CONTRACT OF EMPLOYMENT OF SPARKS CITY MANAGER

THIS AGREEMENT is made and entered into this 23rd day of AUGUST, 2004 by and between the CITY OF SPARKS ("CITY"), a municipal corporation formed under the laws of the State of Nevada, and SHAUN CAREY ("MANAGER") who agree as follows:

WITNESSETH:

WHEREAS, CITY desires to retain the services of Shaun Carey as City Manager for the City of Sparks, as provided in Section 1.080 of the Sparks City Charter; and

WHEREAS, it is the desire of the Sparks City Council to provide certain benefits, establish certain conditions of employment, and set working conditions of the MANAGER; and

WHEREAS, MANAGER desires to continue his employment as City Manager of the CITY.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1 Duties:

CITY agrees to employ MANAGER as the City Manager for CITY to perform the functions and duties specified in Section 3.020 of the Sparks City Charter and in the attached Exhibit "A," the Job Description for the position of City Manager, as Chief Administrative Officer of Redevelopment Agency 1 and 2, and to perform other duties and functions as the City Council may from time to time assign.

Section 2 Salary and Longevity:

CITY agrees to pay MANAGER for his services an annual base salary of \$152,567 per year beginning with the first full pay period following the approval of this contract. The Mayor and City Council shall conduct a performance appraisal in July of each year for which this agreement is in effect, and the City Council may make such adjustment to this salary as agreed with the MANAGER at any time during the year. In addition, MANAGER will receive any cost-of-living increases provided to other CITY employees covered by CITY Resolution 2761, as may be amended, and Section 12 of this agreement.

CITY agrees to pay MANAGER longevity pay, a net amount of \$2,500 on the first Wednesday following November 30 of each year this contract is in effect.

Section 3 Term:

- [A] The term of this contract is for a two-year period from the effective date set forth and shall have an annual contract renewal date of July 31 of each year, subject to MANAGER's willingness and physical ability to continue to perform the required duties for that period of time.
- [B] Nothing contained within this agreement shall prevent MANAGER from resigning at any time upon 30 days' written notice to CITY, unless a different notice period is mutually agreed upon. CITY agrees to pay the MANAGER 100% of all accrued Annual Leave, Sick Leave and unused Personal Leave as provided in Section 7 (B).
- [C] Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of CITY to terminate the services of MANAGER at any time in accordance with Section 3.030 of the Sparks City Charter, subject only to the provisions of Subsections (D) and (E).
- [D] If CITY terminates MANAGER's employment during the term of this agreement and MANAGER is willing and able to perform his duties under this Agreement, CITY agrees to pay the MANAGER 100% of all accrued Annual Leave, Sick Leave and unused Personal Leave as provided in Section 7 (B).
- [E] In the event CITY elects not to renew or extend this agreement or to offer some other mutually agreeable contract, CITY will give MANAGER six months' notice of its intent not to renew the agreement. Failure to give such notice on the part of CITY shall be treated as a termination of the MANAGER's employment. CITY agrees to pay the MANAGER 100% of all accrued Annual Leave, Sick Leave and unused Personal Leave as provided in Section 7 (B).

Section 4 Performance Evaluation:

The Mayor and City Council will review and evaluate MANAGER's performance every six months. To the extent permitted by law, the Mayor and City Council will meet with MANAGER in private session to discuss their evaluation and comments. A record will be maintained of such sessions. MANAGER's annual salary review will coincide with the performance evaluation which shall be conducted in July of each year, but in no case any later than the last meeting of the Sparks City Council in July of each year.

Section 5 Retirement:

- [A] CITY will match dollar for dollar the MANAGER's contribution to a deferred compensation program up to the 100% maximum contribution as limited by federal law.
- [B] CITY will pay 100% of the MANAGER's contribution to the Public Employment Retirement System for the State of Nevada. MANAGER will have the retirement

rights of employees as provided by the Statutes of the State of Nevada.

Section 6 Vehicle Reimbursement:

MANAGER will be paid the fixed sum of \$275.00 per pay period for the use of his personal vehicle for CITY business, with future increases to be determined as part of the Executive Resolution or as amended by action of CITY.

