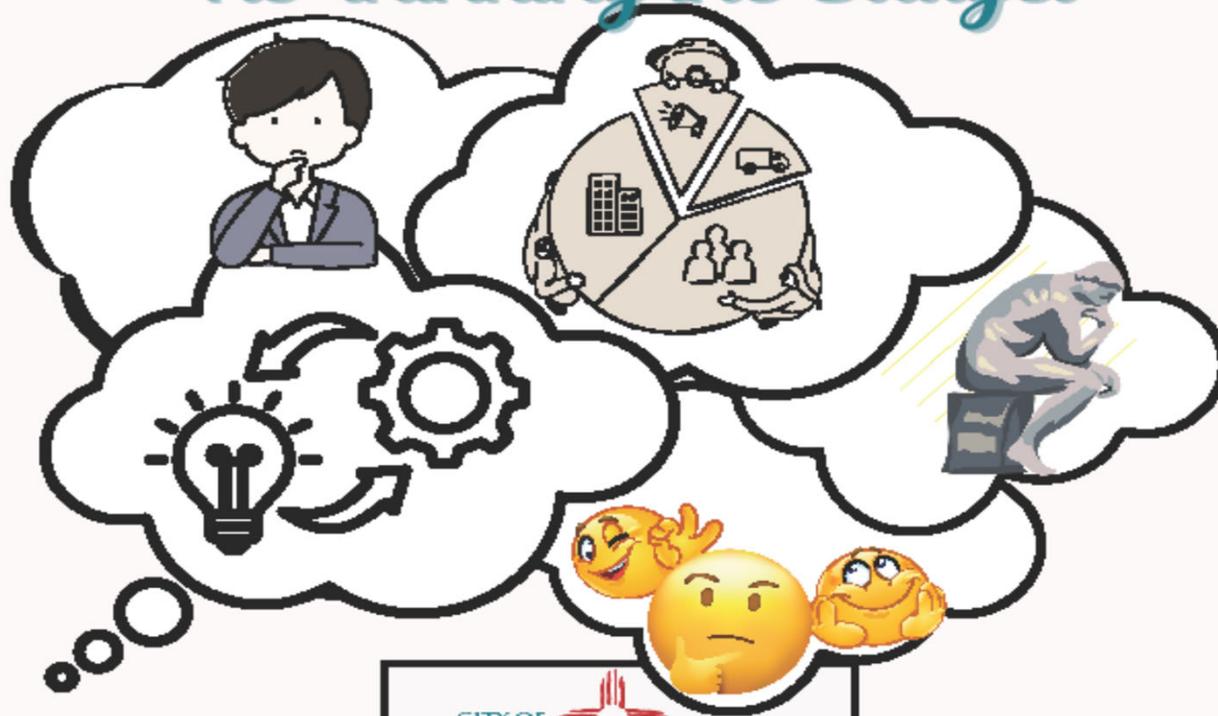


# City of Hobbs

## FY 2025-2026 Preliminary Budget

### "Re-thinking the Budget"





Governor Michelle Lujan Grisham  
Cabinet Secretary Wayne Propst

Local Government Division  
Cecilia Mavrommatis, Division Director



**MEMORANDUM BFB #25-01**

TO: New Mexico Counties and Municipalities

FROM: Cecilia Mavrommatis, Director, Local Government Division 

DATE: February 11, 2025

SUBJECT: Fiscal Year 2025-26 Budget Preparation & Submission Guidelines for Counties and Municipalities

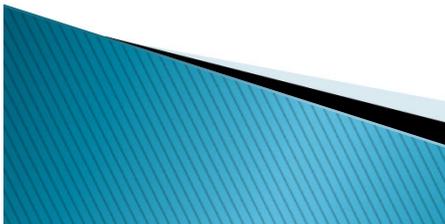
We cordially provide the following guidelines to ensure statutory compliance with Section 6-6-2 NMSA 1978 that requires each local public body to furnish and file with the Department of Finance and Administration (DFA), Local Government Division (LGD) a proposed (interim) budget for the next fiscal year. Furthermore, this statute authorizes the LGD to prescribe the form for all budgets, books, records, and accounts for local public bodies.

Pursuant to Section 6-6-2. K. NMSA 1978, DFA/LGD requires that Fiscal Year 2025-26 interim budgets for counties and municipalities be submitted on the Local Government Budget Management System (LGBMS). Additionally, budget supporting schedules in the prescribed Excel format must also be submitted electronically as attached files via LGBMS.

Please note, entities must update submission of a *NEW* Security Access Form (SAF) in LGBMS for each individual within your local government who requires access to the system for Fiscal Year 2025-26. To safeguard the data submitted on LGBMS, be sure to deactivate the account in LGBMS of anyone that no longer needs access to the system or has left your organization.

The Security Access Form (SAF), LGBMS User Guide, LGBMS FAQ document, and other information can be found going to the following link:

<https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/lgbms/>



### Supporting Schedules

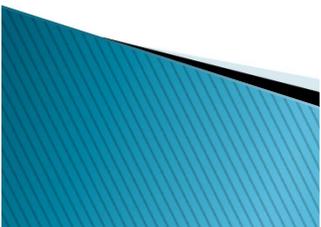
Required schedules that support the budget are listed below and can be found at the following link:

<https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-forms/>

Property Tax Calculation Worksheet	Calculates projected property tax revenue.
Debt Schedule	Lists all outstanding debt {loans, revenue & general obligation bonds}. <i>Electronically in LGBMS; make sure it ties to your Amortization Schedules.</i>
S-5 (DETAIL OF NON-BUDGETED RESERVE REQUIREMENTS form)	Lists additional reserves (not LGD required reserves which are automatically calculated by LGBMS) and must tie to amounts reported in LGBMS under Object Code 10105 Locally Imposed Reserve.
Revenue Checklist	Lists all GRT imposed increments including intercepted GRT amounts [refer to Memorandum #BFB-19-02 "Guidelines for Reporting Gross Receipts Tax and Various Intercepts" however, due to de-earmarking of GRT revenue (enactment of 2019 House Bill 479), local governments have more discretion in budgeting revenue so long as "GRT" LGBMS line items are used for tracking purposes; refer to Memorandum #BFB-21-05 "Guidelines on Revised GRT Reporting Codes"] located on our website: <a href="https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-memos/">https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-memos/</a> .
Form S-2 (SCHEDULE OF INSURANCE)	Lists all insurance costs.
Salary Schedule	Lists salaries and benefits associated with each budgeted position; [Personnel schedules generated from your systems will be accepted].
FY24 Co-Muni Budget Work Plan Questionnaire	Describes major issues affecting an entity's FY2025-26 budget and how those factors are being addressed in the budget.

### 4th Quarter Report

This report must be submitted on the LGBMS Reporting Module, under the "FY2025 Q4" reporting period. A governing body approved resolution approving the 4<sup>th</sup> Quarter Report is also required and must be attached in the "files" menu of the LGBMS Reporting Module.



# Outline

- I. Preliminary Budget Process
- II. 2025 Comparison vs Prelim. 2026 Budget Revenue
- III. Gross Receipt Tax Projections
- IV. General Fund Expenditures and Overall Fund Expenditures
- V. Salary and Benefits
- VI. Operating Expenditures
- VII. Capital Outlay Expenditures
- VIII. General Fund Transfers
- IX. Reserve Limits
- X. Special Revenue Funds
- XI. Health Insurance Trust Funds
- XII. Enterprise Funds
- XIII. Future Considerations

# I. Timelines for 2026 City of Hobbs Preliminary Budget

**APRIL 30<sup>TH</sup> – PRELIMINARY BUDGET DOCUMENTS TO COMMISSION (.pdf version only)**

**May 5th Work session Preliminary Budget**

**May 19th Preliminary Budget Commission Approval**

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

**Mid- June (Final Changes to FY 2026 Preliminary Budget)**

July 21st Commission Final Approval

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



## II. General Fund Comparisons to Current 2024 vs. Preliminary Budget for 2025 - REVENUE

2025 Projected Gross Receipt Tax -	\$57,746,000.00
2026 Projected Gross Receipt Tax -	<u>\$56,840,008.00</u>
Difference	\$ (905,992.00)
% Difference	(1.60%)
Current monthly projected GRT	\$4,812,166.67
<b>2026 monthly projected GRT</b>	<b>\$4,736,667.33</b>

