

Hobbs should terminate city manager's contract, pay severance

By Jeanie Coates | April 20, 2016

City Hall in Hobbs, N.M.



Courtesy photo

City Hall in Hobbs, N.M.

COMMENTARY: In March, Hobbs residents learned from the Hobbs News-Sun that the city manager, John J. (J.J.) Murphy, and two other department directors took a trip **to Italy**

([http://digital.olivesoftware.com/olive/apa/hobbsnews/SharedView.Article.aspx?](http://digital.olivesoftware.com/olive/apa/hobbsnews/SharedView.Article.aspx?href=NHN%2F2016%2F03%2F13&id=Ar00115&sk=94EB3161)

[href=NHN%2F2016%2F03%2F13&id=Ar00115&sk=94EB3161](http://digital.olivesoftware.com/olive/apa/hobbsnews/SharedView.Article.aspx?href=NHN%2F2016%2F03%2F13&id=Ar00115&sk=94EB3161)) . Within days, people across the country also learned that the purpose of the trip was to “evaluate three swimming pools,” as USA Today **put it** (<http://www.pressreader.com/usa/usa-today-us-edition/20160316/282780650617346>) . Coverage by news agencies both near and far, both large and small, was nothing short of epic.

Although many residents were polishing the pitchforks over the \$8,000 European junket, city commissioners stood firmly with their city manager. Why?

The only thing I can come up with is the 24-carat golden parachute of a severance package in **Murphy's employment contract** (<http://nmpolitics.net/index/2015/07/hobbs-managers-contract-evolution-exposes-sense-of-entitlement/>) . Despite locking in a five-year agreement with the City of Hobbs in August 2012, Murphy has gotten the commission to repeatedly revisit the contract and not only increase his salary and benefits, but also his severance, the perks of which rival those of Wall Street fat cats.

Even more shocking was his ease in convincing commissioners to unanimously approve safeguards for his severance package and to make firing him nearly impossible.



Courtesy photo

Jeanie Coates

In Murphy's original contract, the city commission agreed that if the city manager were to be terminated, the city would pay six months' worth of "aggregate salary, all benefits and deferred compensation as severance, unless the termination is related to the charge or conviction of a felony, or a crime of dishonesty or moral turpitude."

In an August 2013 rewrite of his five-year contract, however, Murphy was able to get his severance doubled from six months to a year, then added a Christmas tree's worth of goodies that would be paid for a full year after separation:

- Health insurance for city manager and all dependents
- Life insurance
- Short-term and long-term disability
- Car allowance
- Any other available benefits

Unconscionably, causes for termination that would result in Murphy forfeiting his severance were stripped from the contract. Now only "If City Manager is terminated because of a conviction of a felony, then City is not obligated to pay Severance under this section."

For those of you playing along at home, what this means is that Murphy could keep his high-salary job and all the other perks that go with it even if he landed himself in court on criminal charges and had a lengthy trial. You have to wonder what would motivate a man to want that kind of security cushion.

A grand jury investigation

Consider this: In 2014, a federal grand jury in Pennsylvania was looking into Murphy and his consulting company. The Times Leader **reported** (<http://timesleader.com/archive/236810/news-local-news-news-1328460-parking-authority-records-subpoenaed-2>) that the FBI delivered a subpoena in April 2014 to the Wilkes-Barre parking authority, for which Murphy was a contractor in 2012, commanding invoices from and contracts with Murphy and his Goals Consulting.

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The **subpoena**

(http://www.wbcitizensvoice.com/pdfs/wb_parking.pdf) also sought meeting agendas, meeting minutes, correspondence, invoices, email correspondence, receipts, electronic fund transfers and agreements involving Murphy.

The Citizens Voice also reported that federal authorities were conducting several simultaneous investigations related to Wilkes-Barre City Hall, where Murphy — according to **his online résumé** (<http://www.hallandalebeach.org/files/2012-03-21/City%20Manager%20Selection%202012%20-%20Final%209/Murphy,%20JJ%20-%20Candidate%20Report.pdf>) — was city administrator from 2004 to 2010, before becoming Hobbs city manager in 2012.

Following the March 2014 suicide of the manager of the Wilkes-Barre City Employees Federal Credit Union after subpoenas were served there, the director of the FBI's Scranton office **said** (<http://citizensvoice.com/news/target-of-w-b-credit-union-probe-found-dead-1.1649015>) , "The overall puzzle is a wide thread of corruption across a wide swath of government."

