protect and
27 enforce the rights of the owners of the Bonds as hereinabove provided.

1 27. *Bonds Not Presented when Due.* If the Bonds shall not be duly presented for
2 payment when due at maturity or on the redemption date thereof, and if moneys sufficient to pay
3 such Bonds are on deposit with the Paying Agent for the benefit of the owners of such Bonds, all
4 liability of the City to such owners for the payment of such Bonds shall be completely discharged,
5 such Bonds shall not be deemed to be Outstanding and it shall be the duty of the Paying Agent to
6 segregate and to hold such moneys in trust, without liability for interest thereon, for the benefit of
7 the owners of such Bonds as may be provided in any agreement hereafter entered into between the
8 Paying Agent and an officer of the City.

9 28. *Tax and Arbitrage Covenants.* The City covenants that it will restrict the use of
10 the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that
11 the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of
12 1986, as amended (the "Code"). The Mayor, City Clerk, City Manager or any other officer of the
13 City having responsibility for the issuance of the Bonds shall give an appropriate certificate of the
14 City, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable
15 expectations of the City regarding the amount and use of all the proceeds of the Bonds, the facts,
16 circumstances and estimates on which they are based, and other facts and circumstances relevant
17 to the tax treatment of interest on the Bonds.

18 The City covenants that it (a) will take or cause to be taken such actions which may be
19 required of it for the interest on the Bonds to be and remain excluded from gross income for
20 federal income tax purposes, and (b) will not take or permit to be taken any actions which would
21 adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of
22 compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii)
23 restrict the yield on investment property acquired with those proceeds, (iii) make timely rebate
24 payments to the federal government, (iv) maintain books and records and make calculations and
25 reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent
26 necessary to assure such exclusion of that interest under the Code. The Mayor, City Clerk, City

1 Manager and other appropriate officers are hereby authorized and directed to take any and all
2 actions, make calculations and rebate payments, and make or give reports and certifications, as
3 may be appropriate to assure such exclusion of that interest.

4 The City hereby designates the first series of Bonds as “Qualified Tax-Exempt
5 Obligations” for the purposes of Section 265 of the Internal Revenue Code of 1986, as amended
6 (“Code”). Section 265 of the Code permits the designation of governmental bonds such as these
7 Bonds as qualified tax-exempt obligations based upon certain representations made herein below
8 (and certain representations by the initial purchaser of the Bonds):

9 A. The Bonds are not private activity bonds;

10 B. The City does not reasonably expect to issue qualified tax-exempt
11 obligations in an aggregate principal amount exceeding \$10,000,000 during calendar year 2015;
12 and

13 C. The City has not and will not designate more than \$10,000,000 in aggregate
14 principal amount of tax-exempt obligations during calendar year 2015.

15 29. *Continuing Disclosure Undertaking.* The City may make a written undertaking by
16 the Commission on behalf of the City for the benefit of the holders of the Bonds in compliance
17 with Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities
18 Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240. 15c2-12) (the “Rule”) in the form
19 submitted to the Commission

20 30. *Delegated Powers.* The officers of the City be, and they hereby are, authorized
21 and directed to take all action necessary or appropriate to effectuate the provisions of this Bond
22 Ordinance, including, without limiting the generality of the foregoing, the publication of the
23 summary set out in Section 37 of this Bond Ordinance (with such changes, additions and deletions
24 as they may determine), the distribution of material relating to the Bonds, the printing of the
25 Bonds, the printing, execution and distribution of disclosure documents relating to the Bonds, the

1 execution, of a purchase agreement for the Bonds, and of such other documents as may be
2 required by the Purchaser or bond counsel.

3 31. *Amendment of Bond Ordinance.* This Bond Ordinance may be amended without
4 the consent of the holder of any Bonds to cure any ambiguity or to cure, correct or supplement any
5 defect or inconsistent provision contained herein. Prior to the date of the initial delivery of the
6 Bonds to the Purchaser, the provisions of this Bond Ordinance may be amended without the
7 written consent of the Purchaser by resolution of the Commission with respect to any changes
8 which are not inconsistent with the substantive provisions of this Bond Ordinance. Except as
9 provided above, this Bond Ordinance may be amended without receipt by the City of any
10 additional consideration, but with the written consent of two-thirds of all holders of the Bonds
11 then Outstanding; but no amendment adopted without the written consent of the holders of all
12 Outstanding Bonds shall have the effect of permitting:

- 13 1.) An extension of the maturity or scheduled payment of any Bonds;
- 14 2.) A reduction of the principal amount or interest rate or prior
15 redemption premium of any Bond;
- 16 3.) The creation of a lien upon the Pledged Revenues ranking prior to
17 the lien or pledge created by this Bond Ordinance; or
- 18 4.) A reduction of the principal amount of the Bonds required for
19 consent to such amendatory ordinance. Any amendment to this Bond Ordinance which is not
20 inconsistent with the terms hereof, may be made by resolution of the Commission; any other
21 amendment to this Bond Ordinance shall be made by subsequent ordinance of the Commission.

22 32. *Defeasance.* When all principal, interest and prior redemption premiums, if any,
23 in connection with the Bonds hereby authorized have been duly paid, the pledge and lien for the
24 payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be
25 outstanding within the meaning of this Bond Ordinance. The City shall receive an opinion from
26 nationally recognized bond counsel that the defeasance does not adversely affect the exclusion

1 from income of interest on the Bonds for federal income tax purposes. Payment shall be deemed
2 made with respect to the Bonds when the Commission has placed in escrow with a commercial
3 bank exercising trust powers, an amount sufficient (including the known minimum yield from
4 federal securities) to meet all requirements of principal, interest and prior redemption premiums, if
5 any, as the same become due to their final maturities or upon designated redemption dates. The
6 sufficiency of such amount shall be verified by an opinion, which opinion shall be conclusively
7 presumed accurate as to the sufficiency of said deposit, addressed to the City from an Independent
8 Accountant. Any federal securities shall become due when needed in accordance with a schedule
9 agreed upon between the Commission and such bank at the time of the creation of the escrow.
10 Federal securities within the meaning of this Section 32 shall include only direct obligations of, or
11 obligations the principal of and interest on which are unconditionally guaranteed by, the United
12 States of America.

13 33. *Ordinance Irrepealable.* After the Bonds are issued, this Bond Ordinance shall be
14 and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled and
15 discharged, as herein provided, or there has been defeasance as herein provided.

16 34. *Severability Clause.* If any section, paragraph, clause or provision of this Bond
17 Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or
18 unenforceability of such section, paragraph, clause or provision shall not affect any of the
19 remaining provisions of this Bond Ordinance.

20 35. *Repealer Clause.* All bylaws, orders, resolutions and ordinances, or parts thereof,
21 inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer
22 shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof,
23 heretofore repealed.

24 36. *Effective Date.* An emergency is hereby declared in order to preserve the health,
25 welfare, and economy of the City and it is therefore necessary that this Ordinance become
26 effective immediately upon filing with the City Clerk.

1 **SECTIONS 1 THROUGH 4** define terms used in the Ordinance; ratify and confirm all
2 previous actions taken by the City directed toward the authorization of the Bonds; authorize the
3 issuance of the Bonds for the Project and paying costs and expenses incidental thereto; and set
4 forth certain findings of the Commission, including, moneys available for acquiring the Project
5 other than from the issuance of revenue bonds are not sufficient to defray the cost of acquiring the
6 Project.

7 **SECTION 5** authorizes the issuance of the Bonds in the principal amount not to exceed
8 \$3,500,000 to be payable and collectible from gross receipts tax revenues received by the City;
9 provides for the negotiated sale of the Bonds to the Purchaser at a price to be approved in a Bond
10 Purchase Agreement; provides that the maturity schedule and interest for the Bonds will be
11 established in the Bond Purchase Agreement, and that the Bonds shall be issued as fully registered
12 bonds.

13 **SECTIONS 6 THROUGH 9** provide that details with respect to the prior redemption of the
14 Bonds will be as stated in the Bond Purchase Agreement; provide details with respect to the notice
15 of redemption; for the filing of signatures, execution and authentication of the Bonds; and that the
16 Bonds are fully negotiable.

17 **SECTIONS 10 THROUGH 13** provide details relating to payment of the Bonds and
18 presentation of the Bonds for payment; for the registration, transfer, exchange and ownership of
19 the Bonds; that the Bonds constitute special limited obligations of the City; for the form of the
20 Bonds; and provide that the Bonds are issued in book entry form.

21 **SECTIONS 14 THROUGH 20** provide details relating to disposition of the proceeds of the
22 Bonds; for creation and administration of special funds and accounts for deposit of the revenues
23 pledged to the payment of the Bonds; provide for the deposit and flow of funds to pay the Bonds,
24 security for the payment of the Bonds and other obligations of the City relating thereto.

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PASSED, ADOPTED, AND APPROVED this 11th day of May, 2015

**CITY OF LOVINGTON, NEW MEXICO
CITY COMMISSIONERS**

Scotty Gandy, Mayor

ATTEST:

CITY CLERK

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: Resolution 2015-38
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED: May 4, 2015

STAFF SUMMARY:

Resolution 2015-38 will accept the public right-of-way and public utility easements as shown in the submitted plat by 2JD3 Management, LLC. This right-of-way includes the cul-de-sac for the Avenue J development.

FISCAL IMPACT:

REVIEWED BY: _____
(Finance Director)

Development can increase housing availability.

ATTACHMENTS:

Resolution 2015-38
Easement and Public Right of Way Plat

RECOMMENDATION:

Motion to approve Resolution 2015-38

Department Head

James R. Williams

City Manager

RESOLUTION NO. 2015-38

WHEREAS, the owner of Lots 8A, 9A, 7A, and 6A of Block 5A, J.L. Reed Addition, Unit 3 has replatted said lots to develop a cul-de-sac; and

WHEREAS, the owner has created a ten (10) foot utility easement by this same plat

NOW, THEREFORE, BE IT RESOLVED, that the Lovington City Commission approves the dedication of the public right-of-way and public utility easement granted by the plat, attached hereto for reference.

DONE THIS 11th DAY OF MAY, 2015 at

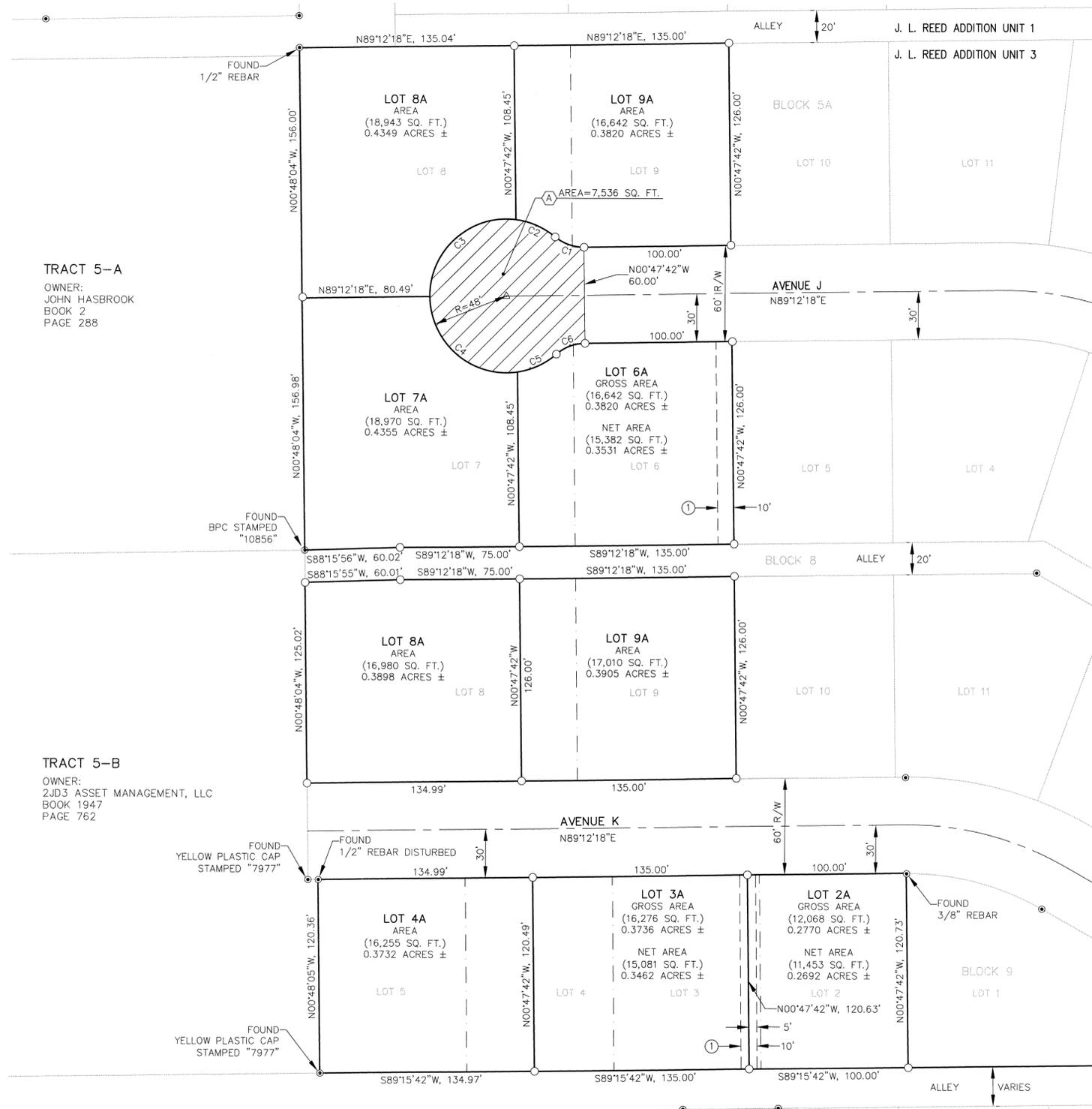
City of Lovington
New Mexico

Scotty Gandy, Mayor

ATTEST:

Carol Ann Hogue, City Clerk

VACATION PLAT AND REPLAT
 LOTS 8 AND 9 OF BLOCK 5A, LOTS 6, 7, 8, AND 9 OF BLOCK 8, LOTS 2, 3, 4, AND 5 OF BLOCK 9,
 AND VACATED RIGHT-OF-WAY OF 15TH STREET AND PORTION OF AVENUE J
 J. L. REED ADDITION, UNIT 3
 TO THE CITY OF LOVINGTON, LEA COUNTY, NEW MEXICO



TRACT 5-A
 OWNER:
 JOHN HASBROOK
 BOOK 2
 PAGE 288

TRACT 5-B
 OWNER:
 2JD3 ASSET MANAGEMENT, LLC
 BOOK 1947
 PAGE 762

NOTES:

1. ALL DISTANCES ARE HORIZONTAL GROUND DISTANCES UNLESS NOTED OTHERWISE.
2. BASIS OF BEARING IS NAD83 (2011) (EPOCH 2010.0000) NEW MEXICO EAST STATE PLANE ZONE.
3. FOUND EXISTING MONUMENTS SHOWN ON THIS PLAT DURING AND BEFORE FEBRUARY 2015.

NEW EASEMENTS

1. 10-FOOT PUBLIC UTILITY EASEMENT GRANTED BY THIS PLAT, (APPROVED BY CITY COMMISSION UNDER RESOLUTION NO. 2015-____).

DEDICATION

1. DEDICATE PUBLIC RIGHT-OF-WAY TO CITY OF LOVINGTON PER THIS PLAT, (APPROVED BY CITY COMMISSION UNDER RESOLUTION NO. 2015-____).

LEGEND

- FOUND CORNER AS NOTED
- SET 18"x5/8" REBAR WITH BLUE PERMA CAP NMPS 10856
- ⊗ GATE
- ⊗ FENCE
- OVERHEAD ELECTRIC
- POWER POLE
- LIGHT POLE
- GUY WIRE
- OLD LOT
- EASEMENT

(N00°00'00"E, 00.00') RECORD BEARING & DISTANCE
 (N00°00'00"E, 00.00') MEASURED BEARING & DISTANCE

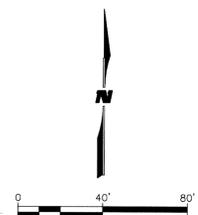
CURVE #	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	19.67	28.00	40°15'24"	S70°40'00"E	19.27
C2	27.17	48.00	32°26'02"	N66°45'20"W	26.81
C3	81.95	48.00	97°49'21"	S48°06'59"W	72.35
C4	81.95	48.00	97°49'21"	S49°42'23"E	72.35
C5	27.17	48.00	32°26'02"	N65°09'55"E	26.81
C6	19.67	28.00	40°15'24"	S69°04'36"W	19.27

LYNN D. LANTZ, N.M.P.S. No. 10856
 Date: 2/9/2015

 Fierro & Company 2929 COORS BLVD N.W. SUITE 307-B ALBUQUERQUE, NEW MEXICO 87120 PH (505) 352-8930 www.fierrocompany.com	OWNER:	2JD3 ASSET MANAGEMENT, LLC	STATE OF NEW MEXICO COUNTY OF LEA FILED
	PROJECT NO:	152-01	_____2015,
	FIELD WORK BY:	SAH	AT _____ O'CLOCK _____M AND RECORDED IN
	DRAWN BY:	OR	BOOK _____
	CHECKED BY:	RJF	PAGE _____
	SCALE:	1:40	PAT CHAPPELLE, LEA COUNTY CLERK
DATE:	APRIL 2015	BY _____ DEPUTY	
SHEET:	2 OF 2		

I:\Seagate-4004ED\Public\PROJECTS\ENG\15100100\CADD\SHEETS\00_SURVEY\151-01_REPLAT.dwg 4/29/2015 2:33:27 PM

REPLAT LOT CONFIGURATION



CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: Resolution 2015-39
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED: May 4, 2015

STAFF SUMMARY:

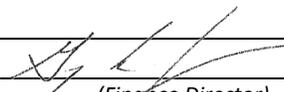
Resolution 2015-39 authorizes the City Manager to renew the lease between the City and Lea County for the hangar located at the Lea County Lovington Airport. This renewal will be for a three year term.

The hangar is utilized for evidence and large item storage by the City.

FISCAL IMPACT:

\$372.50 each year.

REVIEWED BY:


(Finance Director)

ATTACHMENTS:

Resolution 2015-39
Lease Agreement

RECOMMENDATION:

Motion to approve Resolution 2015-39

Department Head


City Manager

RESOLUTION NO. 2015-39

WHEREAS, the City has leased hangar space at the Lea County Lovington Airport for several years; and

WHEREAS, this facility is utilized by the City for evidence and large item storage; and

WHEREAS, there continues to be a need for this storage facility and renewal of this lease is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED, that the Lovington City Commission authorizes the City Manager to renew the lease between the City and Lea County for hangar space located at the Lea County Lovington Airport.

DONE THIS 11th DAY OF MAY, 2015 at

City of Lovington
New Mexico

Scotty Gandy, Mayor

ATTEST:

Carol Ann Hogue, City Clerk

HANGAR LEASE AGREEMENT NO. 384

WHEREAS, the County of Lea is the owner of airport properties adjacent to the cities of Hobbs, Jal and Lovington in Lea County, New Mexico, portions of which are leased to private entities for personal and business uses; and

WHEREAS, **CITY OF LOVINGTON, NEW MEXICO**, has requested a lease of surface estate at the **Lea County -Lovington Airport**, as more fully described below; and

WHEREAS, the County is willing to grant the requested lease on the terms and conditions set forth below;

NOW, THEREFORE, **CITY OF LOVINGTON, NEW MEXICO**, Lessee, and the Lea County Board of County Commissioners, Lessor, do hereby agree as follows:

1. **GRANT OF LEASE-TERM-RENEWAL**

1.1 The Lessor does hereby lease to Lessee the following described property:

PHYSICAL LOCATION	DIMENSIONS	TOTAL SQUARE FEET
Space #18	85 ft. x 35 ft.	2,975 sq ft

1.2 The term of this lease shall be three years, **beginning May 1, 2015 and ending April 30, 2018.**

1.3 This lease may be renewed at the expiration of this term if there has been no breach or default by Lessee in meeting its obligations hereunder. (Lessee is not entitled, however, to a renewal of lease on the same terms and conditions set forth herein; said terms and conditions are subject to renegotiation.)

1.4 Renewal may also be declined for any reason which in the sole opinion and exercise of discretion by Lessor necessitates the denial of renewal in order to achieve a more efficient or effective operation of the airport, or for any other reason which, in the opinion of Lessor, justifies said denial.

2. **LEASE PAYMENT**

2.1 Lessee does hereby agree to pay to Lessor the **annual sum of Two hundred thirty-eight dollars and no cents (\$297.50)** at the rate of (\$.10) per square foot.

2.2 Said amount is **to be paid on or before the first of each year during the term of this lease**, this constituting advance payment for the next twelve (12) months.

2.3 Lessee acknowledges that he bears a duty of timely performance and that time is of the essence in this agreement. In the event that Lessee fails to make timely payment of any amount due hereunder, Lessor shall be entitled to a late fee equal to fifteen percent (15%) per annum on such amount, exclusive of the late fee, due hereunder. The late fee shall be computed from date that is thirty (30) days after the due date of amount due until fully paid or until entry of judgment. Any judgment awarded to Lessor shall bear interest at the rate of fifteen percent (15%) per annum until paid in full, and shall be in addition to attorneys' fees and costs as

provided for hereunder, which shall likewise bear interest from the date that such attorneys' fees and costs are incurred until paid in full or entry of judgment thereon. Attorney fees and costs shall also include reasonable fees for in-house attorney.

- 2.4 A surcharge of \$150 per lease per year will be imposed to help defray the cost of utilities where water is available. A surcharge of \$75 per lease per year will be imposed to help defray the cost of utilities where water is not available.

3. USE, CARE AND MAINTENANCE

- 3.1 Leased premises may not be used in any way directly to generate income for Lessee, the intent being that no commercial business be conducted on or operated from the leased premises. This shall not prohibit a commercial enterprise, however, from using leased premises as a storage facility, primarily for aircraft and related equipment.
- 3.2 Lessee does hereby agree to be responsible for all maintenance and repair of all structure(s) and fixture(s) on leased premises, so that such are safe and pose no hazard to the public.
- 3.3 Lessee shall keep the leased premises clean, orderly, and in a safe condition.
- 3.4 Lessee is required to initiate hangar construction within one year and complete construction within 18 months of the date a new lease is signed.
- 3.5 As to structure(s) and fixture(s) on leased premises at the commencement of this lease, Lessee warrants that such are in good order and repair.
- 3.6 The Airport Supervisor may, from time to time, direct Lessee to perform certain maintenance, repair or clean-up work on leased premises within a stated period of time in order to achieve the required level of upkeep in a timely fashion. Lessee's noncompliance shall entitle Lessor to terminate this lease and/or remedy the problem at Lessee's expense.
- 3.7 Lessee shall notify Lessor of any underground fuel storage tanks on the leased premises. With respect to such tanks already installed, Lessee does hereby represent to Lessor that Lessee, as the owner and/or operator of said tank(s), is in full compliance with all New Mexico EID Underground Storage Tank Regulations and that it will take all necessary steps to maintain compliance during the term of this lease and any renewal thereof.
- 3.8 No above-ground fuel storage tank or underground fuel storage tank may be installed by Lessee on airport property or on the leased premises without first obtaining the written consent of Lessor. Lessor may condition consent so as to insure that all applicable Federal, state and local safety ordinances, laws, rules, and regulations are met and that appropriate financial responsibility is established.

4. TRANSFER OF LEASE:

- 4.1 Lessee does hereby agree that it shall not assign, sublet, or otherwise transfer or attempt to transfer this lease or any of its rights or obligations herein without first obtaining the written consent of Lessor.
- 4.2 Lessee is required to provide Lessor with a list of any sublessee(s).
- 4.3 Any unauthorized assignment, subletting, or other transfer of this lease shall be void and entitle Lessor to terminate this lease.
- 4.4 In the event that, by reason of a transfer of Lessee's interest in property on the premises, the lease is terminated after

payment of annual rent, Lessee expressly agrees, in consideration of Lessor's consent of transfer, that such rent shall not be refundable.

5. OBLIGATION TO INDEMNIFY, DEFEND AND HOLD HARMLESS:

- 5.1 Lessee shall indemnify, defend, and hold Lessor, its commissioners, agents, officers, and employees harmless from any and all losses, claims or expenses, without limitation, that may arise in connection with the Lessee's operations and activities at the airport at which the leased premises are located. The Lessor reserves the right to require insurance coverage of the Lessee premises at Lessee's expense, in order to adequately protect the Lessor's interest.
- 5.2 Lessee's obligation herein to indemnify, defend and hold the Lessor, its commissioners, officers, employees, and agents harmless shall extend to Lessee's ownership and/or operation of any underground storage tank, if any, installed on leased premises or elsewhere on airport property.
- 5.3 Lessee shall promptly notify Lessor of any claims or lawsuits brought against Lessee that involves the leased premises.
- 5.4 Sublessees are required to obtain insurance naming Lessor as additional insured, and to indemnify Lessor on the same terms as listed in 5.1 above.