## II. General Fund Comparisons to Current 2025 vs. Preliminary Budget for 2026 - REVENUE– (cont'd)

2025 Projected General Fund Revenue - \$66,484,881.00

2026 Projected General Fund Revenue - \$68,134,680.00

Difference \$ 1,649,799.00

% Difference +2.50%

2025 monthly projected revenue \$5,540,407.00

**2026 monthly projected revenue \$5,677,890.00**

## II. General Fund Comparisons to Current 2025 vs. Preliminary Budget for 2026 - REVENUE

2025 Total Projected Overall Revenue - \$140,843,497.00

2026 Total Projected Overall Revenue - \$142,440,050.00

Difference \$ 1,596,553.00

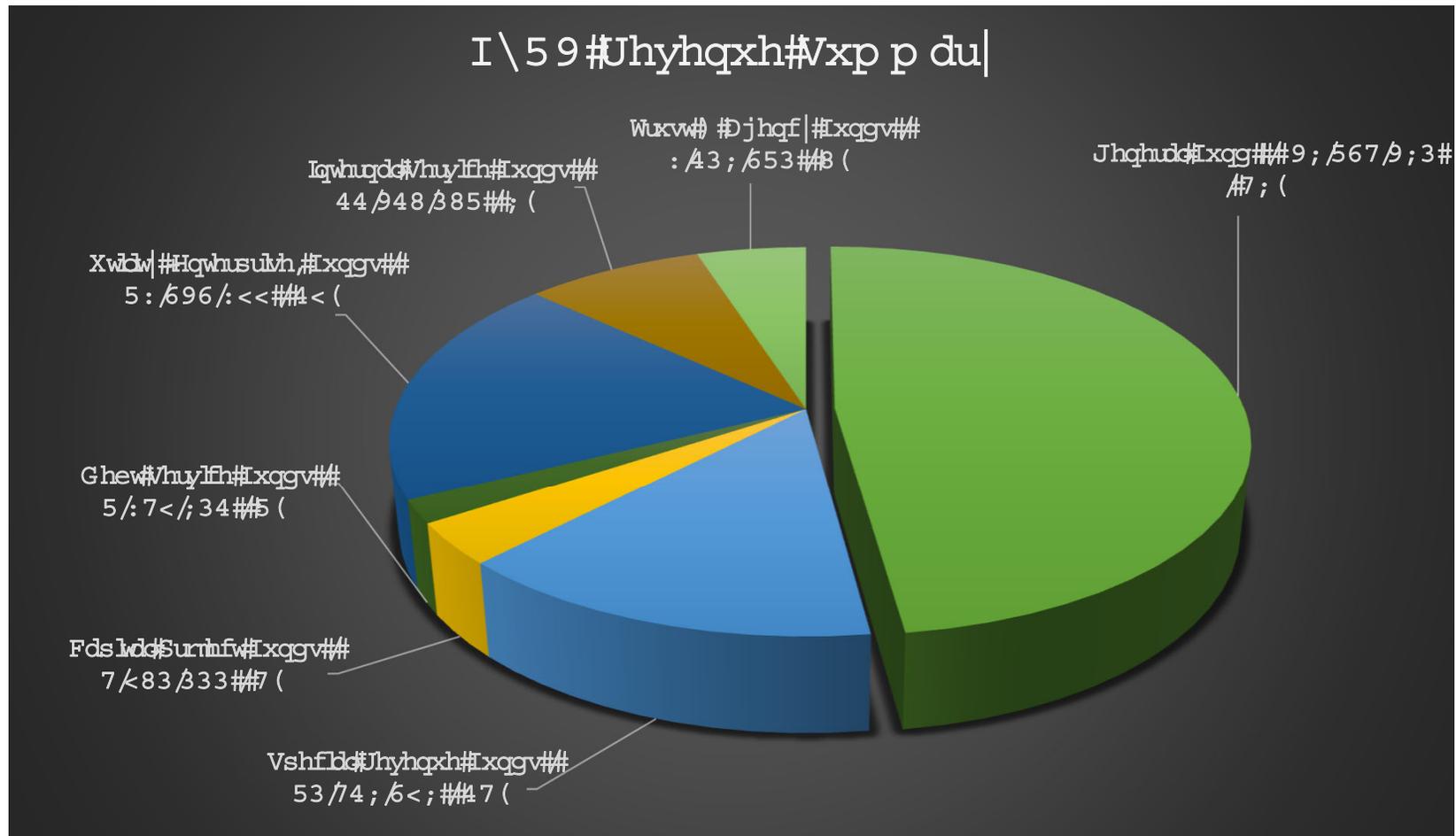
% Difference +1.20%

2025 monthly projected revenue \$11,736,958.00

**2026 monthly projected revenue \$11,870,004.00**

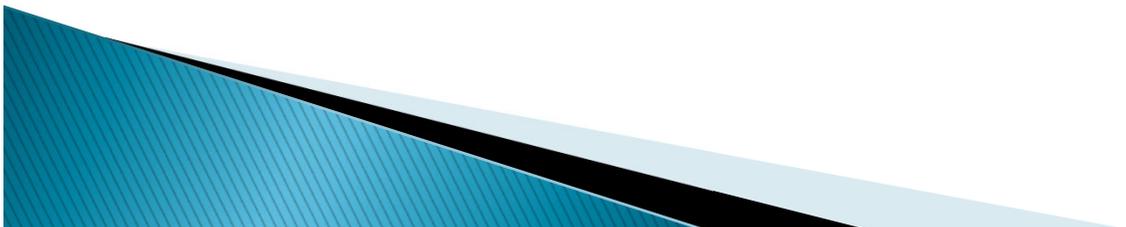
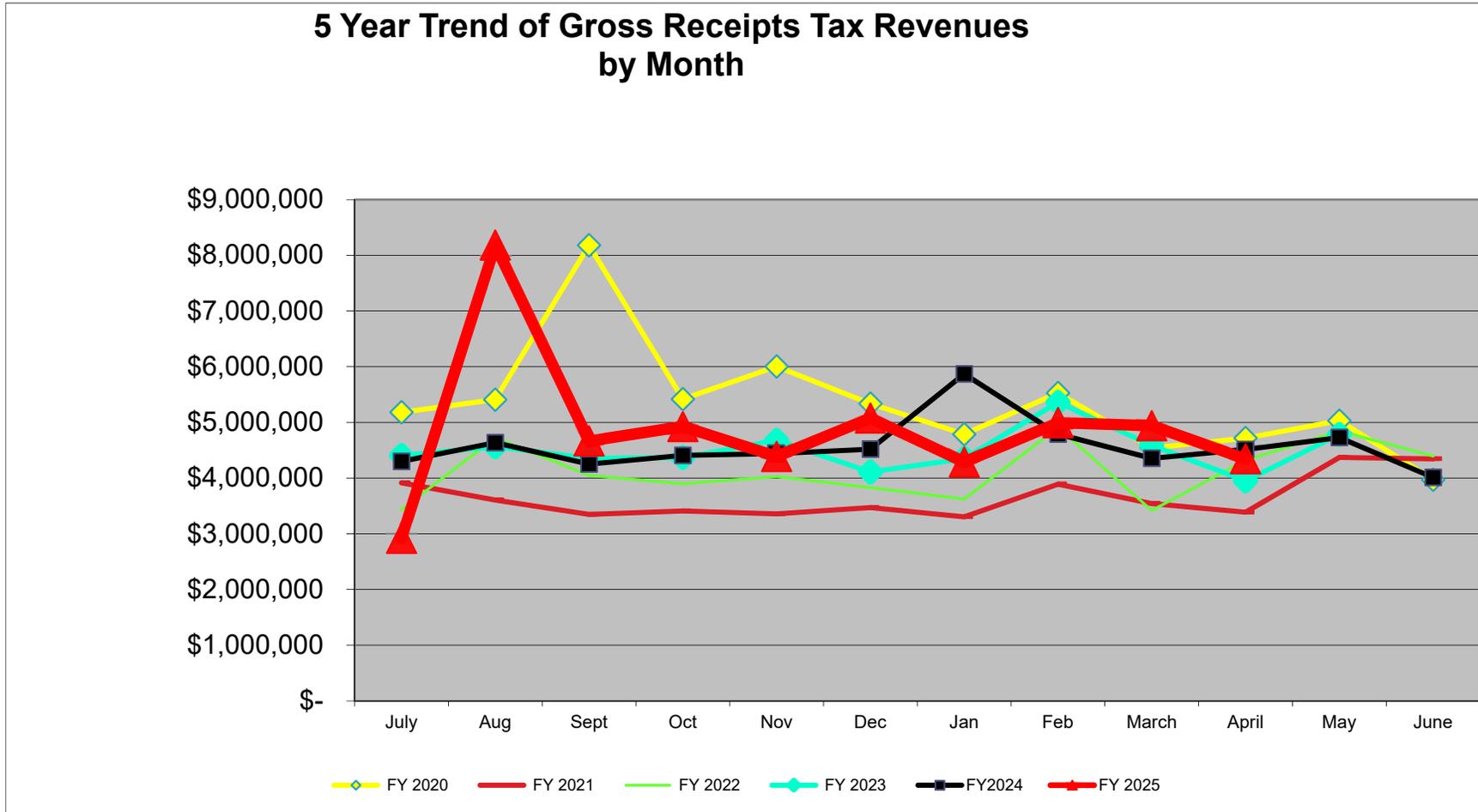
see page 13 of budget book

## II. General Fund Comparisons to Current 2025 vs. Preliminary Budget for 2026 – REVENUE – cont'd



See page 5 of budget book

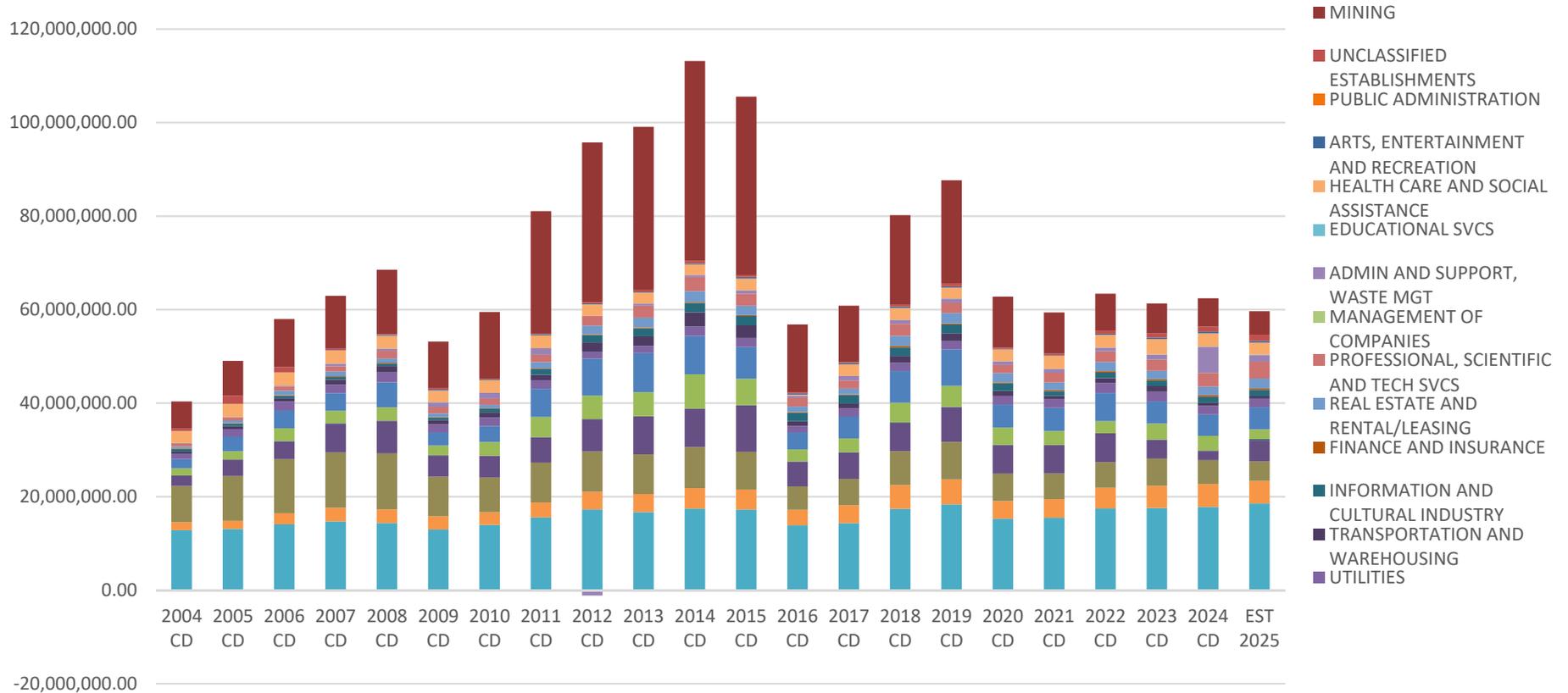
### III. General Fund Gross Receipt Tax Projections



# III. General Fund Gross Receipt Tax Projections

(includes infrastructure tax/enviro tax)

Categorized GRT 2004-2025 - Hobbs  
(in 2025 dollars)



# III. General Fund Gross Receipt Tax Projections (cont'd)

**CITY OF HOBBS**  
**ACTIVITY OF GRT THRU**  
**APRIL 2025**

TYPE	(MAY 2024 - APRIL 2025)	
	YEAR TO DATE TOTAL	% OF TOTAL
AGRICULTURE	143,426.75	0.24%
<b>MINING</b>	<b>5,661,127.92</b>	<b>9.40%</b>
CONSTRUCTION	2,182,831.04	3.62%
MANUFACTURING	2,742,798.34	4.55%
TRANS/COMM/UTILITIES	0.00	0.00%
WHOLESALE TRADE	4,444,320.60	7.38%
<b>RETAIL TRADE</b>	<b>17,275,191.95</b>	<b>28.68%</b>
FINANCE/INSUR/REAL ESTATE	0.00	0.00%
SERVICES	0.00	0.00%
UTILITIES	1,768,160.55	2.94%
TRANSPORTATION AND WAREHOUSING	524,665.15	0.87%
INFORMATION AND CULTURAL INDUSTRY	1,238,275.79	2.06%
FINANCE AND INSURANCE	328,007.06	0.54%
REAL ESTATE AND RENTAL/LEASING	1,909,878.53	3.17%
PROFESSIONAL, SCIENTIFIC AND TECH SVCS	3,199,956.89	5.31%
MANAGEMENT OF COMPANIES	111.82	0.00%
<b>ADMIN AND SUPPORT, WASTE MGT</b>	<b>5,414,107.50</b>	<b>8.99%</b>
EDUCATIONAL SVCS	66,838.30	0.11%
HEALTH CARE AND SOCIAL ASSISTANCE	2,390,345.43	3.97%
ARTS, ENTERTAINMENT AND RECREATION	374,700.52	0.62%
ACCOMMODATION AND FOOD SERVICES	4,824,903.60	8.01%
OTHER SERVICES	4,641,864.81	7.71%
PUBLIC ADMINISTRATION	3,174.49	0.01%
UNCLASSIFIED ESTABLISHMENTS	1,105,416.51	1.84%
	<b>60,240,103.55</b>	<b>100.00%</b>

