

EMPLOYMENT AGREEMENT
(Receipt of which is hereby acknowledged.)

For consideration, the parties hereby enter into the following Employment Agreement.

I. Parties and Definitions

This agreement is by and between Neil C. Krutz (“**EMPLOYEE**”) and the City of Sparks, a municipal corporation, (“**CITY**”) as employer.

EMPLOYEE is affirmed:

The “**Effective Date**” is April 11, 2016.

The “**Initial Expiration Date**” is December 31, 2016.

The “**Initial Salary**” shall be \$173,680 per year.

There is no “**License Requirement**” for the position.

The “**Position**” to be occupied and performed by EMPLOYEE is Assistant City Manager.

II. Recitals

Based on EMPLOYEE’s experience and qualifications and information provided to the CITY during interviews and negotiations leading up to this agreement, the CITY desires to hire EMPLOYEE to perform executive functions of the Position.

EMPLOYEE desires to be employed by the CITY in the Position.

III. Employment.

The CITY hereby employs EMPLOYEE and EMPLOYEE agrees to assume the responsibilities and perform the services of the Position on the terms and conditions stated in this agreement.

IV. Duties of EMPLOYEE.

A. EMPLOYEE shall perform the duties of the Position generally described in Exhibit A, in the job description and as may be established and changed from time-to-time by the City Manager. (Exhibit A is attached hereto and incorporated herein by reference.) EMPLOYEE shall be responsible for overseeing the actions of all departments, divisions or functions assigned to EMPLOYEE. EMPLOYEE shall assure proper performance of all public services assigned to

EMPLOYEE and further to assure compliance with all resolutions, ordinances, directives and policies of the City Manager as well as all applicable laws.

B. EMPLOYEE represents that EMPLOYEE currently meets the Licensing Requirement defined above, if any, and agrees to continuously maintain that requirement. Any disciplinary action taken against EMPLOYEE by the licensing authority may be grounds for termination for cause, and any revocation of any required license or certificate is grounds for termination for cause.

C. The Position is a public official executive position involving the administration of public programs and protection of public funds, which requires a high degree of skill, integrity and managerial competence, which EMPLOYEE agrees to provide. EMPLOYEE also understands the existence, duties, responsibilities, structure and direction of the Position depends in a large degree on public perception and the political process and, therefore, may be subject to changes in political process, public perception, and the needs of the CITY as determined by the City Manager. EMPLOYEE may be judged not only based on EMPLOYEE's skill, integrity, and managerial competence, but may also be judged by public perception of the need for and the actions and performance of the departments, divisions or functions which EMPLOYEE supervises. Because of the public and political nature of the Position, both parties acknowledge the EMPLOYEE serves at the pleasure of the City Manager as well as EMPLOYEE's own pleasure.

V. Compensation and Benefits; Executive Resolution; Performance Reviews.

A. General CITY agrees to pay compensation and provide those benefits as set forth and changed from time-to-time for the Position by resolution of the Sparks City Council. Attached hereto as Exhibit B is the current "Executive Resolution" pertaining to the Position, which is incorporated herein as if set forth in full.

B. Salary and Bonus. The EMPLOYEE salary is established at a pay rate equal to the Initial Salary Rate defined above commencing on the Effective Date of this agreement, and together with all benefits and privileges set forth in the Executive Resolution attached hereto as Exhibit B. The City Manager, subject to City Council approval, may amend the annual compensation to the EMPLOYEE at any time during the calendar year, based upon the completion of a written evaluation.

C. Evaluations. No later than November 30th of each year, the City Manager will conduct an annual evaluation of the effectiveness and performance of the EMPLOYEE, with any recommendations or changes in compensation or performance bonus provided to the EMPLOYEE with the first pay period in December of each year, if any.

D. Vehicle Allowance. EMPLOYEE shall be provided with vehicle allowance as provided for in the Executive Resolution.

E. Mobile Phone Allowance. EMPLOYEE shall be provided with a mobile phone or phone allowance as provided in the Executive Resolution.

F. ICMA. The CITY agrees to pay for EMPLOYEE's ICMA membership and shall pay for EMPLOYEE to attend the yearly conference. This includes the reasonable costs of flights, meals and lodging for conference attendance.

VI. Term of agreement; renewals; general obligations upon termination.

A. General. If approved by the City Council of the City of Sparks, this agreement commences on the Effective Date and expires on the Initial Expiration Date, unless sooner terminated as provided herein. For administrative convenience, the CITY may, but is not obligated to, extend the expiration or early termination date to the end of a pay period; any such extension is not considered a renewal.