6. COMPLIANCE WITH RULES, REGULATIONS AND LAWS:

- 6.1 Lessee shall obey all rules and regulations adopted by the Airport Supervisor, currently in effect or adopted in the future.
- 6.2 Lessee shall obey all applicable federal, state, and local ordinances, laws, rules, and regulations.
- 6.3 If the Airport Supervisor determines that Lessee is not in compliance with Section 6.1 or 6.2 above, he may direct Lessee to do those things necessary in order to achieve compliance. Lessee's failure to remedy the violation within the time specified shall entitle Lessor to terminate this lease and/or correct the violation at Lessee's expense.
- 6.4 Lessee agrees not to discriminate on the basis of race, color, national origin, or other prohibited characteristic against any person or groups of persons in any manner prohibited by federal anti-discrimination laws.

7. INSPECTION OF RECORDS AND PREMISES:

- 7.1 Lessor may inspect the leased premises and any structure(s) and fixture(s) thereon at any time.
- 7.2 If Lessee owns or operates any underground storage tanks on leased premises, then Lessee shall make all documentation required by the New Mexico EID Underground Storage Tank Rules and Regulations available for inspection at the Airport Supervisor's office within 48 hours of written request to do so.

8. SAFETY:

- 8.1 Lessee shall maintain adequate fire extinguishing equipment on the leased premises so as to protect the leased premises and surrounding properties from fire hazards.
- 8.2 The Airport Supervisor may require other safety equipment be provided or safety procedures be employed by Lessee in order to safeguard leased premises, surrounding properties, and activities conducted at the Airport.
- 8.3 Lessor hereby reserves the right to take any action it considers necessary to protect the aerial approaches to the airport in accordance with Federal regulations, including the right to direct Lessee to alter or take down

any structure placed on leased premises by Lessee that might interfere or endanger aerial approaches.

9. EMERGENCY:

9.1 In the event of war or national emergency, Lessor shall have the right to modify any part or all of this agreement in favor of the United States Government or its agents.

10. RETURN OF PREMISES:

10.1 Lessor hereby acknowledges that the structure(s) and fixture(s) presently located or to be constructed on leased premises, are owned by Lessee.

10.2 Unless sold or assigned in the appropriate manner by Lessee at the termination of this lease or any renewal thereof, said structure(s) and fixture(s) shall be removed by Lessee at Lessee's expense. If the removal will result in damage to the surface estate, Lessee shall be responsible for the immediate repair of said damage.

10.3 Lessee's failure to remove structure(s) and fixture(s) within sixty (60) days of notice by Lessor to do so shall result in the transfer of all Lessee's right, title, and interest to said structure(s) and fixture(s) to Lessor.

11. TERMINATION:

11.1 Lessor may terminate this lease for any material breach by Lessee of the terms and conditions set forth herein. Lessee may also terminate this lease for any material breach by Lessor

11.2 Notwithstanding Section 11.1 above, Lessor may also terminate this lease for any reason which necessitates the termination of lease in order to achieve a more safe, efficient, or effective operation of the airport.

11.3 Except in an emergency situation, which shall be determined in the sole opinion and discretion of Lessor, termination shall not go into effect until Lessee has been given thirty (30) days written notice.

12. MISCELLANEOUS PROVISIONS:

12.1 Except as otherwise provided herein, the rights and powers held by Lessor pursuant to this agreement may be exercised by the Airport Supervisor or a Lea County Board of County Commissioners designee.

12.2 No delay or abstention on the part of Lessor in exercising any right or power herein shall operate as a waiver thereof. Notwithstanding Section 12.1 above, only Lessor can modify this lease agreement or waive any right accruing to the Lessor herein. A modification can be accomplished only by another written agreement executed by both parties.

12.3 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 understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this agreement.

12.4 If Lessee breaches the lease, Lessor may pursue any and all remedies available to it at law or in equity, in addition to any specific right specified herein for a specific type of breach.

12.5 If any part of this lease agreement is found to be legally invalid or unenforceable, that finding shall not affect the validity and enforceability of the remainder of this lease agreement.

12.6 The validity, construction and effect of the lease shall be governed by New Mexico law applicable to leases made and to be performed in New Mexico, without regard or effect given to conflict of law principles or rules that would

require the laws of any other jurisdiction. Lessee consents to venue and jurisdiction in the District Court in and for the County of Lea, State of New Mexico, and to service of process under the laws of New Mexico.

12.7 All notices or other communications herein shall be deemed to have been duly given when made in writing and delivered in person, or deposited in the United States mail, postage prepaid and addressed as follows:

LESSOR

Airport Supervisor
P.O. Box 1106
Hobbs, NM 88240-1106

LESSEE

City of Lovington
214 S Love
Lovington, NM 88260

12.8 In the event of litigation to enforce any right or obligation under this agreement, the prevailing party shall be awarded reasonable attorney's fees and costs. Such reasonable attorney's fees and cost shall include reasonable cost of in-house attorney.

13. SPECIAL PROVISIONS:

13.1 Attached hereto as Exhibit A and incorporated herein by reference are those special terms and conditions applicable to this lease.

IN WITNESS WHEREOF, this agreement has been executed in duplicated originals this _____ day of _____ 2015.

LESSEE: City of Lovington

LESSOR:



By: _____

LEA COUNTY, NEW MEXICO

Mike Gallagher, County Manager

RECOMMENDED BY:

ATTEST: Pat Chappelle
Lea County Clerk

Corey Needham, Public Works Director

By: _____

Lea County Attorney

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

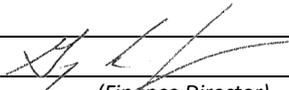
SUBJECT: Resolution 2015-40
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED: May 7, 2015

STAFF SUMMARY:

The attached Resolution will authorize the City Manager to sign a Memorandum of Understanding with Lea County to conduct a study and develop a plan for the proposed walking trail from Chaparral Park to the Lea County Courthouse. The estimated cost of this project is \$927,000, of which approximately 50% of the funding has been secured through a "Rails to Trails" grant.

FISCAL IMPACT:

REVIEWED BY:


(Finance Director)

Estimated cost of construction is \$927,000.

RTP Grant Award: \$467,000

ATTACHMENTS:

Resolution 2015-40
Proposed Trail Route
Memorandum of Understanding
Lea County Resolution

RECOMMENDATION:

Motion to approve Resolution 2015-40

Department Head


City Manager

RESOLUTION NO. 2015-40

WHEREAS, approximately 610,000 people die of heart disease in the United States and is the leading cause of death in both men and women; and

WHEREAS, the City recognizes additional areas and facilities are needed within the City of Lovington to improve the health and well being of our citizens; and

WHEREAS, the City and the County recognize that there are substantial benefits to regular physical activity, including reducing the risk of heart disease, managing weight, lower blood pressure, lowering the risk of diabetes, and strengthening bones, joints, and muscles.

NOW, THEREFORE, BE IT RESOLVED, that the Lovington City Commission and Lea County agree as follows:

1. To study and consider for construction a walking patch from Chaparral Park in Lovington, New Mexico, to and from the Lea County Courthouse; and
2. The proposed route would be approximately one mile in length from Chaparral Park to South Commercial Street, and down Central Street to the Lea County Courthouse; and
3. The staff of the City and Count will bring forward a plan on the construction of the path to be considered by both governing bodies; and
4. Each person signing the Memorandum of Understanding, attached hereto for reference, has been authorized by their respective Board or Commission to execute said Memorandum.

DONE THIS 11th DAY OF MAY, 2015 at

City of Lovington
New Mexico

Scotty Gandy, Mayor

ATTEST:

Carol Ann Hogue, City Clerk

Lovington Health Walk

Central St

Fairgrounds SW eastment

Private property easement

Chaparral Park



STATE OF NEW MEXICO
COUNTY OF LEA
RESOLUTION NO. 15-APR-107R

A RESOLUTION AUTHORIZING A MEMORANDUM OF UNDERSTANDING
BETWEEN THE COUNTY OF LEA AND THE CITY OF LOVINGTON FOR THE CONSTRUCTION OF A
WALKING PATH FROM CHAPARRAL PARK TO THE LEA COUNTY COURTHOUSE

WHEREAS, approximately 610,000 people die of heart disease in the United States every year; and

WHEREAS, heart disease is the leading cause of death for both men and women; and

WHEREAS, between the years of 2008 and 2010 nearly 400 residents of Lea County over the age of 35 died from heart disease; and

WHEREAS, the County and the City recognize that there are substantial benefits to regular physical activity, including reducing the risk of heart disease, managing weight better, lowering blood cholesterol, lowering the risks of type 2 diabetes and some cancers, lowering blood pressure, and strengthening bones, muscles, and joints; and

WHEREAS, numerous studies have shown that exercise helps depression and helps people in dealing with daily worries and negative thoughts; and

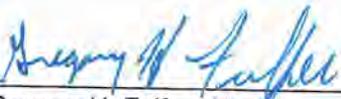
WHEREAS, exercising with others provides an opportunity for increased interaction of County and City residents.

NOW, THEREFORE, BE IT HEREBY RESOLVED the County and the City agree as follows:

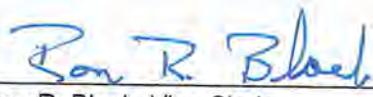
1. To study and consider for construction a walking path from Chaparral Park in Lovington, New Mexico, to and from the Lea County Courthouse.
2. The proposed route would be approximately one mile in length from Chaparral Park to South Commercial Street, and down Central Street to the Lea County Courthouse.
3. The staffs of the County and the City will bring forward a plan on the construction of the walking path to be considered by the governing bodies of the County and the City
4. Each person signing this Memorandum of Understanding has been authorized by their respective Board or Commission to execute this Memorandum

PASSED, APPROVED and ADOPTED by the governing body at its meeting April 23, 2015.

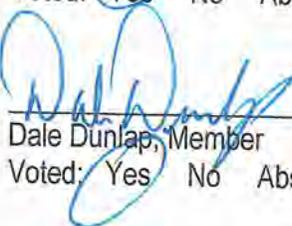
LEA COUNTY BOARD OF COUNTY COMMISSIONERS



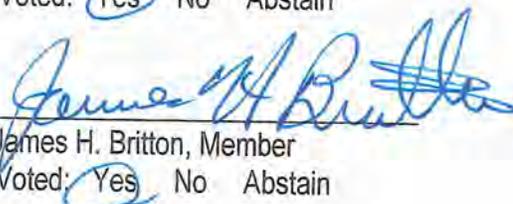
Gregory H. Fulfer, Chair
Voted: Yes No Abstain



Ron R. Black, Vice Chair
Voted: Yes No Abstain



Dale Dunlap, Member
Voted: Yes No Abstain



James H. Britton, Member
Voted: Yes No Abstain

Rebecca Long

Rebecca Long, Member
Voted: Yes No Abstain

ATTEST: Pat Chappelle
Lea County Clerk

By: Kelli Williams
Kelli Williams, Deputy

Lea County
APR 23 2015
LCBCC Meeting

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:

John W. Caldwell
John W. Caldwell, County Attorney



**MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF LEA AND
THE CITY OF LOVINGTON FOR THE CONSTRUCTION OF A WALKING PATH
FROM CHAPARRAL PARK TO THE LEA COUNTY COURTHOUSE**

This Memorandum of Understanding entered into by and between the County of Lea, New Mexico ("County") and the City of Lovington, New Mexico ("City") shall become effective on the date it has been signed by both the County Manager and the City Manager at the direction of their respective governing Board and Commission.

WHEREAS, approximately 610,000 people die of heart disease in the United States every year; and

WHEREAS, heart disease is the leading cause of death for both men and women; and

WHEREAS, between the years of 2008 and 2010 nearly 400 residents of Lea County over the age of 35 died from heart disease; and

WHEREAS, the County and the City recognize that there are substantial benefits to regular physical activity, including reducing the risk of heart disease, managing weight better, lowering blood cholesterol, lowering the risks of type 2 diabetes and some cancers, lowering blood pressure, and strengthening bones, muscles, and joints; and

WHEREAS, numerous studies have shown that exercise helps depression and helps people in dealing with daily worries and negative thoughts; and

WHEREAS, exercising with others provides an opportunity for increased interaction of County and City residents.

Therefore, the County and the City agree as follows:

1. To study and consider for construction a walking path from Chaparral Park in Lovington, New Mexico, to and from the Lea County Courthouse.
2. The proposed route would be approximately one mile in length from Chaparral Park to South Commercial Street, and down Central Street to the Lea County Courthouse.
3. The staffs of the County and the City will bring forward a plan on the construction of the walking path to be considered by the governing bodies of the County and the City
4. Each person signing this Memorandum of Understanding has been authorized by their respective Board or Commission to execute this Memorandum.