**CITY OF HOBBS**  
**ACTIVITY OF GRT THRU**  
**APRIL 2020**

TYPE	(MAY 2019 - APR 2020)	
	YEAR TO DATE TOTAL	% OF TOTAL
AGRICULTURE	62,899.23	0.10%
<b>MINING</b>	<b>14,913,320.90</b>	<b>22.84%</b>
CONSTRUCTION	6,007,515.08	9.20%
MANUFACTURING	3,511,779.14	5.38%
TRANS/COMM/UTILITIES	0.00	0.00%
WHOLESALE TRADE	5,789,004.71	8.86%
<b>RETAIL TRADE</b>	<b>14,110,457.34</b>	<b>21.61%</b>
FINANCE/INSUR/REAL ESTATE	0.00	0.00%
SERVICES	0.00	0.00%
UTILITIES	1,395,772.62	2.14%
TRANSPORTATION AND WAREHOUSING	1,237,890.24	1.90%
INFORMATION AND CULTURAL INDUSTRY	1,555,152.70	2.38%
FINANCE AND INSURANCE	185,300.26	0.28%
REAL ESTATE AND RENTAL/LEASING	1,774,119.81	2.72%
PROFESSIONAL, SCIENTIFIC AND TECH SVCS	1,779,275.94	2.72%
MANAGEMENT OF COMPANIES	0.00	0.00%
ADMIN AND SUPPORT, WASTE MGT	652,050.91	1.00%
EDUCATIONAL SVCS	22,669.83	0.03%
HEALTH CARE AND SOCIAL ASSISTANCE	1,786,241.72	2.74%
ARTS, ENTERTAINMENT AND RECREATION	200,752.03	0.31%
ACCOMMODATION AND FOOD SERVICES	4,036,201.92	6.18%
OTHER SERVICES	5,893,077.67	9.02%
PUBLIC ADMINISTRATION	1,852.80	0.00%
UNCLASSIFIED ESTABLISHMENTS	391,900.07	0.60%
	<b>65,307,234.92</b>	<b>100.00%</b>

**City of Hobbs Preliminary Budget  
FY26 Fund Summary**

	Beginning Cash (FY25 BAR #3)	Total revenue	Interfund Transfer	Total Expenditures	Ending Cash	
001 GENERAL	57,494,484.62	74,281,997.00	(6,147,317.49)	80,008,557.36	45,620,606.77	57%
002 LAND ACQUISITION	830,648.61	100,000.00		100,000.00	830,648.61	
<b>General Fund Subtotal</b>	<b>58,325,133.23</b>	<b>74,381,997.00</b>	<b>(6,147,317.49)</b>	<b>80,108,557.36</b>	<b>46,451,255.38</b>	
110 LOCAL GOV CORR	500,154.10	192,500.00		441,000.00	251,654.10	
120 POLICE PROTECTION	-	194,000.00		194,000.00	-	
130 P D N (parif, drug, narcotics)	1,918.75	-		-	1,918.75	
160 Core	1,000.00	1,888,500.00	3,329,970.48	5,218,470.48	1,000.00	
170 OLDER AMERICAN	25,904.65	281,800.00	953,551.96	1,260,256.61	1,000.00	
180 GOLF	5,135.88	1,129,500.00	1,748,937.56	2,882,573.44	1,000.00	
190 CEMETERY	1,000.00	245,250.00	427,357.49	672,607.49	1,000.00	
200 AIRPORT	743,416.58	252,280.68	-	234,200.00	761,497.26	
210 LEGISLATIVE APPROPRIATIONS	1,244,217.17	2,150,000.00		2,150,000.00	1,244,217.17	
220 INTERGOVERNMENTAL GRANTS	4,159.13	2,800,000.00		2,800,000.00	4,159.13	
230 LONGERS' TAX	1,297,885.43	1,850,000.00	(762,500.00)	1,050,000.00	1,435,385.43	
770 LIBRARY TRUST	3,182.38	3,000.00		3,000.00	3,182.38	
780 SENIOR CITIZEN TRUST	5,210.94	1,000.00		1,000.00	5,210.94	
790 PRAIRIE HAVEN MEM	369.60	-		-	369.60	
800 COMMUNITY PARK TRUST	99.62	-		-	99.62	
820 EVIDENCE TRUST FUND	183,212.42	5,000.00		-	188,212.42	
830 HOBBS BEAUTIFUL	4,688.85	-		-	4,688.85	
860 RETIREE RECOGNITION	1,679.66	1,500.00		1,500.00	1,679.66	
<b>Trust &amp; Agency Subtotals</b>	<b>7,036,226.45</b>	<b>7,108,320.00</b>	<b>-</b>	<b>8,081,320.00</b>	<b>6,063,226.45</b>	
<b>Grand Total All Funds</b>	<b>101,363,613.41</b>	<b>142,440,049.61</b>	<b>(0.00)</b>	<b>150,936,051.36</b>	<b>92,868,111.65</b>	

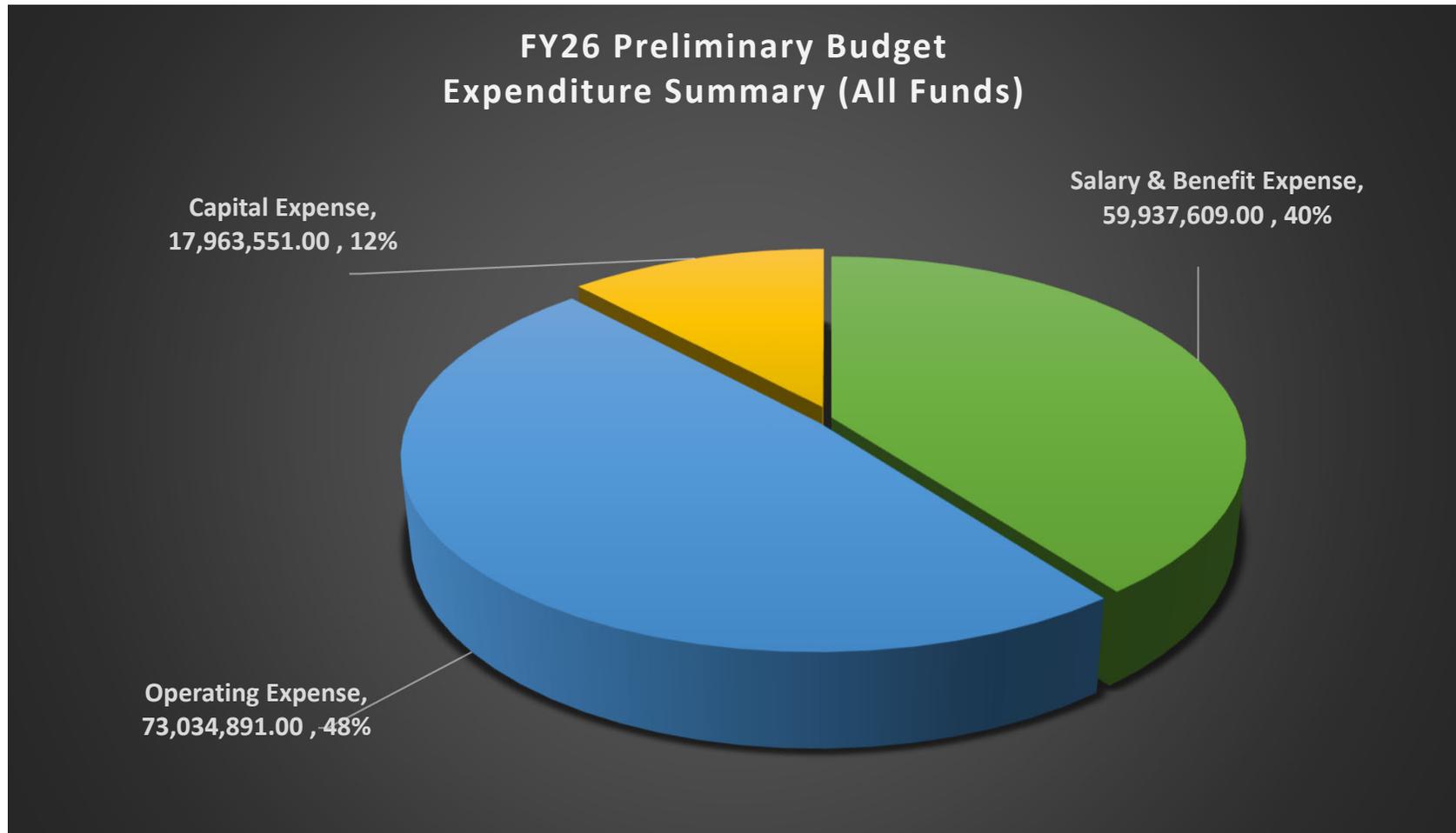
## IV. General Fund Expenditures and Overall Fund Expenditure

### ***Overall Fund Expenditures:***

2025 Projected Total Expenditures-	\$155,891,451.66
<b>2026 Projected Total Expenditures -</b>	<b><u>\$150,936,051.36</u></b>
Difference	\$ (4,955,400.30)
% Difference	(3.20%)

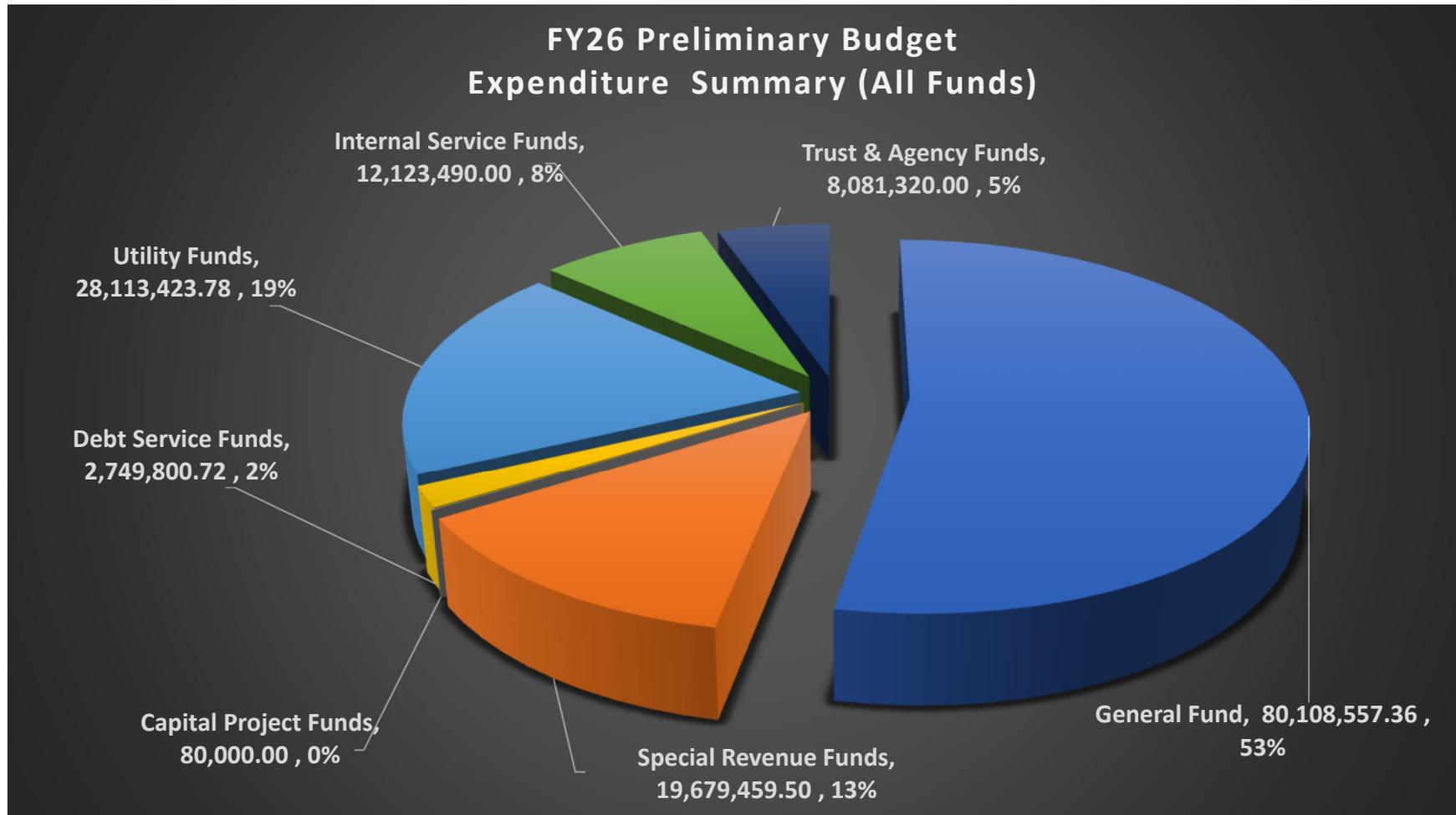
*See page 11 of budget book (Fund Summary)*

