



## **Hobbs City Commission**

**\*\*Special Meeting\*\***

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

**Thursday, February 17, 2022 - 4:00 p.m.**

Sam D. Cobb, Mayor

R. Finn Smith  
Commissioner – District 1

Christopher R. Mills  
Commissioner – District 2

Larron B. Fields  
Commissioner – District 3

Joseph D. Calderón  
Commissioner – District 4

Dwayne Penick  
Commissioner – District 5

Don R. Gerth  
Commissioner – District 6

This meeting is open to the public to attend. Members of the public are asked to wear a face mask and follow social distancing guidelines. The public is invited to address public comments to the Commission in person at the meeting or submit written comments prior to the meeting. Written comments should be submitted no later than 3:30 p.m. on February 17, 2022, addressed to the City Clerk by email at [jfletcher@hobbsnm.org](mailto:jfletcher@hobbsnm.org) or faxed to (575) 397-9334.

---

## **A G E N D A**

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

### **CALL TO ORDER AND ROLL CALL**

### **INVOCATION AND PLEDGE OF ALLEGIANCE**

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

Due to COVID-19, public comment may be submitted in person or in writing. Written comments should be submitted to the City Clerk at [jfletcher@hobbsnm.org](mailto:jfletcher@hobbsnm.org) or faxed to (575) 397-9334 no later than 3:30 p.m. on the day of the meeting, February 17, 2022.

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

1. Resolution No. 7162 – Authorizing an Amended Memorandum of Understanding with Lea County for the Airline Subsidy for FY 21-22 (Efren Cortez, City Attorney)
2. Resolution No. 7163 – Authorizing an Amended Professional Services Agreement with the Economic Development Corporation of Lea County for FY 21-22 (Efren Cortez, City Attorney)

**COMMENTS BY CITY COMMISSIONERS, CITY MANAGER**

3. Next Meeting Date:
  - City Commission:  
Regular Meeting **Tuesday, February 22, 2022, at 6:00 p.m.**  
\*\*Changed due to the Presidents' Day Holiday on February 21, 2022\*\*

**ADJOURNMENT**

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the above meeting, please contact the City Clerk's Office at (575) 397-9200 at least 72 hours prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk's Office if a summary or other type of accessible format is needed.



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: February 17, 2022

SUBJECT: A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDED MEMORANDUM OF UNDERSTANDING WITH LEA COUNTY FOR AIRLINE SUBSIDY FOR FY 21-22

DEPT. OF ORIGIN: Legal Department  
DATE SUBMITTED: February 14, 2022  
SUBMITTED BY: Efren A. Cortez, City Attorney

**Summary:**

This resolution authorizes the Mayor to execute an Amended Memorandum of Understanding with Lea County detailing the terms and responsibilities of their joint requirements for the airline subsidy. The City of Hobbs and Lea County previously agreed to provide subsidy funding up to \$1.15 million dollars each for the service pursuant to a July 2021 Memorandum of Understanding between the City and County. It has been determined that an additional \$1.3 million dollars will be needed to maintain commercial air service to and from Lea County, New Mexico. The Amended Memorandum of Understanding details a commitment by the City of Hobbs and Lea County to contribute up to an additional \$650,000.00 each toward the necessary additional subsidy of \$1.3 million dollars. This contribution will bring the City of Hobbs' subsidy amount toward the maintenance of commercial air service to and from Lea County to \$1.8 million dollars.

**Fiscal Impact:**


Reviewed By:   
Finance Department

The additional \$650,000.00 will require a budget adjustment and will be considered in BAR #3.

**Attachments:**

Resolution; Amended MOU

**Legal Review:**

Approved As To Form:   
City Attorney

**Recommendation:**

Motion to approve.

Approved For Submittal By:

  
Department Director

\_\_\_\_\_  
City Manager

CITY CLERK'S USE ONLY  
COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied \_\_\_\_\_  
File No. \_\_\_\_\_

CITY OF HOBBS

RESOLUTION NO. 7162

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE  
AN AMENDED MEMORANDUM OF UNDERSTANDING WITH  
LEA COUNTY FOR AN AIRLINE SUBSIDY FOR FY 21-22

WHEREAS, the City of Hobbs and Lea County previously agreed to provide airline subsidy funding up to \$1.15 million dollars each pursuant to a Memorandum of Understanding between the City of Hobbs and Lea County; and

WHEREAS, in February 2022, the City of Hobbs and Lea County were advised the previously agreed-upon subsidy sum was insufficient to sustain the current level of commercial flights in and out of Lea County; and

WHEREAS, the City of Hobbs and Lea County agree to contribute up to an additional \$650,000.00 each toward the combined airline subsidy pursuant to an Amended Memorandum of Understanding to sustain commercial airline service to and from Lea County; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO that the Mayor be and is hereby directed to execute an Amended Memorandum of Understanding with Lea County for Airline Subsidy for FY 21-22.