Section 7 Compensated Leave:

- [A] MANAGER will receive compensated leave as provided in the Executive Resolution of CITY, including Annual Leave, Sick Leave, Service-connected Disability Leave, Court Leave, Military Leave and Leave of Absence.
- [B] Accrued but unused Annual Leave and Sick Leave will be carried over year to year. Upon MANAGER's resignation or termination of employment, MANAGER will be entitled to full compensation for the accrued, unused Annual Leave, Sick Leave and Personal Leave. MANAGER may convert all unused Sick Leave upon resignation or termination of employment to cash, post-retirement medical payments or deferred compensation.

Section 8 Dues and Subscriptions:

CITY will pay the professional dues and subscriptions of MANAGER necessary for his continuation and participation in national, regional, state, and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of CITY.

Section 9 Professional Development and City-related Business Travel:

CITY agrees to pay the travel and subsistence expenses of MANAGER for professional and official business travel and meetings adequate to continue professional development of MANAGER and to adequately pursue necessary official functions and matters of interest to CITY.

Section 10 Other Expenses:

CITY agrees to provide MANAGER with a CITY procurement card for expenses which are non-personal and are job-related for MANAGER in the normal course of his duties.

Section 11 Bonding:

CITY will pay all costs of any fidelity or other bonds required of MANAGER by virtue of his employment with CITY.

Section 12 Other Benefits:

MANAGER will be provided all other benefits given to executive employees as specified in CITY resolution 2761, or as amended by CITY, such as holiday leave, medical benefits, disability insurance, and insurance.

Section 13 Other:

- [A] CITY agrees that annually the Mayor and City Council will schedule and participate in the following:
 - [1] A team-building workshop for CITY
 - [2] A goal-setting session to develop objectives and priorities of CITY
 - [3] A session to develop specific criteria to serve as MANAGER's mutually agreed-upon goals
- [B] This Agreement is made in, and shall be governed by and construed in accordance with the laws of, the State of Nevada and of CITY.
- [C] This Agreement contains a complete statement of all the arrangements between parties with respect to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of this Agreement which are not fully expressed in this Agreement.
- [D] This Agreement may not be waived, changed, modified, or discharged orally, but only by an agreement or written amendment signed by CITY and MANAGER against whom any waiver, change, modification, or discharge is sought.
- Except as otherwise provided herein, MANAGER and CITY agree that any disputes E between MANAGER and CITY arising out of this Agreement, or the breach thereof, shall be resolved by an impartial arbitrator pursuant to the voluntary labor arbitration rules issued by the American Arbitration Association in effect in the State of Nevada at the date of the dispute. The award rendered by the arbitrator shall be conclusive and binding upon MANAGER and CITY. Each party shall pay its own expenses for the arbitration, and the fees and expenses of the arbitrator shall be shared equally. This arbitration requirement shall also apply to, without limitation, all claims that could be brought by MANAGER at any time during or after the term of this Agreement under federal, state, and local statutory or common law, including the Age Discrimination in Employment Act; Title VII of the Civil Rights Act of 1964 (as amended); the Americans with Disabilities Act; the Fair Labor Standards Act; the Family Medical Leave Act; the Employee Polygraph Protection Act; the Employee Retirement Income Security Act; the National Labor Relations Act; any statutes or common law regarding employment termination; any claims for wrongful discharge, wrongful arrest or imprisonment, harassment or discrimination, intentional or negligent infliction of emotional distress, invasion of right of privacy, or defamation.

- [F] If any provision of this Agreement is held to be invalid or unenforceable by any judgment or decision of an administrative, arbitral, or judicial tribunal, court, or other body of a competent jurisdiction, the remainder of this Agreement shall not be affected by such judgment or decision, and the Agreement shall be carried out as nearly as possible according to its other provisions and intent.
- [G] All notices under this Agreement shall be in writing and shall be sent to the City Clerk of CITY and the address of MANAGER.

IN WITNESS WHEREOF, CITY has caused this Agreement to be signed and executed on behalf of CITY by its Mayor, and duly attested by the City Clerk, and MANAGER has signed and executed this Agreement, all on the day and year first above written.

MANAGER

Shaun D. Carev

Approved as to Form:

Chester H. Adams, City Attorney

CITY OF SPARKS

Tony Armstrong, Mayor

ATTEST:

Deborine J. Dolan, City Cler