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



*Chart on page 2 of budget book*

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



*Chart on page 2 of budget book*

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

	<b>Total</b>	<b>% of Total</b>
Total Budgeted Expenditures	\$150,936,051	<b>100%</b>
Total Budgeted <u>General Fund</u>	\$ 80,108,557	<b>53%</b>

City of Hobbs Preliminary Budget FY26 Fund Summary						
	Beginning Cash (FY25 BAR #3)	Total revenue	Interfund Transfer	Total Expenditures	Ending Cash	
001 GENERAL	57,494,484.62	74,281,997.00	(6,147,317.49)	80,008,557.36	45,620,606.77	57%
002 LAND ACQUISITION	830,648.61	100,000.00		100,000.00	830,648.61	
<b>General Fund Subtotal</b>	<b>58,325,133.23</b>	<b>74,381,997.00</b>	<b>(6,147,317.49)</b>	<b>80,108,557.36</b>	<b>46,451,255.38</b>	
110 LOCAL GOV CORR	500,154.10	192,500.00		441,000.00	251,654.10	
120 POLICE PROTECTION	-	194,000.00		194,000.00	-	
130 P D N (parif, drug, narcotics)	1,918.75	-		-	1,918.75	
160 Core	1,000.00	1,888,500.00	3,329,970.48	5,218,470.48	1,000.00	
170 OLDER AMERICAN	25,904.65	281,800.00	953,551.96	1,260,256.61	1,000.00	
180 GOLF	5,135.88	1,129,500.00	1,748,937.56	2,882,573.44	1,000.00	
190 CEMETERY	1,000.00	245,250.00	427,357.49	672,607.49	1,000.00	
200 AIRPORT	743,416.58	252,280.68	-	234,200.00	761,497.26	
210 LEGISLATIVE APPROPRIATIONS	1,244,217.17	2,150,000.00		2,150,000.00	1,244,217.17	

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

2025 Projected General Fund Expenditures \$ 76,911,151.86

**2026 Projected General Fund Expenditures \$ 80,008,557.36**

Difference \$ 3,097,405.50

% Difference +4.10%

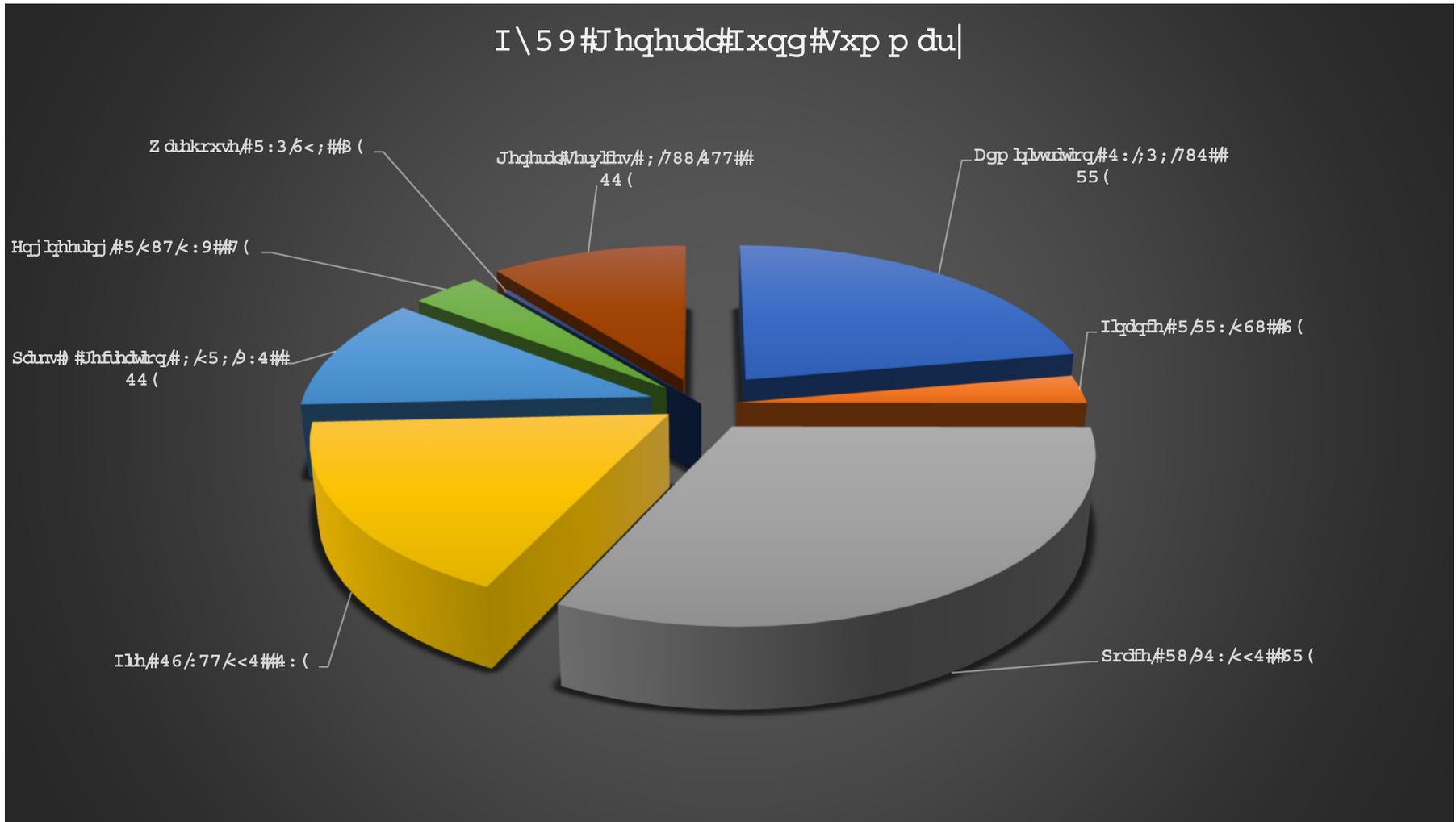
2025 monthly projected expenditures \$ 6,409,262.66

**2026 monthly projected expenditures \$ 6,667,379.78**

*See page 37 of budget book (general fund summary)*

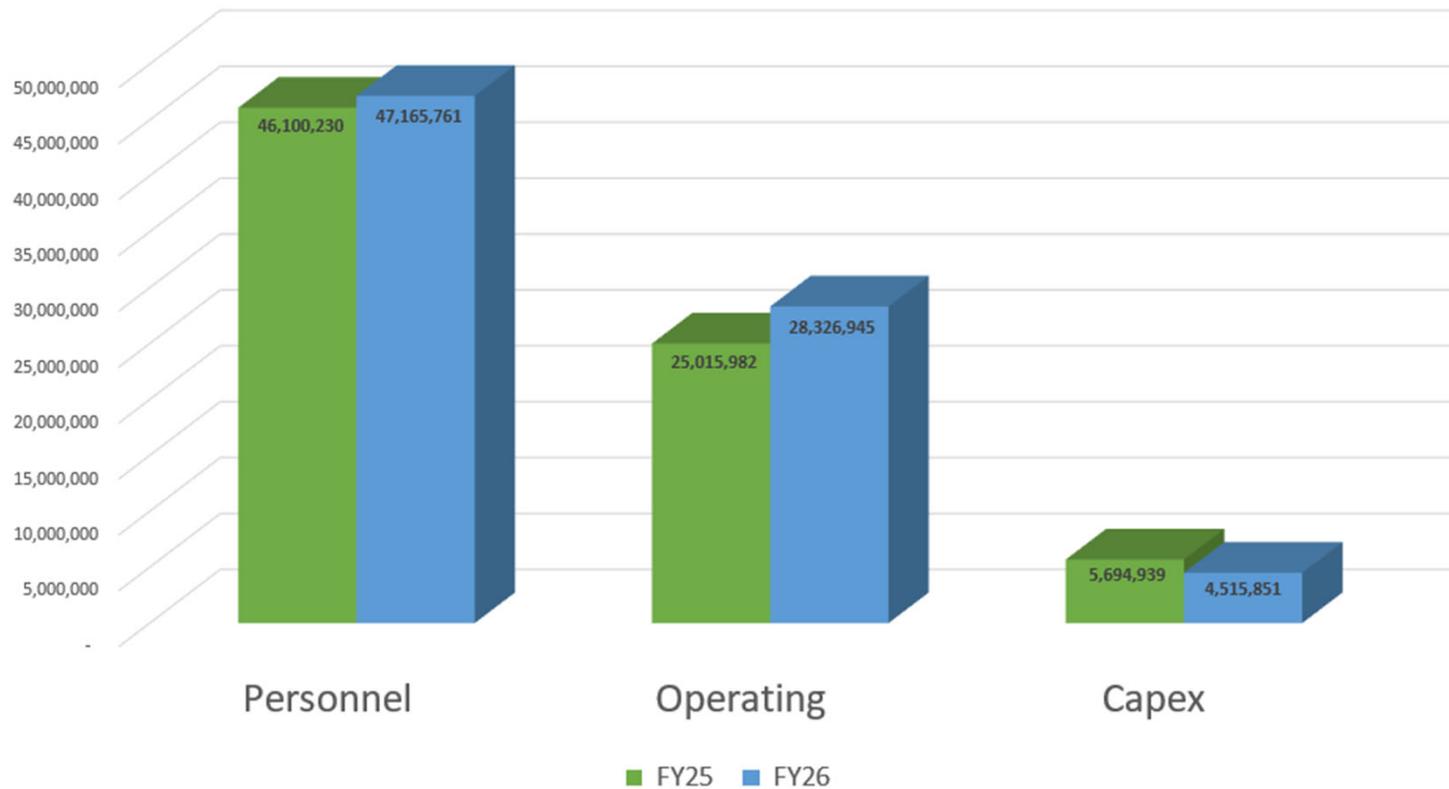


## IV. General Fund Expenditures and Overall Fund Expenditures –(cont'd)



## IV. General Fund Expenditures and Overall Fund Expenditures – cont'd

### General Fund Expense FY25 to FY26



**FY26 Preliminary Budget  
General Fund Summary**

<b>Department</b>	<b>Personnel</b>	<b>Operating</b>	<b>Capex</b>	<b>Dept. Total</b>
010125 Planning	336,790	38,820	-	375,610
010410 Engineering	647,791	126,372	-	774,163
010411 Street Lighting	-	700,000	-	700,000
010412 Traffic	247,871	370,345	-	618,216
010415 Mapping	278,623	134,049	74,316	486,988
<b>Engineering Expenditures</b>	<b>1,511,075</b>	<b>1,369,586</b>	<b>74,316</b>	<b>2,954,976</b>
010413 Warehouse	213,348	57,050	-	270,398
<b>Warehouse Expenditures</b>	<b>213,348</b>	<b>57,050</b>	<b>-</b>	<b>270,398</b>
010420 General Services - Garage	725,558	1,836,040	-	2,561,598
010421 Building Maintenance	760,250	682,541	595,000	2,037,791
010423 Streets/Highways	1,742,955	217,800	1,866,000	3,826,755
010425 Crime Lab	-	29,000	-	29,000
<b>General Services Expenditures</b>	<b>3,228,763</b>	<b>2,765,381</b>	<b>2,461,000</b>	<b>8,455,144</b>
<b>General Fund Totals</b>	<b>47,165,761</b>	<b>28,326,945</b>	<b>4,515,851</b>	<b>80,008,557</b>



