

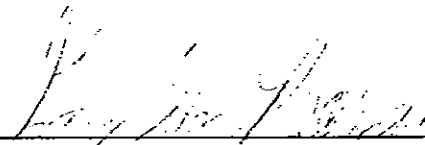
CITY OF HOBBS

RESOLUTION NO. 5329

A RESOLUTION ADOPTING A
CODE OF ETHICS/RELATED PARTY POLICY
FOR THE CITY OF HOBBS

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS,
NEW MEXICO, that the Code of Ethics/Related Party Policy, a copy of which is
attached hereto and made a part hereof, be and is hereby approved and adopted.

PASSED, ADOPTED AND APPROVED this 1st day of June, 2009.



GARY DON REAGAN, Mayor

ATTEST:



JAN FLETCHER, City Clerk

B. FINDINGS-FINANCIAL STATEMENT AUDIT

2006-2: Related Party Policy

Condition:

The City does not have necessary procedures in place to determine relationships resulting in related party transactions which should be disclosed in accordance with generally accepted accounting principles.

Criteria:

All entities should have policies and procedures in place to determine relationships which should be disclosed in their financial statements.

Effect of Condition:

Without adequate policies in place to recognize relationships, the City may fail to disclose all related party transactions required by generally accepted accounting principles.

Cause of Condition:

The apparent cause of this condition is historical lack of significant related party transactions required to be disclosed in the financial statements.

Recommendation:

The City should consider establishing procedures to assist it in identifying related party transactions in order to fully disclose those relationships, if any, in their financial statements.

Agency Response:

The City of Hobbs will devise annual surveys of all elected officials, management employees, and appointed board members that will be maintained in the City Manager's files that will disclose any potential related parties. We will develop internal policies in addition to those already incorporated within state statute regarding proper handling of transactions with these related parties. We will disclose these surveys annually to the auditors for potential financial statement disclosure.

CODE OF ETHICS/RELATED PARTY POLICY

- I Declaration of policy
- II Definitions
- III Conflict of interest
- IV Disclosure
- V Regulations
- VI Amendments

I. DECLARATION OF POLICY

(A) The proper administration of democratic government requires that public officials be independent, impartial and responsible to the people; that government decisions and policy be made in the best interest of the people, the community and the government; and that the public have confidence in the integrity of its government.

(B) In recognition of these goals, the following Code of Ethics shall apply to all City Commissioners, City Employees in management positions and Appointed Board Members.

II. DEFINITIONS

For the purpose of this resolution, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

GOVERNMENTAL BODY. The City of Hobbs and any of its boards and commissions.

OFFICIAL. The Mayor, all members of the City Commission, the City Manager, all City Employees in management positions and Appointed Board Members.

III. CONFLICT OF INTEREST

No official of the City shall knowingly:

(A) Disclose or use confidential information concerning the property, government or affairs of the governmental body by which that official is employed or of which the official is a member in order to advance financial or other private interests of the official, members of the official's family or others;

(B) Vote or otherwise participate in the negotiation or the making of any contract by the City with any business or entity in which the official or any members of his or her family has a private financial interest;

(C) Represent private interests in any action or proceeding before the governmental body by which the official is employed or of which the official is a member or any appeal of a decision of such a body;

(D) Acquire while in office a financial interest in any new or existing business venture of any kind which will or may be affected by his or her official acts;

(E) Accept or request any valuable gift whether in the form of service, loan or promise from any person, firm or corporation which to the official's knowledge is interested directly or indirectly in any manner whatsoever in business dealings with the governmental body by which the official is employed or of which the official is a member; provided however, that, this division shall not be read as prohibiting an incumbent or candidate for elective office from receiving reasonable and customary campaign contributions as permitted by law and in accordance with this code and any rules established by the governmental body;

(F) Enter any contract, approval, sale or purchase entered into or official action taken by a public official or a governmental body in violation of this chapter may be voided by action of the governing body;

(G) Use city services, property or personnel for personal benefit, profit or convenience, except when such use is generally available to the public and in accordance with any policies of the governmental body; and

(Note: This section does not prohibit an official from receiving an award publicly presented in recognition of the official's public service.)

IV. DISCLOSURE

(A) An official of the City who has any private interest in any contract or other matter pending before or within the governmental body of which the official is employed or of which the official is a member, shall disclose the private interest to the governmental body.

(B) Any member of the Commission, including the Mayor, who has a private financial interest in any matter pending before the Commission shall disclose the private financial interest on the records of the Commission and if the interest is direct shall be disqualified from participating in any debate, decision or vote relating thereto. Disclosure of an indirect private financial interest on any matter coming before the Commission including approval of a contract shall not disqualify a Commissioner from debating and voting on the matter unless:

(1) A majority of the remaining members of the Commission determine that the Commissioner who discloses his or her private financial interest should not in propriety vote on the issue; or

(2) The Commissioner having a private financial interest voluntarily disqualifies himself or herself. The determination of whether a financial interest is direct or indirect shall be made by a majority of the Commission, with the Commissioner whose interest is being determined abstaining from participation in the decision.

(C) Upon election or appointment, officials of the City shall furnish the information set forth below to the City Clerk. This information shall be updated on January 1 of every year and is a public record:

(1) Name;

(2) Professional, occupational or business licenses held;

(3) Membership(s) on board(s) of directors of corporations, public or private associations or organizations; and

(4) The nature, but not the extent or amount of, his or her financial interests in a business entity where the interest equals \$10,000 or more or amounts to an interest in the business of ten percent or more.

V. REGULATIONS

The Commission shall have the authority to establish reasonable rules and regulations for enforcement and interpretation of the code of ethics.

VI. AMENDMENTS

This code may be amended by resolution adopted by a majority of the City Commission.