B. Renewals. This agreement expires on the Initial Expiration Date. If renewed after the Initial Expiration Date, it becomes a year-to-year agreement, with each "Contract Year" beginning on January 1, and ending on December 31. At the end of the Initial Expiration Date and at the end of each Contract Year thereafter, this agreement is deemed automatically renewed unless either party gives 30 calendar days prior written notice of nonrenewal. Either party may elect not to renew this agreement for any reason or for no reason at all, and it is agreed if either party elects not to renew this agreement, the party is not obligated to give a reason. It is further agreed successive renewals do not imply any obligation to continue this employment relationship or create an expectation that either party will continue to renew this agreement.

C. Termination. For purposes of interpreting this Agreement, whenever the general term "terminate" or any of its derivative forms is used, such terms shall generally mean separation from employment, whether or not cause is established. The use of the term "termination" is not intended to, and does not create any legal requirement that termination be premised on a determination of cause or breach of this Agreement. The services of Neil C. Krutz as Assistant City Manager may be terminated by any of the following methods:

1. Mutual Agreement. Termination of employment in accordance with a written mutual agreement which is executed by both parties with terms of the termination and any potential compensation as agreed to by the parties in the Agreement.

2. Termination Without Cause. At any time, CITY, by appropriate City Manager action or EMPLOYEE, individually, may terminate EMPLOYEE's employment without cause, by providing thirty (30) days advance written notice (may be referred to as "Termination Without Cause"). During such thirty (30) day period, the City Manager, in Manger's sole discretion, may determine if EMPLOYEE is to maintain regular business hours for CITY or if EMPLOYEE should be placed on leave with pay until the termination date of contract.

3. Termination For Cause. Notwithstanding any other terms and condition of this Agreement, at any time and without prior notice, CITY, acting through City Manager, may terminate EMPLOYEE's employment as Assistant City Manager for cause, as is defined hereafter. A "Termination for Cause" shall mean termination of employment because of any of the following: "Cause" includes, but is not limited to: (i) breach of any provision in this agreement, (ii) violation of any City of Sparks resolution, ordinance, (iii)

violation of any county, state or federal constitution, charter, ordinance, statute or regulation (except minor traffic or parking violations), (iv) commission of any act of dishonesty (including but not limited to misrepresentation, fraud, false statements made under oath, false statements made on any official report, false statements made during any administrative or governmental proceeding, false or misleading statements made on any employment application or during interviews leading to employment, any act of misappropriation or failure to account for public funds, or commission of any act of moral turpitude or any act which would tend to derogate public confidence in the government of the City of Sparks should EMPLOYEE remain in the Position, (v) neglect of duties (including but not limited to excessive absences, failure to exercise the care, skill and diligence of a reasonably prudent executive responsible for administering public programs and safeguarding public funds).

4. Termination Obligations. Upon termination, for any reason, EMPLOYEE shall be obligated to perform all of the following:

a. Duties of EMPLOYEE. EMPLOYEE agrees to (i) leave the premises of CITY if requested, (ii) immediately turn over all records, books, papers, computers (including all computer devices), computer disks or other storage devices, keys, phones, uniforms, tools, credit cards, identification cards or badges, and all other property owned by the CITY or used by EMPLOYEE in connection with EMPLOYEE's duties, (iii) discuss with anyone designated by the CITY all work in progress and to reveal all information that may be needed by a person who will perform the duties of the Position, (iv) participate in a termination interview with representatives of the CITY, if requested, and (v) to reimburse or indemnify the CITY.

b. Cooperate in Pending Work and Litigation. Following any termination of EMPLOYEE, EMPLOYEE shall fully cooperate with the CITY in all matters relating to winding down of or transfer of pending work and duties to the successor Assistant City Manager. EMPLOYEE shall also cooperate in defense of any litigation or administrative action brought against the CITY that relates in any way to EMPLOYEE's acts or omissions while employed as the Assistant City Manager. If after date of termination EMPLOYEE's cooperation in defense of any such litigation or administrative action requires more than five (5) hours of time, EMPLOYEE shall be paid at an hourly rate not to exceed One Hundred Fifty Dollars (\$150.00) for EMPLOYEE's time and all reasonable associated expenses.

5. Severance Payment for Termination Without Cause.

If CITY terminates EMPLOYEE without cause, CITY shall pay to EMPLOYEE within two (2) weeks following of the end of the 30 (thirty) day notice period either severance package a(i) or severance package a(ii), whichever is greater, as set forth below. EMPLOYEE is not entitled to any other remedies, contractual or otherwise, for Termination without Cause.

a(i). CITY agrees to pay EMPLOYEE a total of six (6) months of base salary plus the cash value of six (6) months of CITY benefits as defined in this contract: **OR**

a(ii). The remainder of the payments due under this contract plus cash value of defined benefits but not to exceed the remaining contract term;

b. All salary and benefits, as benefits are defined by this contract, earned and owing associated with the position of Assistant City Manager due at the time of termination; and

c. Payment for all unused accrued annual leave and personal leave.