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

### General Fund Breakdown:

➤ Salary & Benefits Expense	\$ 47,165,761	<b>59%</b>
➤ Operating Expense	\$ 28,326,945	<b>35%</b>
➤ Capital Expense	\$ 4,515,851	<b>6%</b>
➤ <b>Transfers (out)</b>	<b>\$ ( 6,147,317)</b>	
	✓ <i>CORE</i>	<i>(\$3,329,970)</i>
	✓ <i>Senior Center</i>	<i>(\$ 953,552)</i>
	✓ <i>Golf Course</i>	<i>(\$1,748,938)</i>
	✓ <i>Cemetery</i>	<i>(\$ 427,357)</i>
	✓ <i>Public Transportation</i>	<i>(\$ 400,000)</i>
	✓ <i>LEDA</i>	<i>(\$ 50,000)</i>

### City of Hobbs Preliminary Budget FY26 Fund Summary

	Beginning Cash (FY25 BAR #3)	Total revenue	Interfund Transfer	Total Expenditures	Ending Cash	
001 GENERAL	57,494,484.62	74,281,997.00	(6,147,317.49)	80,008,557.36	45,620,606.77	57%
002 LAND ACQUISITION	830,648.61	100,000.00	(6,147,317.49)	100,000.00	830,648.61	
<b>General Fund Subtotal</b>	<b>58,325,133.23</b>	<b>74,381,997.00</b>	<b>(6,147,317.49)</b>	<b>80,108,557.36</b>	<b>46,451,255.38</b>	

## VIII. General Fund Transfers

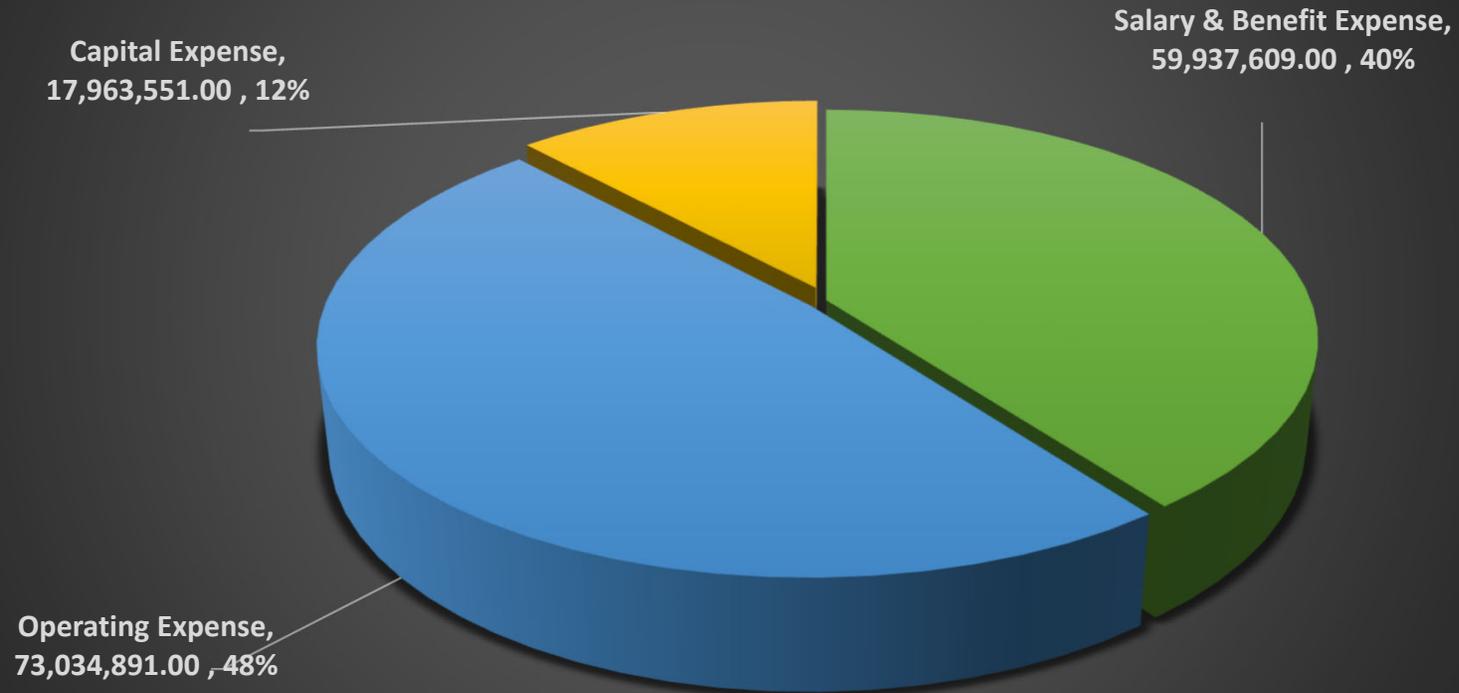
2025 Projected General Fund Transfers	\$ (6,808,969.00)
<b>2026 Projected General Fund Transfers</b>	<b><u>\$ (6,147,317.00)</u></b>
Difference	\$ (661,652.00)
% Difference	(9.80)%

*See Page 11 of budget book (Fund Summary)*



## IV. General Fund Expenditures and Overall Fund Expenditures – cont'd

FY26 Preliminary Budget  
Expenditure Summary (All Funds)



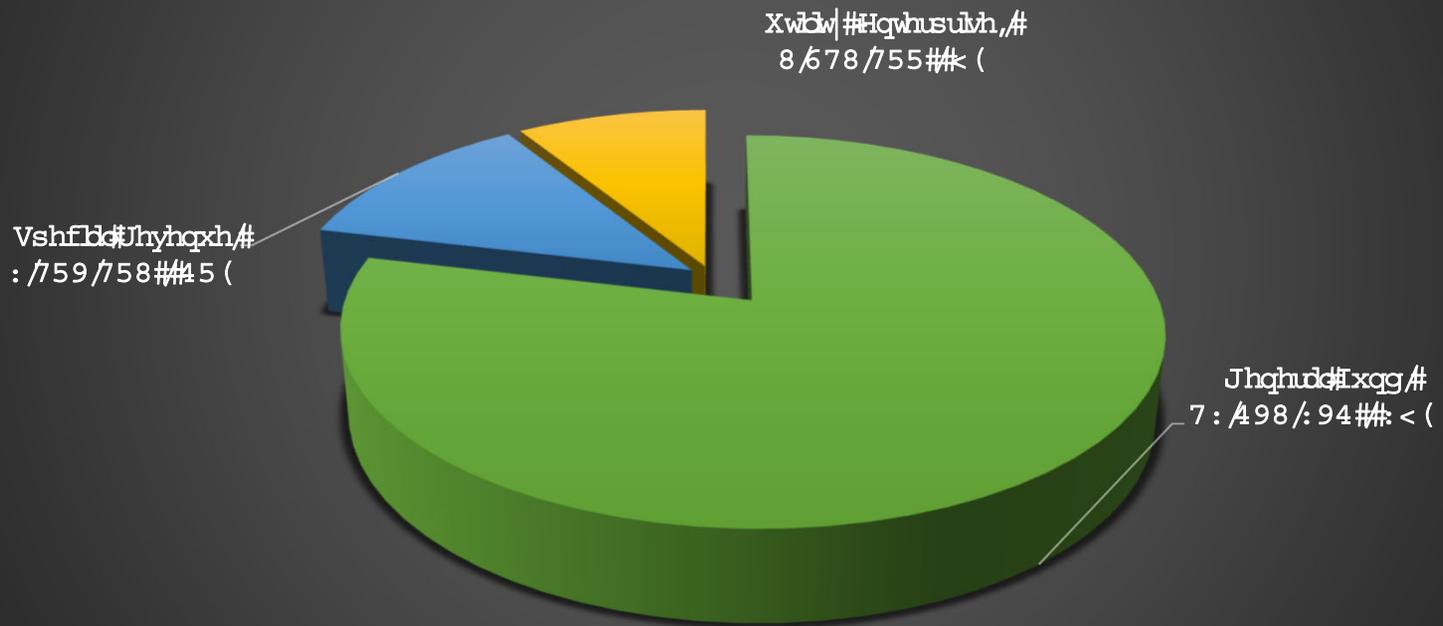
**City of Hobbs Preliminary Budget  
FY 26 Salary & Benefits Summary (All Funds)**

Department	Preliminary Budget			% Change	Actual Expenditures	
	FY24	FY25	FY26	FY25 to 26	FY24	FY25*
010100 City Commission	179,793	185,375	<b>183,385</b>	-1%	166,345	140,153
010110 City Manager's Office	811,039	795,772	<b>1,105,469</b>	39%	568,756	602,502
010125 Planning	279,322	297,832	<b>336,790</b>	13%	300,126	199,746
010130 Clerk's Office	583,560	618,801	<b>674,144</b>	9%	535,132	456,828
010140 Finance	939,520	955,818	<b>1,110,685</b>	16%	845,750	742,159
010145 Information Technology	937,679	1,128,948	<b>1,203,912</b>	7%	992,990	861,894
010150 Legal	743,825	623,490	<b>701,822</b>	13%	533,407	507,529
010160 Municipal Court	476,215	471,443	<b>494,990</b>	5%	403,443	372,213
010161 Municipal Court Judge	104,893	153,524	<b>151,314</b>	-1%	125,765	111,815
010170 Human Resources	960,208	904,044	<b>991,501</b>	10%	843,955	730,732
010190 Motor Vehicle Dept	592,310	545,912	<b>501,330</b>	-8%	528,977	371,048
010201 Police Admin	625,993	658,354	<b>891,393</b>	35%	617,394	490,561
010202 Police Patrol	6,856,341	6,683,944	<b>6,474,995</b>	-3%	4,932,051	4,138,853
010203 Police Criminal Investigation	2,761,234	2,961,470	<b>2,990,021</b>	1%	2,346,440	1,872,531
010204 Police Support	2,874,963	2,824,666	<b>2,791,430</b>	-1%	2,070,051	1,765,597
010206 Police Detention	1,313,212	1,008,370	<b>1,010,556</b>	0%	751,870	581,914
010207 Police Eagle IC	621,451	1,030,574	<b>1,173,690</b>	14%	555,602	496,787
010208 Police - Animal Adoption	533,527	611,004	<b>414,478</b>	-32%	547,734	390,681

04600 Utility Admin	317,203	328,974	<b>318,237</b>	-3%	309,218	249,811
04610 Water Distribution	1,749,180	1,591,341	<b>1,635,459</b>	3%	1,388,166	1,168,143
04620 Production	427,804	459,385	<b>532,119</b>	16%	397,050	293,687
04630 Water Office	600,035	623,632	<b>652,274</b>	5%	597,624	486,868
04640 Meters & Service	354,218	325,201	<b>329,499</b>	1%	294,782	245,826
04650 Laboratory	242,081	280,936	<b>288,423</b>	3%	256,129	205,650
04685 SCADA	213,883	232,522	<b>273,404</b>	18%	183,341	208,784
34370 Waste Water (WWTP)	1,192,913	1,245,038	<b>1,316,006</b>	6%	859,959	675,906
<b>total Utility Funds</b>	<b>5,097,316</b>	<b>5,087,029</b>	<b>5,345,422</b>	<b>5.08%</b>	<b>4,286,271</b>	<b>3,534,674</b>
<b>Grand Total All Fund</b>	<b>58,006,373</b>	<b>59,292,331</b>	<b>59,937,609</b>	<b>1.09%</b>	<b>49,946,107</b>	<b>41,476,471</b>

## V. Salary and Benefits

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## V. Salary and Benefits - ALL FUNDS

	<u>2026</u>	<u>2025</u>	<u>2024</u>
Salary and Ben.	\$59,937,609	\$59,292,336	\$58,006,373
Budgeted FTE Count	592.00	626.00	620.00

### Assumptions:

- ▶ COLA increase of 3%
- ▶ Decrease of approximately 9.75 budgeted/benefit FTE positions from 2025
- ▶ Decrease of approximately 24.30 seasonal equivalents (hours reduced in budget)
- ▶ Medical insurance premiums – projected thru 9 months annualized (projected flat)
- ▶ PERA Increase of .50% for Employer