County of Lea

Michael P. Gallagher II
Lea County Meeting II

Michael P. Gallagher II
County Manager

Date: April 23, 2015

Lea County

APR 23 2015

City of Lovington

James Williams
City Manager

Date: April ____, 2015

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

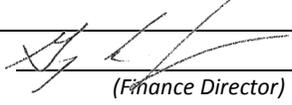
SUBJECT: Resolution 2015-41
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED: May 5, 2015

STAFF SUMMARY:

The attached Resolution will authorize the Mayor to enter into an agreement with Lea County for the housing and care of City inmates. This is an annual agreement.

FISCAL IMPACT:

\$65.50 per day per inmate.

REVIEWED BY: 
(Finance Director)

ATTACHMENTS:

Resolution 2015-41
Inmate Housing Agreement

RECOMMENDATION:

Motion to approve Resolution 2015-41.

Department Head


City Manager

RESOLUTION NO. 2015-41

WHEREAS, the City is in need of a facility for the incarceration, care, and maintenance of persons charged with or arrested for violation of Lovington's Municipal Code and Ordinances; and

WHEREAS, Lea County owns and operates the Lea County Detention Center; and

WHEREAS, Lea County is willing to incarcerate City inmates on a space available basis.

NOW, THEREFORE, BE IT RESOLVED, that the Lovington City Commission authorizes the Mayor to enter into an agreement with Lea County for the housing of City of Lovington inmates.

DONE THIS 11th DAY OF MAY, 2015 at

City of Lovington
New Mexico

Scotty Gandy, Mayor

ATTEST:

Carol Ann Hogue, City Clerk

AGREEMENT TO HOUSE INMATES
BETWEEN LEA COUNTY
AND CITY OF LOVINGTON

FY 2015 – 2016

THIS AGREEMENT is entered into by and between the Lea County Board of Commissioners hereinafter referred to as “Lea County” and the City of Lovington hereinafter referred to as “Lovington”.

RECITALS

WHEREAS, Lovington is in need of a facility for the incarceration, care and maintenance of persons charged with or arrested for violation of Lovington’s Ordinances, arrested by Lovington’s law enforcement personnel, or arrested by other law enforcement agencies within the jurisdiction of Lovington; and

WHEREAS, Lea County owns and operates the Lea County Detention Center (“LCDC”) which, from time to time, has vacant bed space; and

WHEREAS, Lea County is willing to incarcerate Lovington’s inmates on a space available basis.

NOW, THEREFORE IT IS MUTUALLY AGREED by the parties as follows:

1.0 PURPOSE.

The purpose of this Agreement is to establish the terms and conditions under which Lea County shall accept and detain, on a space available basis, Lovington’s inmates which may be delivered to LCDC from time to time for incarceration.

2.0 TERM

The term of the contract will begin on July 1, 2015 and end on June 30, 2016. Lea County and Lovington shall have the yearly option of renewing the contract at the end of every year.

3.0 ADULT INMATES HOUSING AND BOARD

3.1 Lea County Detention Center will house persons taken into legal custody by Lovington at LCDC in Lovington, New Mexico, on a space available basis. The parties agree that Lovington will call Lea County Detention Center for accommodations before bringing any inmate to the facility.

- 3.2 Lovington, together with other municipalities in Lea County, will be given priority over municipalities outside of Lea County and other Counties, but this preference shall not be construed so as to require any inmates already at LCDC to be displaced, or a County inmate to be displaced.
- 3.3 Lovington inmates will be subject to the same rules as other inmates, and will receive comparable treatment and accommodations as provided to other inmates.
- 3.4 On the day release is required by the terms of the order of the Court or by law, a Lovington inmate may be released by LCDC at its regular time of release for other inmates.
- 3.5 Lovington shall provide all transportation for Lovington inmates to and from LCDC in Lovington, New Mexico.

4.0 CONSIDERATION

- 4.1 Lovington will pay Lea County the sum of \$65.50 pro rata, from date of incarceration through date of release for housing and board and related services rendered at the center. Municipal Agencies having detainers on an inmate housed at LCDC will not be charged for housing if the inmate is picked up within 12 hours of being notified by LCDC that the inmate is ready for release. After 12 hours the Municipal Agency will be charged as follows:

0 – 12 hours	= \$32.75
Over 12 and through 24 hours	= \$65.50

To summarize, on the day of admission, time will be counted from time of admission until midnight. For the day of discharge, time will be counted from midnight until the time of discharge.

There shall be strict accountability for all funds subject to this agreement.

- 4.2 Lea County shall invoice Lovington on a monthly basis. Invoices shall be paid within 30 days of receipt.
- 4.3 Lea County reserves the right to refuse to accept any inmates from Lovington in the event any invoice remains unpaid for 45 or more days.

5.0 JUVENILE INMATE HOUSING AND BOARD

- 5.1 The Lea County Juvenile Detention Center will house juvenile inmates from Lovington at its approved juvenile facility in Lovington, New Mexico on a space available basis. The parties agree that Lovington will call the Lea County Juvenile Detention Center for accommodations before bringing any juvenile inmates to the facility.
- 5.2 Lovington juvenile inmates are subject to the Lea County Juvenile Detention Center rules, which apply equally to all juvenile inmates. Lovington juvenile inmates will have comparable treatment and accommodations as provided to other contract juvenile inmates.

6.0 REJECTION/RETURN

- 6.1 The Warden of Lea County Detention Center may have the right to reject any inmate tendered by Lovington, as long as Lovington inmates are evaluated and treated on the same basis as inmates from other contract entities.

7.0 INMATE INFORMATION

- 7.1 When submitting an inmate to LCDC, Lovington shall provide the following documentation:
1. Arrest Warrant and Supporting Affidavit
 2. Arrest Report
 3. Judgment and Sentence Form
 4. Release Order
 5. Date of Birth
 6. Criminal Complaint of other Charging Document

Failure to provide LCDC with legal authority to hold said inmate at the time inmate is brought to the LCDC may result in the refusal of the inmate.

- 7.2 When submitting any juvenile inmate to the Lea County Detention Center, Lovington, shall provide the following documentation:
1. Authorization to hold shall be entered in SARA by the approving authority
 2. Medical consent form signed by juvenile's legal guardian (copy attached)

In addition, Lovington will provide LCDC any information it may have concerning inmates tendered pertaining to medical problems, suicidal tendencies, escape records or tendencies toward violence or disruption.

Failure to provide LCDC with legal authority to hold said inmate at the time inmate is brought to the LCDC may result in the refusal of the inmate.

8.0 MEDICAL CARE

- 8.1 As used herein, "medical care" and "medical treatment" shall include medical, psychiatric and emergency dental treatment, and all prescribed drugs therapy.
- 8.2 LCDC shall not be required to provide medical care to any Lovington inmate housed pursuant to this agreement, except as is provided to other inmates, by its medical staff.
- 8.3 Should medical care become necessary from an outside health care provider, Lovington City Manager, or a person designated in advance by the City Manager or Police Chief shall be contacted. The person contacted shall either secure the release of the inmate from the appropriate authority in a timely manner or undertake management of the inmate's medical problem in a timely manner. Except as provided below, LCDC personnel shall not secure outside medical care for a Lovington inmate unless expressly directed to do so by a person authorized by the City Manager, City Police Chief or person authorized for Lovington to act on its behalf. Lovington is responsible for medical care costs outside of the facility and when Lea County is directed by Lovington to secure medical attention for one of its inmates, Lea County is expressly authorized to direct that Lovington be billed directly by health care providers.
- 8.4 Notwithstanding the above, in an emergency, when treatment is clearly necessary to conserve an inmate's health, Lea County may provide the necessary treatment without prior authority from Lovington, but in such case must notify the appropriate Lovington official as soon as possible thereafter. At such time, medical management of the problem will then be tendered to Lovington. Lea County is expressly authorized to direct health care providers to bill Lovington directly for medical care rendered in these circumstances.

9.0 TERMINATION

- 9.1 This Agreement may be terminated by either party upon thirty (30) days written notice to the other party, by certified mail, return receipt, at the following addresses or such other addresses that may be designated from time to time:

City of Lovington
City Manager
P. O. Box 1269
Lovington, NM 88260

Lea County
County Manager
100 N. Main, Suite 4
Lovington, NM 88260

10.0 MISCELLANEOUS

- 10.1 This Agreement is interpreted according and subject to New Mexico law. Any action to interpret and/or enforce this Agreement shall be brought and maintained in the District Court in and for Lea County, New Mexico.
- 10.2 This Agreement shall not be considered modified, altered, changed or amended in any respect unless in writing and signed by the parties hereto.
- 10.3 This Agreement and any Exhibits thereto constitute the entire agreement and understanding of the parties and all other matters addressed or referred to herein and supersedes all prior and contemporaneous agreements and understandings, representations and warranties, whether oral or written, relating such matters.

IN WITNESS WHEREOF, we have hereunder affixed our hands and seals this ____ day of _____ 2015.

CITY OF LOVINGTON

BOARD OF COUNTY COMMISSIONERS

By: _____
Mayor

By: _____
Gregory H. Fulfer, Chairman

ATTEST: Lovington City Clerk

ATTEST: Pat Chappelle
Lea County Clerk

By: _____

By: _____

**LEA COUNTY JUVENILE DETENTION CENTER
MEDICAL CONSENT FORM 1**

In the matter concerning, _____ I, _____
(Name of Juvenile) (Parent/Guardian)

the undersigned, certify that I am the parent/guardian of the above named juvenile, and I hereby give my permission for the Lea County Juvenile Detention Facility to provide any dental or medical treatment necessary to the welfare of the juvenile while in the physical custody of the facility. I understand that, except in cases of emergency, I will be notified of any surgery or emergency medical treatment being considered, provided that my whereabouts can be determined.

Signature of parent or guardian: _____

(Address)

Date mailed: _____ Officer: _____

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: Resolution 2015-42
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED: May 5, 2015

STAFF SUMMARY:

Resolution 2015-42 will authorize Change Order No. 1 of the Chaparral Park Irrigation System Project. Phase I, with Option No. 1, is scheduled for completion on June 15, 2015. Funding is available for the remaining phases to be completed. The work on Phases 2-4 will begin on June 16, 2015 and be completed by August 7, 2015. Work will cease on July 1 - 4, 2015 so that the area can be made safe for the 4th of July Celebration. This work will include filling in ditches, covering exposed pipe and wire. The area will be inspected by City personnel prior to Contractor being released. Work will resume on July 5.

FISCAL IMPACT:

REVIEWED BY: _____

(Finance Director)

Change Order: \$365,521 (without GRT) per RFP submittal by Accent.

TOTAL PROJECT COST (without GRT): \$772,893.95

ATTACHMENTS:

Resolution 2015-42
Change Order No. 1

RECOMMENDATION:

Motion to approve Resolution 2015-42

Department Head

James R. Williams

City Manager

RESOLUTION NO. 2015-42

WHEREAS, the City has entered into a contract with Accent Landscape Contractors, Inc. for the construction of the Chaparral Park Irrigation System Project; and

WHEREAS, Phase I of this project is currently underway; and

WHEREAS, funding for Phases 2, 3, and 4 will be available in the 2015 – 2016 year.

NOW, THEREFORE, BE IT RESOLVED, that the Lovington City Commission authorizes Change Order No. 1 for this project, attached hereto for reference.