PASSED, ADOPTED AND APPROVED this 17<sup>th</sup> day of February, 2022.

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

ATTEST:

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

**AMENDED MEMORANDUM OF UNDERSTANDING BETWEEN  
LEA COUNTY, NEW MEXICO AND THE  
CITY OF HOBBS**

This Amended Memorandum of Understanding is made this \_\_\_\_\_ day of February, 2022, by and between the City of Hobbs (hereinafter "CITY") and Lea County, New Mexico (hereinafter "COUNTY").

**PURPOSE**

The purpose of this Amended Memorandum of Understanding is to memorialize the terms and agreement, including changes thereto, between the CITY and COUNTY regarding their funding of airline subsidy for FY 21-22. CITY and COUNTY agree to cooperate as outlined in this Amended Memorandum of Understanding.

WHEREAS, the CITY and COUNTY agree that a major airline service in Lea County provides a significant economic benefit to Lea County;

WHEREAS, a major airline service to Lea County provides efficient transportation for its citizens and businesses;

WHEREAS, a major airline service in Lea County is required in the recruitment of new businesses and maintaining existing businesses;

WHEREAS, in July 2021, the City of Hobbs and Lea County approved a Memorandum of Understanding regarding their funding of airline subsidy for FY 21-22 wherein each agreed to contribute \$1.15 million dollars per entity;

WHEREAS, the Economic Development Corporation of Lea County ("EDC") has negotiated and obtained an amended agreement with United Airlines ("UNITED") to maintain regular jet air service to and from Hobbs, NM;

WHEREAS, the amended agreement requires an increased subsidy amount from the CITY and COUNTY of not more than an additional aggregate amount of \$1.3 million dollars in order to maintain the air service;

WHEREAS, the CITY and COUNTY desire to jointly fund the increased subsidy.

**SUBSIDY FUNDING**

1. CITY and COUNTY agree to budget and share equally the costs of subsidy funding for FY 21-22.

2. The original subsidy amount outlined in the July 2021 MOU between CITY and COUNTY was not to exceed \$2.3 million dollars in the aggregate combined which translated to \$1.15 million dollars in the aggregate for each entity.

3. Increased costs of operations has required that CITY and COUNTY contribute an additional sum of \$1.3 million dollars in the aggregate combined.

4. As a result, the increased subsidy amount by the CITY and COUNTY shall not exceed \$650,000.00 in the aggregate for each entity.

5. The amended subsidy amount, including funds allotted by CITY and COUNTY in the July 2021 MOU, shall not exceed \$3.6 million dollars in the aggregate combined which translates to \$1.8 million dollars in the aggregate for each entity.

6. At the conclusion of each quarter, UNITED will provide an accounting to EDC determining subsidy requirements. CITY and COUNTY shall monitor and confirm the subsidy amounts.

7. Each entity shall pay one-half of each of the required subsidy payments remaining on the current amended agreement with EDC which expires on June 30, 2022.

### **MERGER OF AGREEMENT**

This Amended Memorandum of Understanding incorporates all 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 Amended Memorandum of Understanding. No prior statements, representations, promises or agreement of understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Amended Memorandum of Understanding.

### **SOVEREIGN IMMUNITY**

CITY and COUNTY and their public employees (as defined in the New Mexico Tort Claims Act) do not waive sovereign immunity, do not waive any defense(s), and/or do not waive any limitation(s) pursuant to the New Mexico Tort Claims Act. No provision in this Amended Memorandum of Understanding modifies and/or waives any provision of the New Mexico Tort Claims Act as it relates to CITY and COUNTY and their public employees.

## **LIABILITY**

Each party agrees to bear liability and responsibility for the negligent, reckless or deliberate acts or omissions of their own officers and employees, as limited by the New Mexico Tort Claims Act.