*See page back cover of budget book*

	FY25 to FY24				FY26 to FY25			
YOY Increase	5.40	753,280.73	532,682.96	1,285,963.69	(34.05)	827,711.82	(182,439.53)	645,272.29
% Increase	0.9%	1.87%	3.01%	2.22%	-5.4%	2.02%	-1.00%	1.09%

# Current Salary & Benefits

1. Annual Salary
2. 85% to 90% Health Insurance Coverage from Single to Family Coverage
3. 100% short term disability
4. Employer PERA contributions of **65% for general, 73% for HPD, 71% for HFD** – (PERA requirements cannot exceed 75% max employer contributions and PERA requires a 50% minimum contribution for employer, 1% employee for SB90 scheduled overtime on firefighters)
  - PERA Contributions :
    - General – 15.80% Employer 8.65% Employee = 24.45% TOTAL
    - HPD – 29.775% Employer 11.175% Employee = 40.95% TOTAL
    - HFD – 31.900% Employer 13.200% Employee = 45.10% TOTAL
5. CDL pay - \$6,000 per year
6. PTO accrual 12 hours per month (144 hours per year) to 20 hours per month (240 hours per year)
7. Bilingual Pay = \$1,500 dollars per year
8. On-call pay = 520 hours per year (based on employee hourly amount)
9. Cell Phone Stipend = \$1,300 dollars per year
10. Annual PTO buyout of hours over 320 and 456
11. Education Incentive – (\$1,000 to \$6,000 dollars – associates thru masters, relevant to position)
12. Longevity Pay – 10 years to past 25 years
13. Retirement Health Care Subsidy (upon retirement, 2% at 20 years, 2.5% at 25 years, 3.0% at 30 years, multiplied per year of service accrual, employees become eligible at 55 years of age and convert to AARP Medicare plan at 65 years of age) **Note: New Hires after July 1, 2025 not eligible)**
14. Voluntary Leave – Employees can perform paid time at an eligible 501(C)(3) 24 hours annually)
15. Paid Holidays 13 days (104 hours)
16. Bereavement Leave – 5 days per calendar year
17. Military Leave – (120 hours per year general, 183.75 per year HPD, 360 hours per year HFD)
18. Auto Allowance (specific contractual employees)
  19. Utilities Certification Pay Policy (Level 1 thru Level 4 @ 5% in annual salary per Level)
  20. Retention Pay- \$600 per year (years 1 thru 9)

## V. Salary and Benefits

2025 Projected Salary & Benefits- (GF)	\$46,100,230.00
<b>2026 Projected Salary &amp; Benefits-(GF)</b>	<b>\$47,165,761.00</b>
Difference	\$ 1,065,531.00
% Difference	2.40%
2025 monthly projected salary& ben (GF)	\$ 3,841,685.83
<b>2025 monthly projected salary&amp; ben (GF)</b>	<b>\$ 3,930,480.08</b>

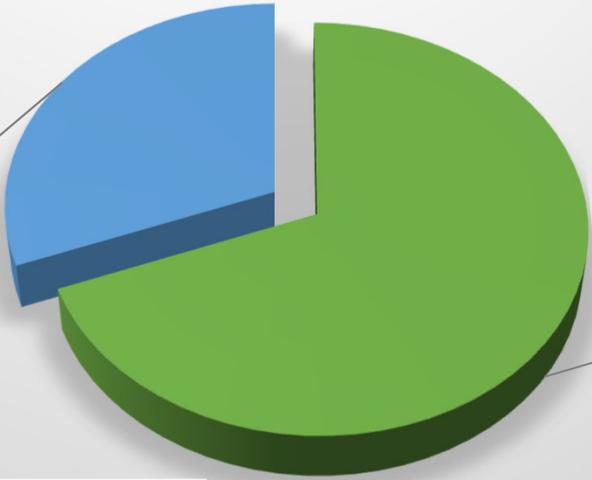
*See page 37 of budget book (General Fund Summary)*



# V. Salary and Benefits - ALL FUNDS

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City of Hobbs Preliminary Budget				
FY 26 Revenue Summary (All Funds - inclusive of transfers)				
Department	Preliminary Budget			% Change FY25 to 26
	FY24	FY25	FY26	
001 GROSS RECEIPTS TAXES	52,156,000	57,746,000	56,840,008	-2%
001 PROPERTY TAXES	3,390,000	3,390,000	4,168,368	23%
001 FRANCHISE FEES	1,820,000	1,805,000	2,740,240	52%
001 MOTOR VEHICLE FEES	380,000	348,000	335,100	-4%
001 CHARGES FOR SERVICES	2,975,850	3,517,350	3,693,551	5%
001 FINES	355,500	392,000	39,400	-90%
001 GRANTS	-	-	30,930	0%
001 OTHER	3,608,500	6,095,500	6,434,400	6%
001 TRANSFERS	(9,276,213)	(6,808,969)	(6,147,217)	-10%
<b>TOTAL GENERAL FUND</b>	<b>55,409,637</b>	<b>66,484,881</b>	<b>68,134,680</b>	<b>2%</b>

## VI. General Fund Operating Expenditures

2025 Projected General Fund Operating	\$25,015,982.00
<b>2026 Projected General Fund Operating</b>	<b>\$28,326,945.00</b>
Difference	\$ 3,310,963.00
% Difference	+13.13%
2025 monthly projected operating	\$ 2,084,665.17
<b>2026 monthly projected operating</b>	<b>\$ 2,360,578.75</b>

*See page 37 of budget book (General Fund Summary)*



**City of Hobbs Preliminary Budget  
FY 26 Operating Expense (All Funds)**

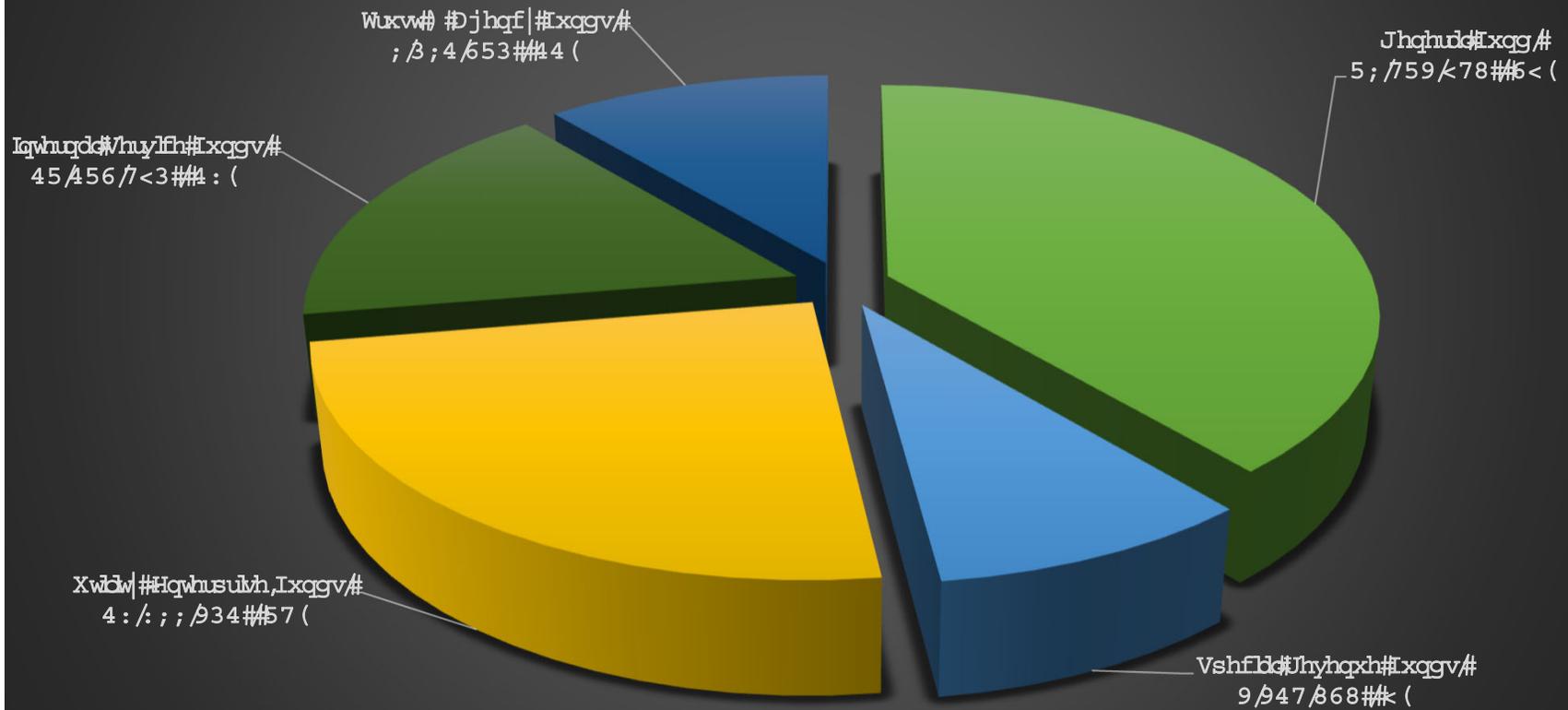
Department	Preliminary Budget			% Change FY25 to 26	Actual Expenditures	
	FY24	FY25	FY26		FY24	FY25*
010100 City Commission	2,796,350	3,312,144	5,454,627	65%	3,911,448	3,642,697
010110 City Manager's Office	54,550	132,750	79,950	-40%	27,110	21,847
010125 Planning	36,679	37,767	38,820	3%	10,802	16,911
010130 Clerk's Office	176,327	182,278	188,370	3%	138,002	112,233
010140 Finance	353,675	537,020	558,720	4%	481,586	490,013
010145 Information Technology	1,234,650	1,821,800	1,837,800	1%	1,080,213	1,317,977
010150 Legal	81,835	177,135	147,713	-17%	74,821	45,049
010160 Municipal Court	246,707	293,569	287,657	-2%	248,023	151,374
010170 Human Resources	469,088	587,477	597,018	2%	376,838	283,452
010181 Insurance	1,359,907	782,735	927,691	19%	1,208,777	291,807
010190 Motor Vehicle Dept	57,140	52,240	57,200	9%	40,589	31,038
010201 Police Admin	420,261	533,150	537,450	1%	345,265	282,486
010202 Police Patrol	1,097,253	1,378,196	1,711,293	24%	2,067,627	1,011,858
010203 Police Criminal Investigation	96,500	73,500	119,250	62%	54,256	42,723

674067 Workers Comp Insurance	720,000	795,680	1,218,000	53%	798,131	914,064
744074 Risk Insurance	2,072,951	2,818,371	3,011,090	7%	2,912,136	2,744,228
<b>Total Internal Service Funds</b>	<b>10,643,951</b>	<b>12,142,910</b>	<b>12,123,490</b>	<b>-0.16%</b>	<b>12,530,528</b>	<b>10,573,071</b>
704070 Motor Vehicle Trust	5,500,000	6,000,000	6,000,000	0%	5,634,334	4,083,360
724072 Retiree Health Insurance	1,400,000	2,251,368	2,058,000	-9%	2,299,714	1,580,223
734073 Crime Lab Fees	57,000	50,000	17,820	-64%	46,232	14,475
774077 Library Trust	1,500	5,000	3,000	-40%	1,277	1,142
784078 Senior Citizen Trust	3,000	1,000	1,000	0%	-	-
794079 Prairie Haven Trust	-	6,025	-	-100%	-	-
804080 Community Parks Trust	-	1,611	-	-100%	-	-
834083 Hobbs Beautiful	-	-	-	0%	7,819	5,416
864086 Retiree Recognition	2,000	1,500	1,500	0%	1,238	1,180
<b>Total Trust &amp; Agency Funds</b>	<b>6,963,500</b>	<b>8,316,504</b>	<b>8,081,220</b>	<b>-2.83%</b>	<b>7,990,615</b>	<b>5,685,796</b>
<b>Grand Total All Funds</b>	<b>64,743,937</b>	<b>69,650,942</b>	<b>73,034,891</b>		<b>61,842,260</b>	<b>49,928,553</b>