DONE THIS 11th DAY OF MAY, 2015 at

City of Lovington
New Mexico

Scotty Gandy, Mayor

ATTEST:

Carol Ann Hogue, City Clerk

CONTRACT CHANGE ORDER Chaparral Park Irrigation System Lovington, New Mexico		Change Order No. 1	
		Date: May 11, 2015	
CONTRACT FOR: Chaparral Park Irrigation System			
OWNER: City of Lovington			
TO: Accent Landscape Contractors, Inc. 3525 Girard Avenue, NE Albuquerque, NM 87107		Total Original Contract (w/o GRT): \$407,372.95	
TO: Accent Landscape Contractors, Inc			
You are hereby requested to comply with the following changes from the contract plans and specifications:			
Item	Description	Unit Price	Change in Contract Price
Phase 2	Zones 1-13, 114-123, 138-147, 153-158, 160-161	\$116,896.00	\$116,896.00
Phase 3	Zones 14-50, 53, 124-130, 132-133, 135, 137, 148-152	\$133,975.00	\$133,975.00
Phase 4	Zones 51-52, 54-86, 131, 134, 136	\$114,650.00	\$114,650.00
NET CHANGE IN CONTRACT PRICE (w/o GRT)			\$365,521.00
JUSTIFICATION			
Funding for Phases 2, 3, and 4 will be available after July 1, 2015 through the proceeds of the Hold Harmless Gross Receipts Tax Revenue Bonds. Proceeding with the additional phases immediately will decrease materials and mobilization costs.			
This contract will be increased/decreased without NMGR by the Sum of:		\$365,521.00	
Total Previous Change Orders increase/decrease without NMGR:		\$0.00	
<i>Contract Total including this and previous Change Orders will be without NMGR</i>		<i>\$772,893.95</i>	
Total contract period provided for completion will be increased an additional fifty-three (53) calendar days. Change Order No. 1 start date will begin June 16, 2015 and substantial completion of Phases 2, 3, and 4 will be achieved no later than August 7, 2015 . Contractor agrees that all work will be suspended July 1 – 4, 2015 and resume on July 5, 2015. The cessation of work has been calculated into the additional calendar days. Contractor understands that the work site will be made safe for public use for the annual July 4 th Celebration beginning July 1, which includes but not limited to all holes and trenches filled and/or covered, and plumbing and electrical connections covered. Prior to July 4 th , Contractor will conduct a walkthrough with City staff to determine if area is safe, with the City's decision being final. Final Completion of the entire project shall be achieved not later than fifteen (15) days after the date of Substantial Completion.			
This document will become a supplement to the contract and all provisions will apply hereto.			

Requested/Approved: _____

City of Lovington, NM

Date

Accepted: _____

Accent Landscape Contractors, Inc.

Date

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM



MEETING DATE: May 11, 2015

TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: Resolution 2015-43
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED:

STAFF SUMMARY:

The City has received complaints from property owners in the area of 17th Street and Avenue R (located in the ETZ) about an individual operating a trucking company. This is a non conforming use per the ETZ Ordinance. The ETZ Authority did appoint an enforcement officer and the officer was directed to notify the property owner of the non conforming use. During the investigation, it was discovered that the individual had been issued a business license by the City.

As this is a non conforming use, the City Commission is authorized to revoke the business license as it is in the best interest of the public welfare.

FISCAL IMPACT:

REVIEWED BY: _____
(Finance Director)

ATTACHMENTS:

Resolution 2015-43, Business License issued, LMC 5.04.040, ETZ Map, Notification letter.

RECOMMENDATION:

Motion to approve Resolution 2015-43.

Department Head

James R. Williams

City Manager

RESOLUTION NO. 2015-43

WHEREAS, the City issued a business license to TRC Oilfield Services, LLC on April 22, 2015; and

WHEREAS, this business is located in the Lovington Lea County Extraterritorial Zone (ETZ); and

WHEREAS, investigation by the ETZ Enforcement Officer has determined that the location 1701 W. Avenue R, Lovington, New Mexico, is zoned R-1: Residential; and

WHEREAS, a business of this type is not allowed to operate in zone R-1; and

WHEREAS, Lovington Municipal Code 5.04.080 allows the governing body to revoke the business license.

NOW, THEREFORE, BE IT RESOLVED, that the Lovington City Commission has conducted a public hearing regarding this matter and has determined that the revocation of the business license for TRC Oilfield Services, LLC is in the best interests of the public welfare as its current location is in violation of the Lovington Lea County Extraterritorial Zoning Ordinance.

DONE THIS 11th DAY OF MAY, 2015 at

City of Lovington
New Mexico

Scotty Gandy, Mayor

ATTEST:

Carol Ann Hogue, City Clerk



CITY OF LOVINGTON BUSINESS REGISTRATION

COPY

214 South Love
LOVINGTON, NEW MEXICO

Expires **12-31-15**
Due on or before
March 15
of Each Year

Number 66941
NON-TRANSFERABLE

Date Paid 04/22/15

Fee Paid 25.00

BUSINESS NAME TRC Oilfield Services, LLC

MAILING ADDRESS 1701 W Ave R

Lovington, NM 88260

TELE.# 575-396-0168

Carol Ann Hogue
CITY CLERK

BUSINESS LOCATION 0

[Print](#)

Lovington, NM Code of Ordinances

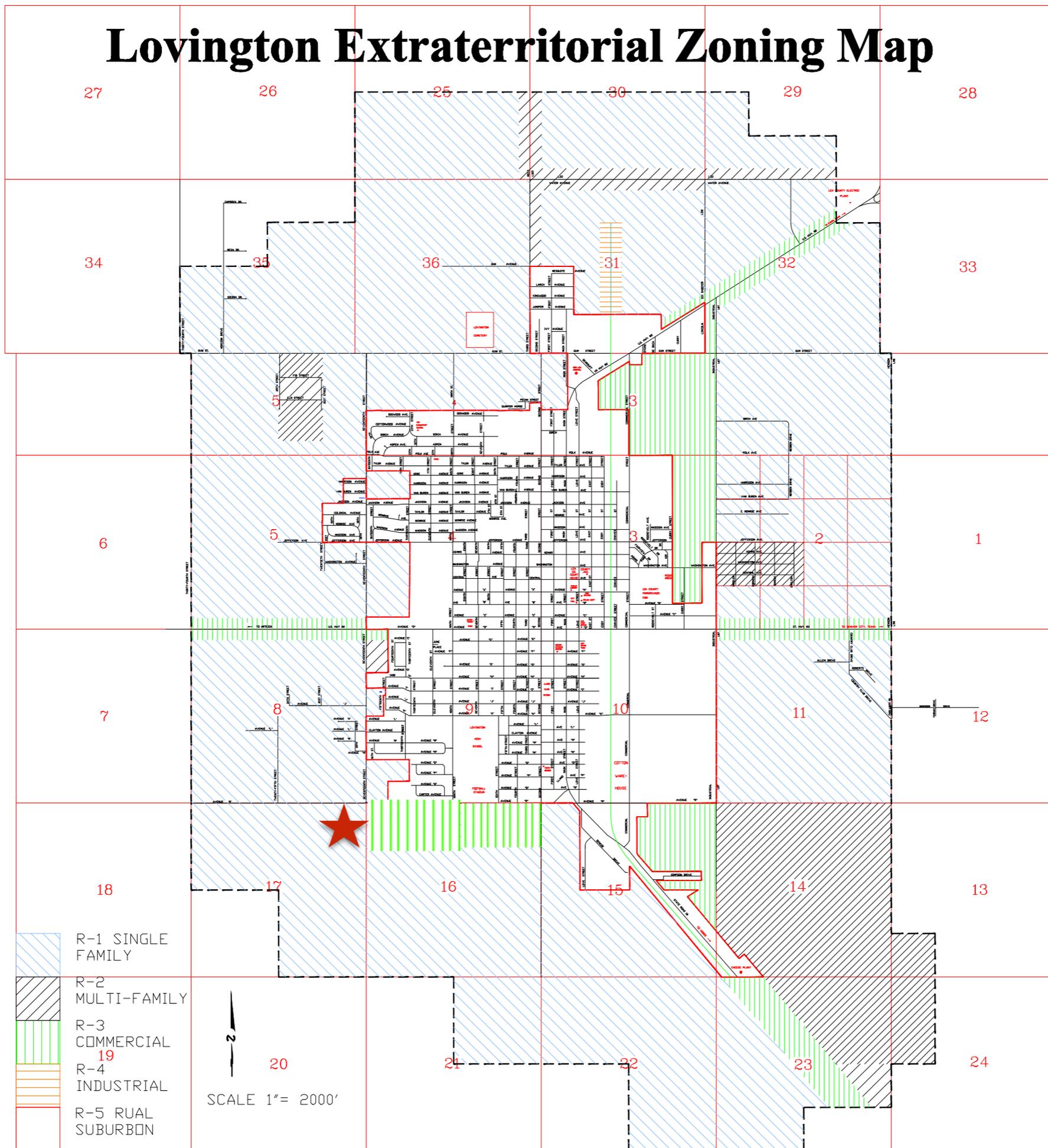
5.04.080 License-Denial or revocation-Hearing.

A. For the purpose of regulation, and when deemed in the public interest, the governing body may refuse to grant a license, but no license shall be refused until the person seeking the license has been given the opportunity of a hearing by the governing body. After such a hearing the majority of the governing body at the hearing may still refuse to grant the license.

B. Whenever a person is guilty of violating an ordinance relating to the granting of license, or, in the judgment of the governing body the public welfare requires a license to be revoked, the governing body may revoke the license. (Ord. 308 (part), 1981: prior code § 19-1-6*)

* Editor's Note: Ordinance 308 added two sections numbered 19-1-6.

Lovington Extraterritorial Zoning Map



★ Business location

-  R-1 SINGLE FAMILY
-  R-2 MULTI-FAMILY
-  R-3 COMMERCIAL
-  R-4 INDUSTRIAL
-  R-5 RUAL SUBURBON

20
SCALE 1" = 2000'



City of Lovington

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

Bus: 575-396-2884
Fax: 575-396-6328
jwilliams@lovington.org

May 5, 2015

TRC Oilfield Services, LLC
1701 W. Avenue R
Lovington, NM 88260

To Whom It May Concern:

The City of Lovington has received information from the Lovington Lea County Extraterritorial Zoning (ETZ) Enforcement Officer that you are conducting business in a location that is zoned R-1: Residential as identified by the Lovington Lea County ETZ Ordinance. Although you were issued a business license by the City of Lovington, the operation of your business is in violation of the ETZ Ordinance.

Per Lovington Municipal Code 5.04.080, the Lovington City Commission will consider the revocation of the business license issued to your company at a regular City Commission meeting to be held on May 11, 2015 at 5:30 p.m. (MST) at City Hall, 214 S. Love Street, Lovington, New Mexico. The consideration of Resolution 2015-43 will fulfill the requirements of a public hearing as authorized by Municipal Code. The City has provided this letter as notice of the public hearing.

A handwritten signature in black ink, appearing to read "JR Williams", with a stylized arrow pointing to the right.

James R. Williams,
City Manager

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: Resolution 2015-44
DEPARTMENT: Finance
SUBMITTED BY: Gary L. Chapman, Finance Director
DATE SUBMITTED: May 5, 2015

STAFF SUMMARY:

City staff have submitted to the Commission the proposed Interim Budget for the 2015 - 2016 fiscal year. Staff are requesting of the budget as submitted.

FISCAL IMPACT:

See Fund Summary tables.

REVIEWED BY: _____

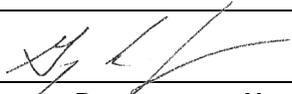

(Finance Director)

ATTACHMENTS:

Resolution 2015-44
Fund Table Summaries (reflect revenues and expenditures)

RECOMMENDATION:

Motion to adopt Resolution 2015-44 and specify any changes when making your motion.



Department Head



City Manager

RESOLUTION NO. 2015-44

WHEREAS, the Lovington City Commission held an official meeting on May 11, 2015 for the study and review of a 2015 – 2016 budget, with recognition of sources and uses of funds of said budget; and

WHEREAS, the meeting on May 11, 2015 was duly advertised in compliance with the New Mexico Open Meetings Act and the budget was duly approved.

NOW, THEREFORE, BE IT RESOLVED, that the Lovington City Commission hereby adopts the 2015 – 2016 Interim Budget and respectfully requests approval from the Local Government Division of the New Mexico Department of Finance and Administration.