## **THIRD PARTY BENEFICIARIES**

It is specifically agreed between the parties executing the Amended Memorandum of Understanding that it is not intended by any of the provisions of any part of the Amended Memorandum of Understanding to create in the public or any member thereof, a third party beneficiary, or to authorize anyone not a party to the Amended Memorandum of Understanding to maintain, pursuant to the provisions of the Amended Memorandum of Understanding, a suit of any nature, including but not limited to suits alleging wrongful death, bodily and/or personal injury to person(s), damages to property(ies), and/or any cause of action.

## **INSURANCE**

Both CITY and COUNTY shall maintain liability insurance or qualify as a self-insured entity, as required by law.

## **TERM**

This Amended Memorandum of Understanding shall continue in full force and effect, until June 31, 2022. Nothing in this Amended Memorandum of Understanding guarantees future airline subsidy funding by either entity beyond what this Amended Memorandum of Understanding contemplates.

## **SEVERABILITY**

If any provision of this Amended Memorandum of Understanding is found to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Amended Memorandum of Understanding is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

## **NO ORAL MODIFICATION**

The forgoing constitutes the entire agreement between the Parties and may be modified only in writing signed by both Parties. Amendments and alterations to this Amended Memorandum of Understanding after execution may only be made in writing signed by both parties.

**GOVERNING LAW**

This Amended Memorandum of Understanding shall be construed in accordance with the laws of the State of New Mexico.

**EFFECTIVE DATE**

This Amended Memorandum of Understanding shall be in full force and effect upon execution and approval of the parties hereto.

ATTEST:

LEA COUNTY, NEW MEXICO

BY: \_\_\_\_\_  
Dean Jackson,  
Lea County Chair

Date: \_\_\_\_\_

ATTEST:

CITY OF HOBBS

BY: \_\_\_\_\_  
Sam Cobb,  
Mayor

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
John W. Caldwell  
County Attorney

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Efren A. Cortez  
City Attorney

Date: \_\_\_\_\_





CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: February 17, 2022

SUBJECT: A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE ECONOMIC DEVELOPMENT CORPORATION OF LEA COUNTY FOR FY 21-22

DEPT. OF ORIGIN: Legal Department
DATE SUBMITTED: February 14, 2022
SUBMITTED BY: Efren A. Cortez, City Attorney

Summary: This resolution authorizes the Mayor to execute a contractual amendment to the Professional Services Agreement with the Economic Development Corporation of Lea County (EDC) that was signed on July 19, 2021. The July 19, 2021, Agreement required the EDC to secure jet airline service to and from Hobbs, NM. Pursuant to a Memorandum of Understanding with Lea County, the City and County each provided a subsidy of up to \$1.15 million dollars for the jet airline services. In February 2022, the parties were informed that up to an additional \$1.3 million dollars in subsidy would be needed to maintain the current flight schedules through the remainder of the fiscal year. This resolution authorizes the Mayor to amend Section 2.4 of the Agreement to include an additional \$650,000.00 to the EDC for providing and maintaining nonstop commercial airline jet service to and from Hobbs, New Mexico. All other contractual provisions will remain as written in the July 19, 2021, Professional Services Agreement.

Fiscal Impact: Reviewed By: [Signature] Finance Department
The additional \$650,000.00 will require a budget adjustment in BAR #3.

Attachments: Resolution; Amended Professional Services Agreement with EDC

Legal Review: Approved As To Form: [Signature] City Attorney

Recommendation: The Commission should consider this Resolution.

Approved For Submittal By: [Signature] Department Director
City Manager
CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN
Resolution No. \_\_\_\_\_ Continued To: \_\_\_\_\_
Ordinance No. \_\_\_\_\_ Referred To: \_\_\_\_\_
Approved \_\_\_\_\_ Denied \_\_\_\_\_
Other \_\_\_\_\_ File No. \_\_\_\_\_

CITY OF HOBBS

RESOLUTION NO. 7163

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE  
AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH  
ECONOMIC DEVELOPMENT CORPORATION OF LEA COUNTY FOR FY 21-22

WHEREAS, the Economic Development Corporation of Lea County (EDC) previously agreed to negotiate and obtain a jet airline service to and from Hobbs, NM; and

WHEREAS, the City of Hobbs and Lea County previously agreed to provide Airline Subsidy funding up to \$1.15 million dollars each pursuant to a Memorandum of Understanding between the City of Hobbs and Lea County; and