\* FY25 actual includes 9 months of activity

## VI. General Fund Operating Expenditures

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**City of Hobbs Preliminary Budget  
FY 26 Capital Expense (All Funds)**

Department	Preliminary Budget			% Change FY25 to 26	Actual Expenditures	
	FY24	FY25	FY26		FY24	FY25*
010100 City Commission	1,160,000	720,100	722,400	0%	19,579	308,281
010125 Planning	-	-	-	0%	11,074	-
010145 Information Technology	198,000	438,500	280,700	-36%	59,972	517,514
010201 Police Admin	30,000	25,000	-	-100%	170,543	3,055
010202 Police Patrol	-	207,000	120,000	-42%	26,541	221,734
010203 Police Criminal Investigation	27,100	110,000	5,000	-95%	46,302	143,901
010204 Police Support	115,000	-	10,000	0%	239,369	74,950
010206 Police Detention	-	-	-	0%	101,624	4,925
010207 Police Eagle IC	40,000	30,000	-	-100%	35,157	26,116
010208 Police Animal Adoption	20,000	19,000	90,000	374%	57,683	58,291
010210 Police Code Enforcement	293,000	475,000	37,100	-92%	108,329	86,790

374037 Community Development Construction	-	-	-	0%	262,790	775,343
464046 Beautification Improvement	-	3,004,408	-	-100%	-	23,312
484048 Street Improvement	500,000	-	-	0%	1,234,217	982,412
<b>Total Capital Funds</b>	<b>500,000</b>	<b>3,004,408</b>	<b>-</b>	<b>-100.00%</b>	<b>1,497,007</b>	<b>1,781,067</b>
514051 Medical Insurance	307,006	307,004	307,004	0%	307,006	190,610
534053 Workers Comp Insurance	2,442,796	2,442,796	2,442,797	0%	2,442,796	2,271,164
<b>Total Debt Service Funds</b>	<b>2,749,802</b>	<b>2,749,801</b>	<b>2,749,801</b>	<b>0.00%</b>	<b>2,749,802</b>	<b>2,461,774</b>
444044 Joint Utility Capital Expense	750,000	-	-	0%	181,134	-
60xxxx Joint Utility -Water	710,550	108,400	26,400	-76%	443,403	67,139
614061 Joint Utility Construction	2,519,000	6,275,000	3,910,000	-38%	1,154,053	3,460,274
624062 WWTP Construction	875,000	1,310,000	310,000	-76%	614,974	1,662,028
63xxxx Waste Water (WWTP)	1,035,000	593,000	733,000	24%	752,267	238,297
<b>Total Enterprise Funds</b>	<b>5,889,550</b>	<b>8,286,400</b>	<b>4,979,400</b>	<b>-39.91%</b>	<b>3,145,832</b>	<b>5,427,739</b>
<b>Grand Total All Funds</b>	<b>18,751,144</b>	<b>26,948,178</b>	<b>17,963,551</b>	<b>-33.34%</b>	<b>24,504,736</b>	<b>16,444,360</b>

## VII. Capital Outlay (cont'd)

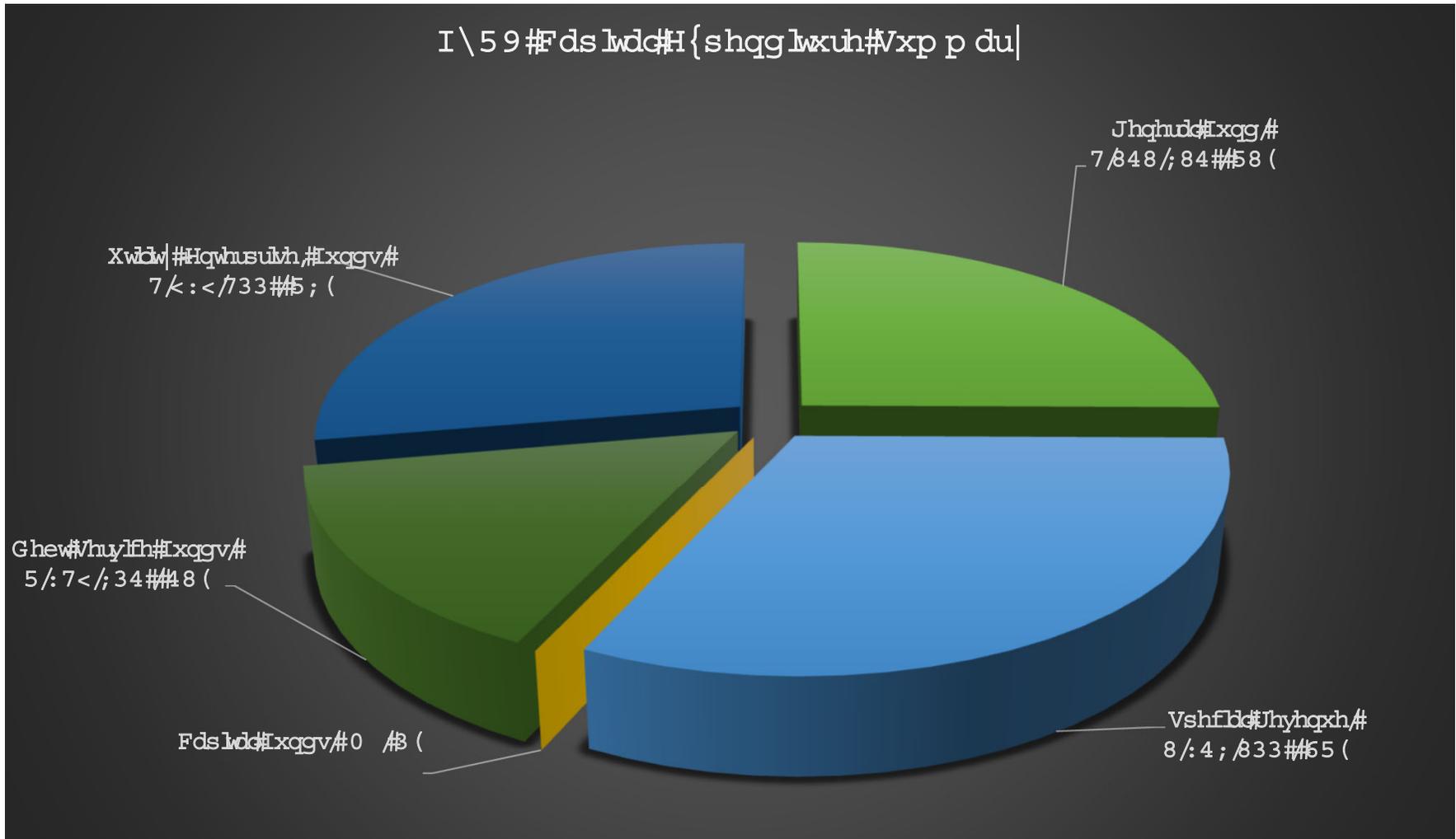
### General Fund Only:

2025 Projected General Fund Capital	\$ 5,694,940.00
<b>2026 Projected General Fund Capital</b>	<b><u>\$ 4,515,851.00</u></b>
Difference	\$ 1,179,089.00
% Difference	(20.70%)

*See pages 26 through 30 of budget book for detailed list of capital items.*



## VII. Capital Outlay



See page 11 of budget book

## VII. Capital Outlay – (cont'd)

▶ General Fund Capital =	\$ 4,515,850
▶ Enterprise Capital =	\$ 4,979,400
▶ Special Revenue =	\$ 5,718,500
▶ Debt Service =	<u>\$ 2,749,801</u>
▶ TOTAL	\$ 17,963,551

*See page 18 of budget book (Capital Expense Summary) and  
pages 26 thru 33 (Detail of Tangible & Project expenses)*

## VII. Capital Outlay – (cont'd)

### Major Capital Items for 2026 (All Funds):

- Marland Blvd Mill & Overlay \$2,000,000 (Legislative Fund)
- Automated Meter Reading System \$1,910,000 (Enterprise Fund)
- Paving Rehabilitation \$1,000,000 (General Fund)
- New Water Well \$ 750,000 (Enterprise Fund)
- Waterline Replacement \$ 750,000 (Enterprise Fund)
- Water Tank Sani, Cleaning, \$ 500,000 (Enterprise Fund)
- Building Roof Upgrades \$ 400,000 (General Fund)

*See page 18 of budget book (Capital Expense Summary) and pages 26 thru 33 (Detail of Tangible & Project expenses)*

Schedule of Tangible Capital (43xxx)								
Dept	Org	Object	Proj	Qty	Unit Cost	Amount	DESCRIPTION	JUSTIFICATION
IT	010145	43801		4.00	13,800.00	55,200.00	BLACK AND WHITE COPIERS - 20% MARKUP BY VENDOR	HOBBS EXPRESS, EAGLE, JAIL, SQUAD ROOM
IT	010145	43801		3.00	15,000.00	45,000.00	COLOR COPIERS - 20% MARKUP BY VENDOR	CORE, RECORDS, GARAGE
WATER DIST	604610	43801		6.00	1,400.00	8,400.00	FOR THE PURCHASE AND REPLACEMENT OF 12 VOLT PORTABLE PUMPS	TO PAY TO REPAIR OR REPLACE ALL EIGHT 12 VOLT PORTABLE PUMPS FOR BUDGET YEAR 2026, PLUS COST INFLATION INCREASES.
<b>Total Tangible Capital</b>						<b>3,461,350.70</b>		

Schedule of Capital Assets (44xxx Projects)								
Dept	Org	Object	Proj	Qty	Unit Cost	Amount	DESCRIPTION	JUSTIFICATION
WW PLANT	624062	44901	00037	1.00	60,000.00	60,000.00	SANDBLAST AND PAINT SUPPORTING STRUCTURE ON CHLORINE BUILDING OVERHEAD CRANE DUE TO PAINT PEELING AND CORROSION.	DUE TO AGE OF THE PAINT, EXPOSURE TO SUNLIGHT, AND A CORROSIVE AREA, THE PAINT IS PEELING ON THE SUPPORTING STRUCTURE OF THE OVERHEAD CRANE ALLOWING THE METAL TO CORRODE. THIS CRANE IS USED FOR MOVING CHLORINE CYLINDERS AND MUST BE MAINTAINED FOR SAFETY .
2005 WASTE	534053	47342	00205	1.00	57,288.78	57,288.78	INTEREST CWSRF 064	
IT	010145	44901	00247	1.00	50,000.00	50,000.00	SECURITY IMPROVEMENTS	ACCESS CONTROL FOR ALL CITY FACILITIES
2005 WASTE	534053	47342		1.00	39,451.69	39,451.69	ADMIN FEE - CWSRF 001	
2005 WASTE	534053	47341	00192	1.00	37,150.00	37,150.00	PRINCIPAL WPF-939 (HOBBS 7)	
SPORTS FLD	010321	44901	00186	10.00	3,000.00	30,000.00	Dugout bleachers Complex 1	The current benches in the dug outs are in bad conditions and have not been upgraded since being installed. Multiple repairs are made to keep the functional for tournament use. Replacing these benches will serve great use to the citizens who utilize the complex for the sport.
STREET/HWY	010423	44901	00288	1.00	30,000.00	30,000.00	DRAINAGE IMPROVEMENTS	AT DAL PASO & LLANO
UTIL BOND	514051	47344		1.00	25,323.46	25,323.46	interest dw1510	
STREET/HWY	010423	44901	00288	1.00	25,000.00	25,000.00	DRAINAGE IMPROVEMENTS	AT DESERT SAGE
FIRE PROT	284028	44901	00005	1.00	25,000.00	25,000.00	REPLACE HOSE AND SENSORS AND CLEAN VENTS	
LIBRARY	010310	46326		1.00	10,000.00	10,000.00	Funds received annually from the State	
UTIL BOND	514051	47344		1.00	3,617.64	3,617.64	admin fee dw1510	
2005 WASTE	534053	47342	00192	1.00	1,622.38	1,622.38	ADMIN FEE WPF-916 (HOBBS6)	
2005 WASTE	534053	47342	00167	1.00	1,173.90	1,173.90	WPF-850 (HOBBS 5)	
2005 WASTE	534053	47342	00192	1.00	939.26	939.26	ADMIN FEE WPF-939 (HOBBS7)	
<b>Total Project Capital</b>						<b>14,502,200.72</b>		

