



**EMPLOYMENT AGREEMENT  
(Receipt of which is hereby acknowledged)**

**I. Parties and Definitions.**

This agreement is by and between Peter J. Krall (“**Employee**”) and the City of Sparks, a municipal corporation. (“**City**”) as employer.

Employee is affirmed:

The “**Initial Effective Date**” June 11, 2019.

The “**Initial Expiration Date**” is December 31, 2019.

The “**Initial Annual Salary**” shall be \$185,244

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

The “**Position**” to be occupied and performed by the Employee is **Police Chief**.

**II. Recitals.**

A. 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.

B. 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 the job description attached hereto as Exhibit A and incorporated herein, and as may be established and changed from time to time by the City Manager. Employee shall be responsible for overseeing the

actions of all departments, divisions or functions assigned to Employee.

B. 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.

C. 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 or cause, and any revocation of any required license or certificate is grounds for termination for cause.

D. 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 that 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 that 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. Employer agrees to pay that 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 Longevity. 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 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. In November 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.

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



## **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 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 that if either party elects not to renew this agreement, the party is not obligated to give a reason. It is further agreed that 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. General obligations upon termination of agreement. Upon termination of this agreement whether through expiration, non-renewal or early termination (with or without cause) by either party, the parties agree as follows:

1. Duties of Employee. Employee agrees to (i) leave the premises of employer 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 as provided in Paragraph VIII below.

2. Duties of City. The City agrees to (i) pay within two weeks after the expiration of the pay period during which this agreement expired or was terminated, all salary for all work performed as of the date of the termination, such payment to be made (unless otherwise requested) in the same manner as regular salary payments were being made, (ii) pay within two weeks after submitted, all reimbursements or expenses for expenses incurred by Employee prior to notification of termination, and (iii) to pay other remuneration due hereunder, if any, within 30 days after termination, or, if any amounts are in dispute, within 30 days after resolution of the dispute.

D. Damages for failure to renew. Except as provided in subparagraph VI.C. above, and except for the obligation to give 30 days notice of non-renewal, if either party serves notice of non-renewal of this agreement neither party shall be liable to the other for damages.

E. Limitation on retroactive pay or benefits. Notwithstanding any other provision in this agreement to the contract, 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.

F. Non-Renewal Separation Pay. In addition to the above provisions regarding Employee's rights under non-renewal, the City agrees to pay to employee no less than 180 days of base pay and benefits within 30 days of the employment contract expiration.

## VII. Early Termination of Agreement; Obligations on Early Termination.

A. General. The giving of notice of non-renewal shall not be considered as an early termination. Either party may terminate this agreement before the Initial Expiration Date or the expiration of a Contract Year as follows:

B. Early termination without cause. Either party may terminate this agreement without cause upon 30 calendar days notice to the other. Concurrent with or at any time after notice of termination is given by either party, the City may relieve Employee of all or part of the authority and responsibilities of the Position and remove Employee from the City's premises, it being agreed, however, that notwithstanding such relief or removal, the City shall pay Employee all salary and benefits as if Employee were performing duties for 30 calendar days following notice of termination. Employee agrees to remain available for consultation at no charge to the City during the 30 day notice period.

1. Duties and damages upon early termination without cause. In addition to the duties and obligations set forth in subparagraph VI.C. above:

a. If Employee terminates without cause. If Employee terminates this agreement without cause, Employee agrees to remain available for consultation for the remainder of the Contract Year. If City asks for consultation more than five hours in any calendar week, City agrees to pay Employee at an hourly rate determined by dividing the Employee's base annual salary at time of termination by 2,080. City is not otherwise obligated to Employee for damages if Employee terminates this agreement without cause.

b. If City terminates without cause. If City terminates this agreement without cause, it is agreed that the following constitutes all damages and remuneration to which employee is entitled: (i) All salary and benefits due to the employee as of the end of the 30 day notice period provided in subparagraph 7(b) above shall be paid to Employee, (ii) City shall pay to employee a lump sum equal to the monthly salary rate being paid to the Employee as of the date of termination multiplied by the number of months (including fractions) remaining in the Contract Year, and (iii) City shall keep Employee enrolled in the City's health insurance plan at the same level of coverage or to provide equivalent health insurance coverage for the remainder of the Contract Year at no expense to Employee, (iv) City shall pay Employee in a lump sum, all sick leave, administrative leave and annual leave which would accrue to employee for the remainder of the Contract Year, (v) City shall match any employee contributions made to deferred compensation programs before notice of termination, but not afterward. Unless otherwise agreed at the time of termination, no other benefits or remuneration shall be paid to Employee.

C. Termination for cause

1. Either party may terminate this agreement for cause without any notice or liability to the other except as specified below.

2. "Cause" includes, but is not limited to: (i) breach of any provision in this agreement, (ii) violation of any order, directive, policy, rule, or directive issued by Employee's superiors or by the City Manager, (iii) violation of any City of Sparks Resolution, ordinance, (iv) violation of any county, state or federal constitution, charter, ordinance, statute or regulation (except minor traffic or parking violations), (v) 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 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, in the opinion of the City Manager, would tend to derogate public confidence in the government of the City of Sparks should Employee remain in the Position, (vi) incompetence of Employee (including but not limited to failure to keep current in professional skills, education and licensing, failure to observe current professional standards of conduct or care, failure to keep current laws and techniques of performing duties associated with the Position), (vii) 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, failure to observe professional canons or ethics for the profession in which Employee is licensed or engaged), and (viii) breach of the duty or loyalty owed by Employee to the City.

3. Damages for early termination for cause. Except as provided in subparagraph VII.B.1.(a) above, if either party terminates this agreement for cause before the expiration of the Initial Expiration Date or the end of the Contract Year, neither party shall have any obligations or liabilities to the other under this agreement.

**VIII. 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.

**IX. 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.

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, proceedings before the Civil Service Commission, 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 that any provision of this agreement is held to be invalid, the parties agree that 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, (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.

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

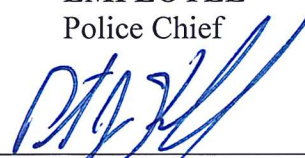
not be binding upon either party except to the extent incorporated in this agreement.

**DATED this 22 day of April 2019 to be effective on the Effective Date specified above.**

**CITY**  
The City of Sparks

**EMPLOYEE**  
Police Chief

\_\_\_\_\_  
Mayor Ronald E. Smith

  
\_\_\_\_\_  
Peter J. Krall

Attest:

\_\_\_\_\_  
Lisa Hunderman, City Clerk

\_\_\_\_\_  
Neil C. Krutz, ICMA-CM  
City Manager

Approved as to Form

\_\_\_\_\_  
City Attorney