WHEREAS, on July 19, 2021, the City of Hobbs and the EDC executed a professional services agreement wherein the EDC agreed to "Provide the services of continuing non-stop commercial airline jet services to and from Hobbs, New Mexico"; and

WHEREAS, the EDC previously reached terms with United Airlines wherein United Airlines would provide commercial airline jet services to and from Hobbs, New Mexico for FY 21-22 with the City of Hobbs and Lea County contributing up to \$2.3 million dollars in subsidy to the airline; and

WHEREAS, in February 2022, it was determined that the previous subsidy was insufficient to continue the current flight schedule to and from Hobbs, New Mexico; and

WHEREAS, it has been determined that an additional \$1.3 million dollars in subsidy to the airline will be needed in order to maintain the current flight schedule to and from Hobbs, New Mexico; and

WHEREAS, the City of Hobbs and Lea County would both contribute equally to the necessary \$1.3 million-dollar shortfall; and

WHEREAS, this increase in subsidy would require up to \$650,000.00 in increased funds to the EDC; and

WHEREAS, the parties seek to amend Section 2.4 of the July 19, 2021, Professional Services Agreement between the City of Hobbs and the EDC to include an additional \$650,000.00 to the EDC for providing and maintaining nonstop commercial airline jet service to and from Hobbs, New Mexico for FY 21-22;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO that the Mayor be and is hereby directed to execute an amendment to the Professional Services Agreement with Economic Development Corporation of Lea County for FY 21-22.

PASSED, ADOPTED AND APPROVED this 17<sup>th</sup> day of February, 2022.

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

ATTEST:

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

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT  
CITY OF HOBBS – ECONOMIC DEVELOPMENT CORPORATION OF LEA COUNTY**

FY 2021-2022

WHEREAS, NMSA 1978, §3-17-1, provides that cities are granted those powers necessary and proper to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the City and its inhabitants; and

WHEREAS, the City of Hobbs and the Economic Development Corporation of Lea County executed a Professional Services Agreement on July 19, 2021, which is attached hereto and incorporated herein as Exhibit 1; and

WHEREAS, the City of Hobbs and the Economic Development Corporation of Lea County seek to amend Section 2.4 of the July 19, 2021, Agreement; and

NOW THEREFORE, pursuant to Section 5.10 of the July 19, 2021, Professional Service Agreement the City of Hobbs (hereinafter referred to as "City") and Economic Development Corporation of Lea County (hereinafter referred to as "Contractor") and hereby do agree as follows:

2.4 City shall pay CONTRACTOR a sum not to exceed ONE MILLION NINE HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,950,000.00)(sum outlined as follows: \$1,800,000.00 from general fund and \$150,000.00 from Lodgers' Tax Fund) for providing and maintaining non-stop commercial airline jet service to and from Hobbs, New Mexico. CONTRACTOR shall submit invoices and appropriate documentation for services rendered to the City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Shelly Raulston for payment associated with the airline.

Furthermore, it is the express intent of the City and CONTRACTOR that all other provisions of the July 19, 2021, Professional Services Agreement not specifically addressed herein remain in full force and effect as specifically written and interpreted in the July 19, 2021, Agreement attached hereto and incorporated herein as Exhibit 1.

[Required Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

ATTEST:

THE CITY OF HOBBS, NEW MEXICO

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

By: \_\_\_\_\_  
JAN FLETCHER, City Clerk

By: \_\_\_\_\_  
TOBY SPEARS, Finance Director

ATTEST:

ECONOMIC DEVELOPMENT CORPORATION OF LEA COUNTY

By: \_\_\_\_\_  
JENNIFER GRASSHAM, President & CEO

By: \_\_\_\_\_  
DAVID SHAW, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
EFREN A. CORTEZ, City Attorney

**PROFESSIONAL SERVICES AGREEMENT**  
**CITY OF HOBBS – ECONOMIC DEVELOPMENT CORPORATION OF LEA COUNTY**

FY 2021-2022

WHEREAS, NMSA 1978, §3-17-1, provides that cities are granted those powers necessary and proper to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the City and its inhabitants; and

WHEREAS, the City Commission of the City of Hobbs, Lea County, New Mexico, has determined that the services to be provided by the contracting party pursuant to this Agreement are needed by certain segments of the population of the City and are necessary to contribute to the quality of life of the citizens of the City of Hobbs; and

WHEREAS, the City of Hobbs, through its management staff, and pursuant to NMSA 1978, §13-1-126, as amended, has conducted a good faith review of available resources within Lea County and has determined that there is only one source within Lea County for the services needed.