## IX. Reserve Limits – General Fund

Beg. Budgeted Cash Balance	\$ 57,494,485*
Budgeted Revenue	\$ 74,281,997
Budgeted Transfers	\$( 6,147,317)
Budgeted Expenditures	<u>\$(80,008,557)</u>
<b>End. Budgeted Cash Balance</b>	<b>\$ 45,620,608</b>
<b>Projected Reserve (GF)</b>	<b>57%</b>

\*Based on 2025 BAR # 3 estimated cash balance

see Page 11 of budget book

# IX. Reserve Limits – General Fund (cont'd)

(Projected final 3 months of Fiscal Year 2025 – April, May, June)

Beg. Actual Cash at 3/31/2025	\$ 95,925,660
Estimated 3 month revenue	\$ 13,500,000
Estimated 3 month transfers	\$( 1,750,000)
Estimated 3 month personnel/benefits	\$(10,068,492)
Estimated 3 month operating	\$( 5,517,523)
Estimated payments on encumbered capital	<u>\$ (4,083,189)</u>
Projected cash balance at 6/30/2025	\$ 88,006,456

[See Page 20 of Budget Book](#)

# IX. Reserve Limits – General Fund (cont'd)

(Projected final 3 months of Fiscal Year 2025 – April, May, June)

Projected cash balance at 6 30 2025 \$ 88,006,456

**Capital expenditure carryovers needing  
to be reassessed prior to final budget** **\$ (14,444,272)\***

Allocable Funds at 6 30 2025 \$ 73,562,184

General Fund Budgeted Cash Balance **\$( 57,494,485)**

**Estimated unencumbered Cash Carryover \$ 16,067,699**

see page 22 of budget book

## IX. Reserve Limits – General Fund (cont'd)

Beg. Budgeted Cash Balance	\$ 57,494,485
Budgeted Revenue	\$ 74,281,997
Budgeted Transfers	\$( 6,147,317)
Budgeted Expenditures	\$(80,008,557)
Estimated Carryover Unencumbered	<u>\$ 16,067,699</u>
<b>End. Budgeted Cash Balance</b>	<b>\$ 61,688,307</b>
<b>Projected Reserve</b>	<b>77%</b>

see pages 11 and 22 of budget book

# X. Special Revenue Funds – 2026 Preliminary Budget

	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers from/to General Fund</u>
C.O.R.E	\$1,888,500	\$5,218,470	\$ 3,329,970
Older American Fund	\$ 281,800	\$1,260,257	\$ 953,552
Golf	\$1,129,500	\$2,882,573	\$ 1,748,938
Cemetery	\$ 245,250	\$ 672,607	\$ 427,357
Public Transportation	\$ 897,250	\$1,163,501	\$ 400,000
Lodgers' Tax	\$1,850,000	\$1,050,000	\$ (762,500)
Cannabis Excise Tax	\$1,128,000	\$ 2,850	\$ 0
LEDA	\$ 0	\$ 50,000	\$ 50,000*

- **\* LEDA - Estimated carryover for LEDA funds from 2025 to 2026 is approximately \$3,067,303**

see Page 11 of budget book



# X. Special Revenue Funds – 2026 Preliminary Budget

- **FY26 Appropriations:**
  - \$2,000,000 – Marland Blvd Mill & Overlay (Pettigrew, Sena Cortez, Scott, Gallegos; \$500,000 each)
  - \$150,000 – New Vehicle Purchase (Sena Cortez)
- **FY25 Appropriations:**
  - \$2,000,000 – West County Rd (\$1M Scott/ \$1M McCutcheon) SB275 Capital Outlay
  - \$1,500,000 – Purchase of HazMat Vehicle (1.135M Scott / \$365K McCutcheon) SB275
  - \$1,424,000 Public Safety Cntr Const. (300K Gallegos/ \$205K McCutcheon/ \$919K Pettigrew) SB275
  - \$525,000 Hobbs Water Well Const (\$250K Pettigrew/ \$275K Scott) SB275
  - \$320,000 COH Programmatic Costs (Scott) HB2 Junior Bill
  - \$160,000 Senior Center HB2 Junior Bill
- **FY24 Appropriations:**
  - \$1,500,000 – HPD Public Safety Vehicles
  - \$1,000,000 – PD/Court Roof/HVAC Improvements
  - \$2,000,000 – Joe Harvey Sewer line
  - \$400,000 – Hobbs Ambulance or Equipment
  - \$125,000 – Low Income Housing
  - \$75,000 – Youth Mentoring
  - \$75,000 – Homeless Housing
  - \$75,000 – Senior Center
- **FY23 Appropriations:**
  - \$80,000 – First Tee
  - \$50,000 – Guidance Center
  - \$100,000 – Senior Center
  - \$50,000 – Boys & Girls Club
  - \$80,000 – PDAP
  - \$10,000 – Baby Box
  - \$200,000 – Animal Shelter
  - \$495,000 – HPD Security Improvements
- **FY22 Appropriations:**
  - \$828,000 – City Wide Fiber Network
  - \$500,000 – Security Upgrade
  - \$75,000 – First Tee
- **FY21 Appropriations:**
  - \$1,500,000 – Fire Truck & Aerial Equipment (project completed in FY22)
  - \$400,000 – Ambulance (project completed in FY22)

see pages 124 thru 145 of budget book

## X. Special Revenue Funds – 2025 Preliminary Budget

### Grants for Fiscal Year 2025/2024 (associated with special revenue funds)

- \$ 1,500,000 – Public Safety Vehicles – Legislative Appropriation
- \$ 1,000,000 – HPD/Municipal Court Roofing/HVAC – Legislative Appropriation
- \$ 2,000,000 – Joe Harvey Sewer Line – Legislative Appropriation
- \$ 1,147,077 - Public Transportation Funding – Department of Transportation
- \$ 400,000 – Ambulance – Legislative Appropriation
- \$ 125,000 – Low Income Housing – pass thru Legislative Appropriation
- \$ 75,000 - Youth Mentoring – pass thru Legislative Appropriation
- \$ 75,000 - Homeless Housing – pass thru Legislative Appropriation
- \$ 75,000 - Senior Center program/equipment – Legislative Appropriation
- \$ 1,425,000 - Law Enforcement Recruitment/Retention – Legislative Appropriation
- \$ 950,000 - SR208 Navajo Bender Roadway – Legislative Appropriation
- \$ 750,000 - 2023 Law Enforcement Recruitment – Legislative Funding
- \$ 750,000 - Midwest Infrastructure – CDBG Funding
- \$ 828,000 – Citywide Fiber Net – Legislative Appropriation
- \$ 630,100 – Fire Protection Allotment – State of NM Fire Protection Fund
- \$ 600,000 – Multigenerational Aquatics Facility Design – Legislative Funding (pass thru ARPA Federal Funds)
- \$ 495,000 - HPD Security Improvements – Legislative Appropriation
- \$ 400,000 – Burn Building Tower – Fire Protection Fund
- \$ 500,000 – Security Upgrades – Legislative Appropriation
- \$ 204,500 – Law Enforcement Protection – Legislative Funding (annual)
- \$ 200,000 – Animal Shelter – Legislative Appropriation
- \$ 200,000 - Traffic Signal COOP – Hawk System
- \$18,201,888 – Paving Rehabilitation, Sewer Line Replacement, Restricted Capital Projects – Lea County Appropriation
- \$ 5,600,000 – Housing Development (2,800,000 2026 + 2,800,000 + 2025)
- \$ 9,671,031 - Emergency Personnel reimbursement during COVID – Federal Appropriation (American Rescue Plan)
- \$ 250,000 - Hobbs Animal Adoption & Neuter – Lea County Appropriation
- \$ 169,919 – Senior Center Congregate, Home Delivery, Transportation – Legislative/Federal
- \$ 60,500 - Senior Center Vehicle – Legislative Funding
- \$ 20,000 – EMS Grant Funds – Legislative Funding
- \$ 134,911 – Various Grants (approximately 8 additional grants ranging from 5K to 22k)

# XI. Health Insurance Trust Funds – 2026 Preliminary Budget

	<u>Revenue</u>	<u>Expenditures</u>
Active Employee:		
Employer Contributions	\$6,715,596	
Employee Contributions	<u>\$1,337,525</u>	
TOTAL Active Employee	\$8,053,121	\$ 7,894,400
Active Retiree:		
Employer Contributions	\$ 360,000	
Retiree Contributions	<u>\$ 720,000</u>	
TOTAL Active Retiree	<u>\$1,080,000</u>	<u>\$ 2,058,000</u>
<b>TOTAL INSURANCE TRUST PLAN</b>	<b>\$9,133,121</b>	<b>\$9,952,400*</b>

- = Estimated cash balance is projected to be \$794,841 for fiscal year 2026. Retiree fund balance is projected to reduce to a fund balance of \$5,670,685.

see pages 202-203 and pages 212-213 of budget book

## XII. Enterprise Funds

FTE Count	56
Total Budgeted Expenditures	\$28,113,424
Total Budgeted Revenues	<u>\$30,113,600</u>
Difference before Debt Transfer	<u>\$ 2,000,176</u>
Transfers In:	
Environmental Tax Debt Service (1/16 <sup>th</sup> )	\$ 1,400,000
Transfers Out:	
Debt Service	<u>\$ (2,749,801)</u>
Difference paid by user rates	<u>\$ 1,349,801</u>
Total projected loan balance are as follows:	
Water Improvement Projects (NMFA)	\$ 1,719,666
Waste Water Treatment Plan (NMFA)	\$12,435,860
Effluent reuse Project (NMFA)	\$ 535,971
Water Conservation Treatment Project (NMFA 2015)	\$ 712,963
Water Conservation Treatment Project (NMFA 2016)	\$ 412,760
Aerobic Digester Facility (NMFA)	<u>\$ 5,062,984</u>
	\$20,880,204

see pages 164 thru 168 of budget book

# XIII. Future Considerations

- Conclusion:

- **Gross Receipt Tax Rate for Hobbs 6.5625%**

- Breakdown: 

Municipal Gross Receipts	1.4375%
County Imposed GRT	.2500%
State Gross Receipt Tax	<u>4.8750%</u>
<b>Total Combined</b>	<b>6.5625%</b>

- 1/16<sup>th</sup> generates = \$1,400,000.00 per year 6.6250% (projected tax rate)
- 1/8<sup>th</sup> generates = \$2,800,000.00 per year 6.6875% (projected tax rate)
- 1/4<sup>th</sup> generates = \$5,600,000.00 per year 6.8125% (projected tax rate)



# XIII. Future Considerations (Cont'd)

- Conclusion:
- **Current Property Tax Rates for Hobbs (as of 2024)**

City Residential	3.894	(per 1,000 net taxable value)
City Non-Residential	5.555	(per 1,000 net taxable value)

## **Final assessed values (as of 2024)**

City Residential	\$494,500,732
City Non-Residential	\$279,910,810
Oil & Gas Equipment	\$ 21,958,091
Oil & Gas Production	\$107,542,250

**TOTAL PROPERTY TAX REVENUE GENERATED = \$ 4,168,368 per year**



# XIII. Future Considerations

- Conclusion :
- This projection is based on a prior overall 9 month economic history for the City of Hobbs. The 2026 budget shows borrowing from the reserves in the amount of \$8,496,002 (\$142,440,050 revenue less \$150,936,051 expenditures). It is also anticipated a projected “flow back” from 2025 fiscal year will be \$16,067,699. The City of Hobbs current cash reserves would bridge this gap going forward but expenditures will need to be monitored if gross receipt taxes dips below \$56,000,000 annually or \$4,666,667 per month. **The projected reserve is 57% of general fund expenditures. It also should be noted the City of Hobbs has not obligated any general fund future gross receipt taxes to DEBT.**



# Questions:

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