DONE THIS 11th DAY OF MAY, 2015 at

City of Lovington
New Mexico

Scotty Gandy, Mayor

ATTEST:

Carol Ann Hogue, City Clerk

General Fund Summary, by Department

	2014 Actual	2015 Budget	2015 Revised	2016 Proposed
Beginning Fund Balance	3,794,380	5,092,750	5,092,750	4,842,612
Revenues				
Taxes - Local Effort	4,979,922	4,928,207	5,183,948	4,498,817
Taxes - State Shared	4,159,000	4,181,428	4,327,810	3,766,996
Licenses and Permits	19,954	17,630	15,759	25,100
Other Charges for Services	277,666	261,229	281,470	277,110
Fines and Forfeits	124,656	107,030	140,950	141,200
Miscellaneous Revenues	1,128,795	667,547	606,187	778,298
Intergovernmental Grants	36,382	139,001	78,659	165,500
Total:	10,726,375	10,302,072	10,634,783	9,653,021
Expenditures				
Judicial	81,040	90,277	81,439	112,483
Executive	190,873	191,725	188,790	242,783
Legislative	73,598	75,382	77,421	190,266
Motor Vehicle	186,685	152,146	174,309	163,016
Finance	2,476,678	3,141,139	3,068,684	2,538,571
Parks	350,055	581,984	359,585	312,691
Recreation	433,498	476,914	451,616	339,489
Pool	206,981	122,291	91,681	117,530
Museum	110,858	65,009	145,187	74,621
Library	338,176	369,310	439,017	392,237
Cemetery	186,897	221,760	189,335	220,454
Animal Control	94,070	75,711	83,442	139,000
Code Enforcement	126,437	223,467	130,954	121,777
Planning & Zoning	-	-	-	167,194
Police	2,539,706	2,792,206	3,142,553	2,682,226
Fire	1,181,813	1,290,433	1,186,285	1,406,479
Troy Harris	67,036	20,450	28,249	23,800
Street	890,867	759,267	1,056,055	689,404
Denton	23,591	15,826	17,259	15,100
Economic Development	3,446	8,100	33,230	-
Total:	9,562,305	10,673,397	10,945,091	9,949,121
Transfers				
In	174,300	-	300,000	579,995
Out	(40,000)	(240,881)	(239,830)	(254,286)
Total:	134,300	(240,881)	60,170	325,709
Excess (Deficiency)	1,298,370	(612,206)	(250,138)	29,609
Ending Fund Balance	5,092,750	4,480,544	4,842,612	4,872,221
Contingency Reserve	53%	42%	44%	49%

Utilities Fund								
	2014	Actual	2015	Budget	2015	Revised	2016	Proposed
Beginning Fund Balance		2,672,510		2,197,342		3,785,866		3,639,858
Revenues								
Other Charges for Service		3,981,873		3,902,190		2,446,218		2,455,786
Miscellaneous		381,368		427,569		56,421		54,718
Intergovernmental Grants		26,975		948,025		-		948,025
Total:		4,390,216		5,277,784		2,502,639		3,458,529
Expenditures								
Salary & Wages		592,198		602,510		584,343		695,922
Employee Benefits		178,580		210,651		206,408		273,483
Travel		41,812		51,500		44,456		54,000
Property Services		119,722		259,000		114,264		209,700
Contractual Services		65,655		62,000		80,047		84,500
Supplies		434,731		447,400		388,762		414,700
Other Operating		543,325		610,820		552,190		592,550
Capital Purchases		638,715		2,880,525		100,312		1,277,693
Debt Service		549,782		549,804		574,563		549,806
Total:		3,164,520		5,674,210		2,645,345		4,152,354
Transfers								
In		-		1,150,000		-		-
Out		(1,779,730)		(1,815,503)		(3,302)		-
Total:		(1,779,730)		(665,503)		(3,302)		-
Excess (Deficiency)		(554,034)		(1,061,929)		(146,008)		(693,825)
Ending Fund Balance		2,118,476		1,135,413		3,639,858		2,946,033
Contingency Reserve		84%		41%		143%		102%

Solid Waste Fund								
	2014	Actual	2015	Budget	2015	Revised	2016	Proposed
Beginning Fund Balance		1,269,917		1,359,724		129,706*		407,803
Revenues								
Other Charges for Service		-				1,794,731		1,815,503
Miscellaneous Revenues		103,487		94,987		162,505		106,566
Total:		103,487		94,987		1,957,236		1,922,069
Expenditures								
Salary & Wages		74,626		84,454		48,952		108,302
Employee Benefits		5,673		6,461		3,740		40,521
Travel		1,066		1,500		386		1,500
Property Services		10,168		1,300		8,160		24,000
Contractual Services		1,701,144		1,714,245		1,613,885		1,764,569
Supplies		4,908		4,400		4,882		8,000
Other Operating		2,680		2,850		2,436		3,650
Capital Purchases		-		-		-		141,834
Total:		1,800,265		1,815,210		1,682,441		2,092,376
Transfers								
In		1,792,157		1,815,503		3,302		-
Out		-		(500,000)		-		-
Total:		1,792,157		1,315,503		3,302		-
Excess (Deficiency)		95,379		(404,720)		278,097		(170,307)
Ending Fund Balance		1,365,296		955,004		407,803		237,496
Contingency Reserve		76%		53%		24%		12%

Correction Fund Summary						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		-		95,147	95,147	100,188
Revenues						
Fines and Forfeits		43,442		41,064	46,244	40,284
Total:		43,442		41,064	46,244	40,284
Expenditures						
Other Operating		25,447		41,064	41,203	40,284
Total:		25,447		41,064	41,203	40,284
Transfers						
In		77,152		-	-	-
Out		-		-	-	-
Total:		77,152		-	-	-
Excess (Deficiency)		95,147		41,064	41,203	40,284
Ending Fund Balance		95,147		95,147	100,188	100,188
Contingency Reserve		374%		232%	243%	249%

EMS Fund Summary						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		-	-	-	-	-
Revenues						
Intergovernmental Grants		20,000	20,000	20,000	20,000	20,000
Total:		20,000	20,000	20,000	20,000	20,000
Expenditures						
Travel		-	-	-	-	-
Contractual Services		-	-	-	-	-
Supplies		20,000	-	-	-	-
Capital Purchases		-	20,000	20,000	20,000	20,000
Total:		20,000	20,000	20,000	20,000	20,000
Transfers						
In		-	-	-	-	-
Out		-	-	-	-	-
Total:		-	-	-	-	-
Excess (Deficiency)		-	-	-	-	-
Ending Fund Balance		-	-	-	-	-
Contingency Reserve		0%	0%	0%	0%	0%

Fire Protection Fund Summary

	2014	Actual	2015	Budget	2015	Revised	2016	Proposed
Beginning Fund Balance		-		-		(1)		-
Revenues								
Intergovernmental Grants		81,099		78,443		78,443		78,443
Total:		81,099		78,443		78,443		78,443
Expenditures								
Travel		4,637		7,752		1,758		7,752
Property Services		24,887		19,950		7,805		19,950
Contractual Services		-		4,242		-		4,242
Supplies		17,155		28,700		36,720		28,700
Other Operating		27,909		17,799		13,541		17,799
Capital Purchases		6,512		-		18,618		-
Total:		81,100		78,443		78,442		78,443
Transfers								
In		-		-		-		-
Out		-		-		-		-
Total:		-		-		-		-
Excess (Deficiency)		(1)		78,443		78,442		78,443
Ending Fund Balance		(1)		-		-		-
Contingency Reserve		0%		0%		0%		0%

Law Enforcement Protection Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		18		-	-	-
Revenues						
Intergovernmental Grants		32,600		36,200	36,200	34,400
Total:		32,600		36,200	36,200	34,400
Expenditures						
Capital Purchases		32,618		36,200	36,200	34,400
Total:		32,618		36,200	36,200	34,400
Transfers						
In		-		-	-	-
Out		-		-	-	-
Total:		-		-	-	-
Excess (Deficiency)		(18)		36,200	36,200	34,400
Ending Fund Balance		-		-	-	-
Contingency Reserve		N/A		N/A	N/A	N/A

Lodgers Tax Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		11,314		20,676	20,676	19,116
Revenues						
Taxes - Local Effort		63,164		72,000	71,452	75,000
Total:		63,164		72,000	71,452	75,000
Expenditures						
Other Operating		74,556		72,000	73,012	75,000
Total:		74,556		72,000	73,012	75,000
Transfers						
In		20,754		-	-	-
Out		-		-	-	-
Total:		20,754		-	-	-
Excess (Deficiency)		9,362		72,000	73,012	75,000
Ending Fund Balance		20,676		20,676	19,116	19,116
Contingency Reserve		28%		29%	26%	25%

Special Gas Tax Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		-		525,286	713,651	640,774
Revenues						
Taxes - State Shared		188,364		189,092	172,123	165,000
Intergovernmental Grants		-		45,000	-	150,000
Total:		188,364		234,092	172,123	315,000
Expenditures						
Capital Purchases		-		245,000	245,000	350,000
Total:		-		245,000	245,000	350,000
Transfers						
In		525,287				
Out						
Total:		525,287		-	-	-
Excess (Deficiency)		713,651		245,000	245,000	350,000
Ending Fund Balance		713,651		514,378	640,774	605,774
Contingency Reserve		N/A		N/A	N/A	N/A

Special Recreation Fund							
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed	
Beginning Fund Balance		11,874		22,223		35,627	40,006
Revenues							
Other Charges for Service		2,471		2,000		2,429	2,500
Miscellaneous Revenues		1,300		2,050		-	500
Total:		3,771		4,050		2,429	3,000
Expenditures							
Salary & Wages		3,672		5,760		5,760	-
Employee Benefits		281		441		441	-
Travel		116		200		200	200
Property Services		12,189		28,543		28,543	8,000
Contractual Services		248		100		100	-
Supplies		5,005		7,331		7,331	16,500
Other Operating		21,057		4,515		4,515	18,700
Capital Purchases		438		35,250		35,250	10,000
Total:		43,006		82,140		82,140	53,400
Transfers							
In		62,988		85,140		84,090	50,400
Out		-		-		-	-
Total:		62,988		85,140		84,090	50,400
Excess (Deficiency)		23,753		7,050		4,379	-
Ending Fund Balance		35,627		29,273		40,006	40,006
Contingency Reserve		84%		62%		85%	92%

Senior Citizens Multipurpose Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		25		25	51,998	57,908
Revenues						
Miscellaneous		-		28,696	29,916	26,255
Intergovernmental Grants		174,300		188,946	199,632	186,386
Total:		174,300		217,642	229,548	212,641
Expenditures						
Total:		348,450		373,313	379,379	412,821
Transfers						
In		226,123		155,741	155,741	203,886
Out		-		-	-	-
Total:		226,123		155,741	155,741	203,886
Excess (Deficiency)		51,973		70	-	-
Ending Fund Balance		51,998		95	57,908	25
Contingency Reserve		N/A		N/A	N/A	N/A

Lab Fees Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		-		-		-
Revenues						
Fines and Forfeits		794		1,100		1,382
Total:		794		1,100		1,382
Expenditures						
Contractual Services		794		1,100		1,382
Total:		794		1,100		1,382
Transfers						
In		-		-		-
Out		-		-		-
Total:		-		-		-
Excess (Deficiency)		-		1,100		1,382
Ending Fund Balance		-		-		-
Contingency Reserve		0%		0%		0%

Judicial Education Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		-		-		-
Revenues						
Fines and Forfeits		6,475		6,131		6,941
Total:		6,475		6,131		6,941
Expenditures						
Contractual Services		6,475		6,131		6,941
Total:		6,475		6,131		6,941
Transfers						
In		-		-		-
Out		-		-		-
Total:		-		-		-
Excess (Deficiency)		-		-		-
Ending Fund Balance		-		-		-
Contingency Reserve		0%		0%		0%

Court Automation Fees Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		-		-		-
Revenues						
Fines and Forfeits		13,031		12,341		13,866
Total:		13,031		12,341		13,866
Expenditures						
Contractual Services		13,031		12,341		13,866
Total:		13,031		12,341		13,866
Transfers						
In		-		-		-
Out		-		-		-
Total:		-		-		-
Excess (Deficiency)		-		-		-
Ending Fund Balance		-		-		-
Contingency Reserve		0%		0%		0%

Designated Franchise Tax Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		85,980		65,867	113,036	147,579
Revenues						
Taxes - Local Effort		61,181		68,036	70,239	60,301
Miscellaneous		2,037		30	17	26
Total:		63,218		68,066	70,256	60,327
Expenditures						
Salary & Wages		33,592		33,697	33,175	90,871
Employee Benefits		2,570		2,578	2,538	26,108
Total:		36,162		36,275	35,713	116,979
Transfers						
In		-		-	-	-
Out		-		-	-	-
Total:		-		-	-	-
Excess (Deficiency)		27,056		36,275	35,713	116,979
Ending Fund Balance		113,036		97,658	147,579	90,927
Contingency Reserve		313%		269%	413%	78%

Saltwater Disposal Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		577,084		695,138	695,138	560,044
Revenues						
Taxes - Local Effort		118,054		168,207	164,906	-
Miscellaneous		-		-	-	-
Total:		118,054		168,207	164,906	-
Expenditures						
Salary & Wages		-		-	-	-
Employee Benefits		-		-	-	-
Total:		-		-	-	-
Transfers						
In		-		-	-	-
Out		-		(650,000)	(300,000)	(560,044)
Total:		-		(650,000)	(300,000)	(560,044)
Excess (Deficiency)		118,054		(481,793)	(135,094)	(560,044)
Ending Fund Balance		695,138		213,345	560,044	-
Contingency Reserve		589%		-33%	-187%	0%