NOW THEREFORE, the City of Hobbs (hereinafter referred to as "City") and Economic Development Corporation of Lea County (hereinafter referred to as "Contractor") and hereby do agree as follows:

**1.0 SCOPE OF SERVICES**

1.1 CONTRACTOR will provide the following services:

1.1.1 Promote the economic and general welfare of all citizens of the City of Hobbs;

1.1.2 Actively solicit new business and industry to Hobbs, New Mexico, and the vicinity;

1.1.3 Work to retain existing businesses and their growth;

1.1.4 Furnish technical services pertaining to all economic and industrial development matters;

1.1.5 Provide economic and quality of life benefits to our community through increased industrial and retail attraction;

1.1.6 Improve the services and resources to retain and expand existing area businesses;

1.1.7 Attract desperately needed workforce to our area through an organized and targeted marketing campaign;

1.1.8 Continue to build rapport with state and national leaders to influence policy that impacts our community;

1.1.9 Improve the value of membership and engagement of cornerstone business leaders;

1.1.10 Develop better qualified and trained staff who provide leadership in the economic development field;

1.1.11 Provide the services of continuing non-stop commercial airline jet services to and from Hobbs, New Mexico;

1.1.12 Perform such other related services as are deemed appropriate;

1.2 All persons retained by CONTRACTOR to provide the services required by this Agreement shall be employees, volunteers or contractors of CONTRACTOR, which shall be solely responsible for their acts and omissions, as well as all compensation, taxes and benefits associated with their work for CONTRACTOR.

1.3 It is expressly understood and acknowledged that CONTRACTOR is an independent contractor, that it is not an instrumentality, agent or employee of City, and that it will not so represent itself to the public.

1.4 This Agreement shall not preclude funding or other contracts from other sources.

## **2.0 COMPENSATION**

2.1 City shall pay CONTRACTOR a sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) for services rendered under this Agreement for operating expenses. The aforesaid amount shall be paid in quarterly installments of \$50,000.00, payable at the end of each quarter after the services contracted for are actually rendered. The first such payment shall be due on or after October 1, 2021; the second shall be due on or after January 1, 2022; the third payment on or after April 1, 2022; and the last payment on or after June 1, 2022. CONTRACTOR shall submit invoices to the City of Hobbs ten (10) days prior to payment dates and shall be sent to City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Shelly Raulston.

2.2 City shall pay CONTRACTOR a sum not to exceed FIFTY THOUSAND DOLLARS (\$50,000.00) for special projects on a reimbursement basis as specified and approved by the Hobbs City Commission. CONTRACTOR shall submit invoices to City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Shelly Raulston.

2.3 City shall pay CONTRACTOR a sum not to exceed TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) for retail recruitment on a reimbursement basis as specified and approved by the Hobbs City Commission. CONTRACTOR shall submit invoices to City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Shelly Raulston.

2.4 City shall pay CONTRACTOR a sum not to exceed ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000.00)(sum outlined as follows: \$1,150,000.00 from general fund and \$150,000.00 from Lodgers' Tax Fund) for providing and maintaining non-stop commercial airline jet service to and from Hobbs, New Mexico. CONTRACTOR shall submit invoices and appropriate documentation for services rendered to the City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Shelly Raulston for payment associated with the airline.

2.5 CONTRACTOR shall spend at least ONE HUNDRED AND FIFTY THOUSAND DOLLARS (\$150,000.00) of the funds specified in Section 2.4 herein on marketing of FlyHobbs.

2.6 As an express condition to payment outlined in Section 2.1 above, CONTRACTOR shall submit written quarterly reports to the City Manager ten (10) days prior to the following anticipated payment dates: October 1, 2021; January 1, 2022; April 1, 2022; and June 1, 2022. The reports shall include an overview of the services CONTRACTOR provided pursuant to the agreement during the previous quarter. CONTRACTOR shall make a presentation to the Hobbs City Commission on their second meeting in January 2022 to report all services rendered under this Agreement. CONTRACTOR shall provide ongoing reports to the City Manager regarding retail economic development and recruitment initiatives being funded by this Agreement.