Hmm.

That investigation in Pennsylvania is old enough that it's likely a grand jury is no longer investigating and that law enforcement closed its investigation without filing charges against Murphy or anyone else. A Times Leader columnist asked in **a Jan. 9, 2016** (<http://timesleader.com/news/502164/zeroing-in-wondering-what-the-new-year-will-bring-to-luzerne-county>) , piece whether the public will ever learn the results of that probe. But at the time, it's possible Murphy wanted to be sure he could keep his separation benefits from the City of Hobbs even if he was charged in Pennsylvania.

According to Murphy's contract, "The City Manager holds office and continues his employment at the pleasure of the Hobbs City Commission. The City Commission may terminate this employment agreement at any time through a majority vote." However, even if the commission were to wait out his contract with the intent of not renewing it, Murphy "shall be entitled to Severance in the event this Employment Agreement is not renewed by City after initial five (5) years," the contract says.

"Shrewd" is certainly not a word I would use to describe commissioners' acumen in negotiating Murphy's contract on behalf of Hobbs taxpayers.

From one mess to another

Attentive City Hall watchers say Murphy's Italy debacle pales in comparison to others since Murphy first laid his fingers on Hobbs' purse strings in August 2012.

In 2013, Murphy directed city staff to organize a \$50,000 community meal at Christmas time to say "thank you" to area residents, according to **a News-Sun story** (<http://digital.olivesoftware.com/olive/apa/hobbsnews/SharedView.Article.aspx?href=NHN%2F2013%2F12%2F08&id=Aro0107&sk=BFEE7D2B>) . A year later, the state Attorney General's Office offered **an opinion** (<https://docs.google.com/viewer?a=v&pid=sites&srcid=bm1hZy5nb3Z8cHVibGljLXJlY29yZHMtcHJvamVjdHxneDozODQ1ZDYyOGUyN2RmMmRi>) that, although providing "a community meal may serve a valuable purpose," such meals violated "the anti-donation clause's express prohibition against allocating public funds for a private benefit without consideration."

In 2013, Murphy proposed the "Bieber Plan," so coined in a News-Sun headline, and he was quoted in **the same story** (<http://digital.olivesoftware.com/olive/apa/hobbsnews/SharedView.Article.aspx?href=NHN%2F2013%2F03%2F20&id=Aro0103&sk=A9AAE79B>) as saying that a Hobbs concert featuring a "Top 10" act like Justin Bieber, estimated at more than \$1 million, "will draw people from Colorado, Texas and all across New Mexico." Outcry ensued, and Murphy summarily **withdrew the proposal** (<http://digital.olivesoftware.com/olive/apa/hobbsnews/SharedView.Article.aspx?href=NHN%2F2013%2F04%2F07&id=Aro0603&sk=2FA2ABC9>) . Despite his obvious interest in music, he was tone deaf enough to bring the concert idea back in 2015, amid the burgeoning oil recession and declining tax revenues, this time proposing **a \$600,000 Toby Keith concert** (<http://digital.olivesoftware.com/olive/apa/hobbsnews/SharedView.Article.aspx?href=NHN%2F2015%2F05%2F17&id=Aro0110&sk=D2561741>) . After the commission wisely tabled the proposal "to gather more information," the chorus of taxpayer outrage was more than commissioners could ignore, and the commission dismissed the proposal from consideration altogether **a couple weeks later** (<http://digital.olivesoftware.com/olive/apa/hobbsnews/SharedView.Article.aspx?href=NHN%2F2015%2F05%2F20&id=Aro0110&sk=E8E8A900>) .

The list goes on, but you get the idea. It seems we just go from one Murphy mess to another.

For all the free-wheeled spending Murphy has either gotten away with or attempted, why not just terminate Murphy's employment and pay him his severance now? Doing so would be just a fraction of what other spur-of-the-moment, half-baked ideas costing in the millions will pop up during what remains of his contract. Even if we have to swallow the bitter pill of paying

for the trip, Hobbs would be better off if Murphy would go back to Italy – and stay there.

Jeanie Coates is a Hobbs resident and conservative activist focusing on property rights, government accountability, election integrity and government transparency.