Ambulance Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		430,785		429,845	446,408	468,983
Revenues						
Other Charges for Service		509,745		584,240	385,800	476,010
Intergovernmental Grants		-		-	-	75,000
Total:		509,745		584,240	385,800	551,010
Expenditures						
Salary & Wages		220,775		220,821	166,422	203,682
Employee Benefits		16,127		16,893	12,127	108,549
Travel		45,029		53,500	46,306	48,000
Property Services		13,946		20,000	22,100	18,000
Contractual Services		34,689		36,990	31,336	37,350
Supplies		44,122		58,050	57,491	58,000
Other Operating		36,758		46,650	24,740	43,450
Capital Purchases		82,676		238,351	2,703	168,003
Total:		494,122		691,255	363,225	685,034
Transfers						
In		-		-	-	-
Out		-		-	-	-
Total:		-		-	-	-
Excess (Deficiency)		15,623		(107,015)	22,575	(134,024)
Ending Fund Balance		446,408		322,830	468,983	334,959
Contingency Reserve		108%		71%	130%	65%

Economic Development Fund						
	2014	Actual	2015	Budget	2015 Revised	2016 Proposed
Beginning Fund Balance		-		815,382	815,382	806,824
Revenues						
Taxes - Local Effort		290,314		360,000	353,981	327,295
Miscellaneous		24,000		165,900	262,500	127,035
Total:		314,314		262,500	616,481	454,330
Expenditures						
Contractual Services		145,500		431,800	211,700	354,070
Capital Purchases		251,818		413,339	413,339	-
Total:		397,318		845,139	625,039	354,070
Transfers						
In		898,386		-	-	-
Out		-		-	-	-
Total:		898,386		-	-	-
Excess (Deficiency)		815,382		(582,639)	(8,558)	100,260
Ending Fund Balance		815,382		232,743	806,824	907,084
Contingency Reserve		205%		28%	129%	256%

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: Resolution 2015-45
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED: May 6, 2015

STAFF SUMMARY:

Staff have received a grant agreement from the J. F Maddox Foundation that will provide \$15,000 in funding to support 15 scholarships for youth (Kindergarten to 5th grade) to participate in the new Summer Adventures Program. This is an enhanced summer program that is being made possible through a partnership between the City, Lovington Schools, Afterschool Adventures, Nor Lea Hospital, and NMJC. The program will include supervised and guided learning to approximately 30 youth.

FISCAL IMPACT:

REVIEWED BY: _____

(Finance Director)

\$15,000 grant revenue upon completion of the program.

ATTACHMENTS:

Resolution 2015-45
Grant Agreement
Summer Adventures Flyer

RECOMMENDATION:

Motion to approve Resolution 2015-45

Department Head

City Manager

RESOLUTION NO. 2015-45

WHEREAS, the Lovington City Commission recognizes the need for an enhanced summer program for students in Kindergarten thru 5th grade; and

WHEREAS, the enhanced program will include guided learning, reading, active play, cooking, art, swimming, science, and various field trips; and

WHEREAS, a program of this nature will require partnerships between the City, Lovington Public Schools, Afterschool Adventures, New Mexico Junior College, and Nor-Lea General Hospital; and

WHEREAS, the J. F Maddox Foundation recognizes the value of this program and is providing grant funding in support.

NOW, THEREFORE, BE IT RESOLVED, that the Lovington City Commission directs the City Manager to enter into a grant agreement with the J. F Maddox Foundation in which they will provide \$15,000 to fund up to fifteen scholarships for youth to participate in the Summer Adventures Program.

DONE THIS 11th DAY OF MAY, 2015 at

City of Lovington
New Mexico

Scotty Gandy, Mayor

ATTEST:

Carol Ann Hogue, City Clerk

Summer Adventures

Learn • Create • Discover • Explore • Grow • Play

June 1st - July 31st

9 weeks • 8:00-5:30 • Monday- Friday

Ages: Kindergarten 5th Grade

Includes:

Breakfast, Lunch,
Afternoon Snack

\$110 a week

\$25 nonrefundable deposit due at enrollment

Activities:

- Guided Learning
- Cooking
- Science
- Reading
- Art
- Library
- Active Play
- Swimming
- Field Trips

*Limited Scholarships Available Based on Income

In partnership with:

Afterschool Adventures
City of Lovington
Lovington Schools

NMJC & Nor-Lea General Hospital

Applications can be picked up at:

LMS Administration Office
18 W. Washington Ave.

Questions: Contact Elizabeth Graham at 575-704-9875

J. F MADDUX FOUNDATION

220 West Broadway, Suite 200
Post Office Box 2588
Hobbs, New Mexico 88241-2588
Phone: (575) 393-6338
Fax: (575) 397-7266
www.jfmaddox.org

May 5, 2015

James Williams, City Manager
City of Lovington
PO Box 1268
Lovington, NM 88260-1268

Dear Mr. Williams:

On behalf of the Board of Directors of the J. F Maddox Foundation, I am pleased to inform you that a Grant in the amount of up to \$15,000 has been approved. This Grant is to fund the cost of up to 15 scholarships to Grantee's Summer Adventures Program taking place in Lovington, New Mexico for children in June and July 2015.

Enclosed you will find two original Grant Contracts to be executed, one of which is to be returned to the Foundation office. The other original is for your files. Funds will not be disbursed until an executed copy of the Contract has been returned to the Foundation.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Robert J. Reid
Executive Director

RJR:sa

Enclosures (2)

J. F MADDOX FOUNDATION

220 West Broadway, Suite 200
Post Office Box 2588
Hobbs, New Mexico 88241-2588
Phone: (575) 393-6338
Fax: (575) 397-7266
www.jfmaddox.org

GRANT CONTRACT

APPROVAL DATE: April 22, 2015
GRANT NUMBER: 2004730
AMOUNT: Up to \$15,000

GRANTOR: J. F Maddox Foundation, a New Mexico Nonprofit Corporation (Foundation)

GRANTEE: City of Lovington (Grantee)

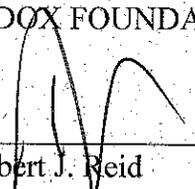
1. This Grant for up to \$15,000 is to fund the cost of up to 15 scholarships to Grantee's Summer Adventures Program taking place in Lovington, New Mexico for children in June and July 2015, as described in Grantee's proposal dated April 15, 2015 ("2015 Summer Youth Program").
2. Grantee agrees to the following terms:
 - A. Funds from this Grant will be disbursed to Grantee upon receipt by Foundation of Grantee's written request(s), which shall include the number of scholarship students who participated in the 2015 Summer Youth Program.
 - B. Grantee's written request(s) for these Grant funds shall be submitted to the Foundation no later than August 31, 2015. Any funds not requested at that time may be forfeited.
 - C. Although the Grant funds are not required to be physically segregated in a separate account, Grantee agrees to account for such funds separately on Grantee's books and records for ease of reference and verification.
 - D. Grantee agrees to spend the Grant funds as itemized in the budget submitted to the Foundation with the Grant proposal. No substantial changes in the budget and/or programming may be made without prior written approval from the Foundation.
3. The representations, warranties, requirements, terms and conditions set forth in Exhibit A are incorporated by reference and made a part of this Contract. Grantee understands that any breach of any provision of this Contract, including the provisions contained in Exhibit A, may result in termination of the Grant, the suspension of Grant payments, and/or an obligation to return Grant funds to the Foundation.
4. Reporting Requirements (Exhibit B):

- A. Grantee agrees to submit a final written report to the Foundation, due no later than August 31, 2015, including the following information:
- A detailed accounting for the 2015 Summer Youth Program revenues and expenses.
 - Camp attendance, which shall also include the number of scholarship students who actually attended the 2015 Summer Youth Program.
 - A summary of the 2015 Summer Youth Program, including a comprehensive assessment of each program, objectives achieved, and what, if anything, the Grantee would have done differently.

5. The signature on this document, of the person authorized to execute legal agreements on behalf of Grantee, will serve as certification that the authorized signatory has read and understands the requirements, terms, and conditions of this Grant Contract.

J. F MADDOX FOUNDATION

By:



Robert J. Reid
Executive Director

CITY OF LOVINGTON

By:

James Williams
City Manager

Date

Exhibit A

Requirements, Terms, and Conditions of Grant Contract

1. Grantee agrees that the Grant funds will only be expended for the purpose(s) as defined in Paragraph 1 above of this Grant Contract, and that any earnings accruing from these Grant funds prior to expenditure by Grantee shall also be used for such purpose(s), and that any funds not so used will be returned to the Foundation.
2. Grantee represents and warrants that it is an organization currently recognized by the Internal Revenue Service (IRS) as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (Code) that it is not (i) a private foundation under Section 509 of the Code or (ii) a "supporting organization" described in Section 509(a)(3) of the Code; or in the absence of such determination, that Grantee is a tax-exempt state or political subdivision described in Section 170(c)(1) of the Code.
3. Grantee agrees to immediately notify the Foundation, in writing, if (i) Grantee's federal tax-exempt status or its classification under Section 509 of the Code is revoked or altered; (ii) Grantee has received notice from the IRS or otherwise has reasonable grounds to believe that its tax-exempt status or its classification under Section 509 of the Code may be revoked or altered; or (iii) Grantee has reason to believe that these Grant monies cannot be, or continue to be, expended for the specified purpose(s). In the event that Grantee's tax-exempt status is lost or is challenged by the IRS or if the Grant funds cannot be expended for the specified purpose, the Foundation reserves the right in its absolute discretion to terminate the Grant, in which event Grantee agrees to immediately return to the Foundation any remaining unexpended Grant monies plus any portion of the expended Grant funds not actually spent for the purpose(s) of the Grant.
4. For New Mexico corporations, Grantee represents and warrants that it is an organization in good standing with the New Mexico Secretary of State (NMSOS). Grantee agrees to immediately notify the Foundation, in writing, if Grantee's good standing with the NMSOS is revoked or altered.
5. The Foundation assumes no responsibility for any injuries, damages, or liabilities (including, but not limited to, attorney fees and costs) directly or indirectly resulting or arising from the project funded by this Grant. By accepting this Grant, Grantee agrees to indemnify and hold harmless the Foundation and each of its directors, officers, employees, representatives, and agents from and against any and all claims, liabilities, losses, and expenses resulting or arising from or in connection with this Grant.
6. Grantee will maintain adequate financial records related to the expenditure of Grant funds. Grantee will keep grant-related receipts and records of expenditures for at least four years. Grantee will make such records and receipts available upon request to the Foundation or its representatives for inspection at reasonable times and will allow the Foundation to make copies thereof.
7. Grantee agrees that there will be no commission or other similar compensation related to this Grant paid by Grantee to any employee, officer, or agent of Grantee.

8. Grantee agrees that no part of the funds received from this Grant will be used to carry on propaganda, support or oppose specific legislation, participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, influence the outcome of any public election, or participate in any voter registration drive.
9. Grantee will furnish to Foundation such additional information or reports concerning the Grant funds, the Grantee, or the project being funded as the Foundation may from time to time reasonably request. This Grant is subject to audit by the Foundation at the Foundation's expense. This Grant is also subject to monitoring and evaluation by Foundation staff and/or outside consultants at the Foundation's expense.
10. The foregoing terms and conditions are to comply with the obligations of the Foundation to make reasonable efforts and establish adequate procedures to ensure that its grant funds are spent for the charitable purposes for which granted. Changes in the applicable law, or in regulations interpreting the law, may require the Foundation to request changes or additions to such terms and conditions. The Foundation will promptly inform Grantee in such event and the parties agree to cooperate in a good faith effort to make any such changes or additions that may be required under applicable law.
11. Grantee shall not assign this Grant Contract or any payment due or to become due under this Grant Contract without the prior, express, and written consent of the Foundation.
12. Neither this Grant Contract, the Grant nor any action by the Foundation pursuant to this Grant Contract shall make the Foundation liable to Grantee or to any other party as a joint venturer, partner, or other participant with respect to the activities of Grantee funded by the Grant. No parties other than Grantee and Foundation shall have any rights, claims, or causes of action pursuant to this Grant Contract or the Grant.
13. Grantee agrees that the Foundation has no contractual obligation to or with any service provider engaged by Grantee for the purposes of this Grant.
14. If any provision of this Grant Contract is judicially determined to be void or unenforceable, such provision shall be construed to be severable from the other provisions hereof, which shall retain full force and effect.
15. This Grant Contract shall be construed in accordance with and governed by the laws of the State of New Mexico. Should a dispute arise as to the contents or construction of the Grant Contract, the parties agree to submit to the jurisdiction and venue of the District Court of Lea County, New Mexico.
16. This Grant is conditional upon Grantee's acceptance of all of the terms and conditions set forth in this Grant Contract. Upon receipt of an original signed and dated Grant Contract, the Foundation will make payment subject to the terms stated herein.