6. Severance Payment for Non-renewal of Contract. If Manager does not renew EMPLOYEE's contract, within thirty (30) days of termination date of contract EMPLOYEE shall receive the following Non-Renewal Package:

a. Six (6) month's base salary;

b. All salary and benefits, as benefits are defined by this agreement, due and owing to EMPLOYEE associated with the position of Assistant City Manager earned up to the time of termination;

c. Payment for all unused accrued annual leave, personal leave; and

d. One-time payment equivalent to the cost of six (6) months of CITY paid benefits as benefits are defined by this agreement.

7. EMPLOYEE Terminated Contract. If EMPLOYEE unilaterally terminates this Agreement for any reason, no severance package will be due and owing to EMPLOYEE. EMPLOYEE shall receive payment for unused annual and personal leave and any pay owing.

8. Limitation on retroactive pay or benefits. Notwithstanding any other provision in this agreement to the contrary, any changes to salary, compensation or benefits which are approved by the City Manager or City Council after the expiration or termination of this agreement but made retroactive to a date before the expiration or termination of this agreement will not apply to EMPLOYEE.

VII. Indemnification.

EMPLOYEE hereby indemnifies the CITY against loss of money, securities, and other personal property and further against liability sustained by the CITY by reason of any act of fraud, dishonesty, forgery, embezzlement, wrongful abstraction, willful misapplication, intentional torts, or criminal acts by EMPLOYEE.

VIII. General Terms

A. No assignment. Neither party shall delegate any duty or assign any right under this agreement, such delegation or assignment is void. As to EMPLOYEE, this agreement is a personal service contract and is not binding on nor inures to the benefit of any heirs, successors, or assigns of EMPLOYEE.

B. Modification. Except for changes to Exhibits A and B, any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party and may be subject to ratification by the City Council.

C. No waiver. The failure of either party to this agreement to insist on the performance of any of the terms and conditions of this agreement shall not constitute a waiver unless expressed in writing, and any written waiver shall not be construed as or create an implication or expectation that any future waivers will be given.

D. Attorney Fees. In the event that any proceeding (including appeals to the City Council, arbitration, mediation, or litigation) in relation to this agreement, each party will pay its own attorney's fees regardless of who prevails in any such proceeding. Costs may be allocated between the parties under the rules of such proceedings, but if the rules do not provide for allocation of costs, then each party will bear its own costs of the proceeding.

E. Partial Invalidity. The invalidity of any portion of this agreement will not and shall not be deemed to affect the validity of any other provision. In the event any provision of this agreement is held to be invalid, the parties agree the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

F. Governing Law; jurisdiction, venue. The ordinances and resolutions of the City Council as well as the laws of Nevada shall govern this agreement without regard to conflicts of laws principles. Any action or proceeding seeking to enforce any provision of or based on any right arising out of this agreement may be brought against either party in the District Court for the State of Nevada, in which case the proper venue is the Second Judicial District in and for Washoe County, or, if federal jurisdiction is obtained, in the United States District Court for the District of Nevada, in which case the proper venue is the Northern Division.

G. Notices. Notices under this agreement shall be in writing and shall be deemed given at the earlier of (1) when actually received by the City Manager for notices given to the CITY, (2) when actually received by EMPLOYEE for notices to EMPLOYEE, or (3) three business days after mailed to either party by U.S. Mail, first class, postage prepaid, mailed to the CITY at the current address for City Hall or to EMPLOYEE at the current address appearing in CITY employment records.

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H. Entire Agreement. This agreement, together with the Exhibits attached hereto as those Exhibits may change from time to time, constitute the entire agreement of the parties and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated in this agreement.

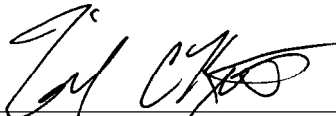
DATED this ____ day of _____, to be effective on the Effective Date specified above.

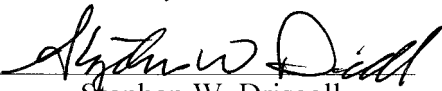
CITY

EMPLOYEE

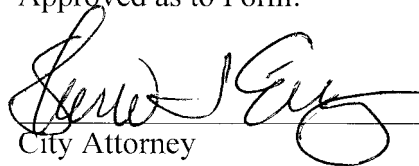
The City of Sparks

By _____
Geno Martini
Mayor


Neil C. Krutz
Assistant City Manager

By 
Stephen W. Driscoll
City Manager

Approved as to Form:



City Attorney

ATTEST:

City Clerk