2.7 CONTRACTOR shall make no claim against City for any expense incurred by it in providing the services required by this Agreement. Specifically, CONTRACTOR shall make no claim against City for travel expense, duplication costs, telephone costs, secretarial assistance, office supplies or any other cost not specifically allowed herein.

### **3.0 TERM AND TERMINATION**

3.1 This Agreement for services is to cover City's fiscal year, beginning July 1, 2021, and ending June 30, 2022. CONTRACTOR shall not be entitled to future contracts or other funding in future fiscal years by virtue of entering into this Agreement.

3.2 This Agreement may be terminated by either party, with or without cause, upon thirty (30) days advanced written notice to the other. In the event of termination, City shall submit payment, for all services rendered up to the final date outlined in the written notice. Partial performance in a given quarter shall not entitle CONTRACTOR to full payment of the quarterly installment outlined in Section 2.1 herein.

### **4.0 INSURANCE**

4.1 CONTRACTOR shall provide the City of Hobbs with a Certificate of Insurance naming the City of Hobbs as an additional insured on all general and/or professional liability, automobile liability, and workers' compensation insurance policies. Said policy shall be primary.

### **5.0 MISCELLANEOUS PROVISIONS**

5.1 CONTRACTOR shall timely notify City of any change as to its principal place of



business, the identity of all its directors, officers and members, any change of its corporate status, any change of its tax-exempt status with the Internal Revenue Service, any change in programming and any pending litigation or asserted claims or any other matter that might affect the continued rendition of services to City residents under this Agreement.

5.2 CONTRACTOR represents and warrants that the information given to City in support of its request for funding is true and correct; further, that its staff is competent to render the services which are the subject of this Agreement, and finally, that there is no other provider in Lea County of the kind of services contemplated by this Agreement.

5.3 CONTRACTOR agrees to abide by all state and federal rules, regulations and statutes pertaining to equal opportunity. In accordance with these laws and regulations, CONTRACTOR agrees to assure that no person shall, on the grounds of race, color, national origin, sex, age, handicap or medical condition, be excluded from participation in programs and services to be rendered by CONTRACTOR pursuant to this Agreement.

5.4 CONTRACTOR shall give City prompt and timely notice of any claim made or suit instituted against CONTRACTOR which may in any way, directly or indirectly, contingently or otherwise, result in a judgment against City.

5.5 CONTRACTOR agrees to and shall indemnify, defend and hold the City, the City Commission of the City of Hobbs, its individual commissioners, its officers, employees and agents harmless from any and all causes of action, suits, claims, judgments, losses, costs, expenses and liens, of every kind and nature, including but not limited to court costs and reasonable attorneys' fees arising or alleged to have arisen out of performance of CONTRACTOR's rendition of services or failure to render services pursuant to this Agreement or any breach of this Agreement.

5.6 This Agreement shall be construed pursuant to the laws of the State of New Mexico. The parties represent that the requirements of the New Mexico Procurement Code have been met as a prerequisite for entering into this Agreement. They further agree that any changes or modifications to this Agreement suggested or required by any supervising state entity, such as the New Mexico Attorney General's office or the New Mexico Department of Finance and Administration, shall be made in order to fully comply with the law as such agencies might interpret and define it to the parties.

5.7 If CONTRACTOR obtains an audit or other type of financial review of its affairs, then City shall receive a copy of same. This provision does not otherwise obligate CONTRACTOR to secure such services. City shall be entitled to a detailed current income/expense statement upon written request.

5.8 CONTRACTOR shall provide accounting services to assure accurate statements of income and expense and make that information available to the City of Hobbs at regularly agreed intervals.

5.9 This is a professional services contract and neither City nor CONTRACTOR may

assign this Agreement, or any interest herein, without prior written approval of the other.

5.10 This Agreement reflects all covenants, understandings and agreements between the parties. This Agreement may not be altered except by another writing signed by both parties.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 19th day of July, 2021.

ATTEST:

THE CITY OF HOBBS, NEW MEXICO

By:   
SAM D. COBB, Mayor

By:   
JAN FLETCHER, City Clerk


By:   
TOBY SPEARS, Finance Director



ATTEST:

ECONOMIC DEVELOPMENT CORPORATION OF LE

By:   
JENNIFER GRASSHAM, President & CEO

By:   
DAVID SHAW, Chairman

APPROVED AS TO FORM:

  
EFREN A. CORTEZ, City Attorney