Exhibit B

Deliverables

- August 31, 2015 All Grantee's written request(s) for Grant funds
- August 31, 2015 A final written report to the Foundation, including the following information:
- A detailed accounting for the 2015 Summer Youth Program revenues and expenses.
 - Camp attendance, which shall also include the number of scholarship students who actually attended the 2015 Summer Youth Program.
 - A summary of the 2015 Summer Youth Program, including a comprehensive assessment of each program, objectives achieved, and what, if anything, the Grantee would have done differently.

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: RFP 042215 Award
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED: May 7, 2015

STAFF SUMMARY:

Responses to RFP 042215 (Lea Theater Digital Conversion) were received on May 7, 2015 at 5:30 p.m. Staff will present their recommendation for award at the meeting.

FISCAL IMPACT:

REVIEWED BY: _____

(Finance Director)

ATTACHMENTS:

RECOMMENDATION:

Motion to award or not award RFP 042215 based on staff recommendation.

Department Head

James R. Williams

City Manager

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: RFP 050715
DEPARTMENT: Executive
SUBMITTED BY: James R. Williams, City Manager
DATE SUBMITTED: May 7, 2015

STAFF SUMMARY:

STAFF REQUEST THIS ITEM BE REMOVED FROM THE AGENDA.
NO RESPONSES WERE RECEIVED.

FISCAL IMPACT:

REVIEWED BY: _____
(Finance Director)

ATTACHMENTS:

RECOMMENDATION:

NO ACTION

Department Head

James R. Williams

City Manager

CITY OF LOVINGTON
COMMISSION STAFF SUMMARY FORM

MEETING DATE: May 11, 2015



TYPE: RESOLUTION ORDINANCE PROCLAMATION INFORMATION OTHER ACTION

SUBJECT: Accounts Payable
DEPARTMENT: Finance
SUBMITTED BY: Gary L. Chapman, Finance Director
DATE SUBMITTED: May 7, 2015

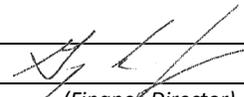
STAFF SUMMARY:

The Finance Department has prepared the Accounts Payable for your review and approval.

FISCAL IMPACT:

See Accounts Payable Detail

REVIEWED BY: _____

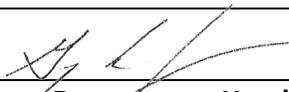

(Finance Director)

ATTACHMENTS:

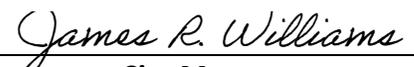
General Fund Accounts Payable
Utilities Fund Accounts Payable

RECOMMENDATION:

Motion to approve Accounts Payable



Department Head



City Manager

City of Lovington (New)
Summary A/P Ledger - A/P Summary CMeeting - General
From 5/1/2015 Through 5/31/2015

101 - General Fund

Vendor Name	Dept Code	Current Balance
3M		3,103.29
Alsco		420.11
American Medical Group, Inc		336.46
Art's D.O.T & Safety Lovington		311.03
Artesia Fire Equipment		200.80
Benchmark		119.42
Blaine Industrial Supply		650.18
Bob's Thriftway		755.66
Bound Tree Medical, LLC		2,824.32
Brodart-McNaughton Inc.		966.00
C & S Motor Parts Co.		14.60
C.D. General Contractors		848.13
Center Point Large Print		40.14
Dana Kepner Co.		2,011.08
Division of Auld Sign Co		2,348.58
Farmer Brothers Company		94.89
Fierro & Company		2,996.00
Forrest Tire Co.		41.82
FVG Construction		157.01
Gale/Cengage Learning		194.91
Galls/Quartermaster		8.65
Gebo Credit Corporation		37.95
Gempler's, Inc		316.50
General Welding Supply		178.00
H & K Pest Control Co.		117.98
Higginbotham-Bartlett Co.		5,037.10
High Plains Refrigeration, Inc		128.18
Infobase Publishing		1,247.30
Kleen-Tech Services Corp.		5,489.76
Lea County Roadside		168.80

City of Lovington (New)
Summary A/P Ledger - A/P Summary CCMeeting - General
From 5/1/2015 Through 5/31/2015

Lea County Septic Tank Service	189.90
LightHouse BIS, LLC	275.00
Lovington Auto Supply	282.72
Lovington Chamber of Commerce	1,000.00
Lovington Leader	618.65
Lovington Veterinary	50.00
Marker Services, LLC	892.74
Master Plumbers	2,706.96
MicroMarketing LLC	280.35
MidAmerica Books	1,493.92
OCLC, Inc.	428.88
Overhead Door Co.	618.39
P & D Petroleum, Inc	14,386.53
Patriot Pipe & Supply LTD	24.98
Pearl River Technologies/CSI	350.00
Pettigrew & Associates, P. A.	2,136.25
Pro-Treat Power Equipment	505.52
Professional Ambulance Sales	65.24
Professional Communications	139,767.07
Roberts Oil & Lube	51.50
Rogers All Electric Service	175.13
Solid Waste Authority	706.50
Staples Advantage	1,558.37
Star Welding Service	22.79
Stericycle, Inc.	1,931.24
Strong Electric	8,688.00
Sunbelt Pools, Inc.	1,428.00
SYSCO West Texas, Inc.	737.81
Technicon Training& Consulting	315.00
Tom's Plumbing	241.31
Tom's Sharp Shop	649.95
U S Food Service	7,940.47

City of Lovington (New)
 Summary A/P Ledger - A/P Summary CMeeting - General
 From 5/1/2015 Through 5/31/2015

Unifirst Corp.	264.67
Valentine Auto Service	905.38
VerMed	227.18
Watermaster Irrigation Supply	632.49
Windstream Communications, Inc	<u>134.06</u>

Report Balance	<u><u>223,847.60</u></u>
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Payee	Transaction Description	Check Amount
ACTS Training	Vet/Animal Control-Regist for Training Brett	550.00
Anna Juarez	Finance-5k Wellness Incentive (1st Place) 2015	100.00
AT&T Mobility	Gen-Cell Phone Bill 3/15	1,968.62
City of Lovington	Motor Vehicle-To add a fourth cash drawer	200.00
CONNIE HAND	Finance-5k Wellness Incentive (2nd Place) 2015	75.00
Danny Reynolds	Finance-Reimb for Sauage Cooked on Free Dump Day 2015	25.00

City of Lovington (New)
 Summary A/P Ledger - A/P Summary CCMeeting - General
 From 5/1/2015 Through 5/31/2015

Dennis Martin	Finance-5k Wellness incentive (1st Place) 2015	100.00
Elaine Vigil	Lodgers Tax- Advertising Farmer Market Feb 2015	408.17
Fernando Gomez	Police-Reimb for Meals for Bosque Farms for FTO Training	146.93
Gary Chapman	Finance-5k Wellness Incentive (2nd Place) 2015	75.00
Isaac Hernandez	Finance-5k Wellness Incentive (2nd Place) 2015	75.00
James Williams	Finance-5k Wellness Incentive (1st Place) 2015	100.00
Jesse Munoz, Jr.	Recreation- Reimb For Pizza for Inmates working on baseball	140.41
Jim Trujillo	Judicial- Alternate Judge 3/23, 4/9 2015	128.25

City of Lovington (New)
 Summary A/P Ledger - A/P Summary CMeeting - General
 From 5/1/2015 Through 5/31/2015

LaTisha Garcia	Finance-5k Wellness Incentive (3rd Place) 2015	50.00
Laura Brock	Finance-5k Wellness Incentive (2nd Place) 2015	75.00
Lea County Electric	Gen-Electric Bill for 3/15	24,386.80
Lea County Museum	Finance-NM/TX Challenge Run Participants 2015	540.00
Lea County Museum	Lodgers Tax- Musuem Reimb for Adversiting 2015	2,296.74
Lea County Museum	Museum-4th Quarterly Slipent April- June 2015	5,000.00
Lea County Museum	Museum-Reimb for Supplies	78.28
Lovington Chamber of Commerce	Finance- Auxiliary Fund April-June 2015	8,750.00
Lovington Chamber of Commerce	Lodgers Tax- Vistor Upkeep April 2015	1,000.00

City of Lovington (New)
Summary A/P Ledger - A/P Summary CMeeting - General
From 5/1/2015 Through 5/31/2015

Lovington Chamber of Commerce	Lodgers Tax- Reimb for Barrel Race Advertising 2015	1,125.70
Merideth Hildreth	Finance-5k Wellness Incentive (1st Place) 2015	100.00
New Mexico Gas Company	Gen-Utility Gas Bill Mar 2015	2,670.44
Norma Vejil	Senior Center- Reimb For Hotel/Fuel for Ruidosa Training	266.14
Norma Vejil	Senior Center- Reimb for Rice cooker/2yr plan	180.76
Norma Vejil	Senior Center- Reimb Samsung s22d300ny/Offic e Supplies	218.89
Phillips 66 Co.	Gen-Fuel Charge Card	98.62
Rosa Arroyo	Finance-5k Wellness Incentive (3rd Place) 2015	50.00

City of Lovington (New)
 Summary A/P Ledger - A/P Summary CMeeting - General
 From 5/1/2015 Through 5/31/2015

Shannon Lester	Finance-5k Wellness Incentive (1st Place) 2015	100.00
Shell Oil Co.	Gen-Charge Fuel Card	49.07
Staples	Gen-Office Supplies	587.84
SUSIE WILLINGHAM	Finance-5k Wellness Incentive (1st Place) 2015	100.00
U.S. Postal Service	Library-Rolls of Stamps	147.00
Visa/Fire	Visa Fire 9298 4/15-Basketballs	75.07
Visa/Fire	VISA FIRE 9298 4/15- Ambulance Region 3 EMS Conf. Registration for 5 employees/EMT Basic/EMT Written Exam	1,890.00
Visa/Fire	VISA FIRE 9298 4/15- Amazon Membership fee	99.00
Windstream	Finance-EDC Telephone Bill 3/15	178.13

City of Lovington (New)
Summary A/P Ledger - A/P Summary CCMeeting - General
From 5/1/2015 Through 5/31/2015

Windstream	Finance- Chamber of Commerce Phone Bill 3/15	235.30
Windstream	Finance-Main Phone Bill for 3/15	134.76
Windstream	Gen-Phone Bill for 3/15	4,602.36
Grand Total		<u>283,025.88</u>

City of Lovington (New)
Summary A/P Ledger - A/P Summary CCMeting - Water
From 5/1/2015 Through 5/30/2015

505 - Water & WasteWater

Vendor Name	Current Balance
American Medical Group, Inc	251.01
Atco International	380.00
BlueTrap Financial, Inc.	299.00
BMN Meter Measurement	1,025.41
Bob's Thriftway	364.66
C & S Motor Parts Co.	96.81
California Cont. Supplies, Inc	959.90
Cardinal Laboratories	32.04
Certified Air Cond. & Applianc	252.52
Certified Laboratories	3,147.94
Copies, Inc.	495.41
Culligan Water Conditioning	24.50
Dana Kepner Co.	2,094.60
DPC Industries Inc.	704.56
Farmer Brothers Company	7.34
Federal Express Services	8.30
Gebo Credit Corporation	119.96
General Welding Supply	108.65
Haarmeyer Electric	1,828.13
Higginbotham-Bartlett Co.	935.44
Lovington Tire Service	150.15
M & R Tire Service, LLC	984.73
Monarch Diesel Performance	199.38
P & D Petroleum, Inc	2,923.73
Polydyne Inc.	504.00
Professional Communications	242.20
Roberts Oil & Lube	50.00
Solid Waste Authority	8,445.21
Staples Advantage	214.93
Unifirst Corp.	128.30
Yukon & Associates, Ltd.	<u>18,473.81</u>

City of Lovington (New)
 Summary A/P Ledger - A/P Summary CCMeeting - Water
 From 5/1/2015 Through 5/30/2015

Report Balance		<u>45,452.62</u>
<u>Payee</u>	<u>Transaction Description</u>	<u>Check Amount</u>
AT&T Mobility	Water-Cell Phone Bill for 3/15	586.74
Kandy Kane Water Well Service	Water-6in pump/motor shroud	10,791.00
Lea County Electric	Water-Electric Bill 3/15	22,370.31
New Mexico Finance Authority	Water-Drinking Water Loan @ 4.10.15	168,696.78
New Mexico Gas Company	Water-Utility Gas Bill for Mar 2015	1,095.85
Waste Management of New Mexico	Solid Waste-Roll-offs for March 2015	10,004.04
Waste Management of New Mexico	Solid Waste-Plycart Pickup 3/15 Res \$65845.93 Com \$57323.53	123,169.46
Windstream	Water-Phone Bill for Mar 2015	462.38
Windstream	WasteWater-Phone Line for Scada 4/15	<u>58.52</u>
 GRAND TOTAL		 <u><u>382,687.70</u></u>