

**AMEMDMENT NO. 2 TO CONTRACT OF EMPLOYMENT OF
SPARKS CITY MANAGER**

WHEREAS, on February 25, 2019, Neil C. Krutz and the City of Sparks entered into an employment contract, engaging Mr. Krutz as the Sparks City Manager; and

WHEREAS, the employment contract calls for City Council to review Mr. Krutz's performance in May of each year; and

WHEREAS, at the time of such annual review, the City Council may provide up to a five (5) percent merit increase in Mr. Krutz's salary; and

WHEREAS, the employment contract allows Mr. Krutz to receive an annual cost of living adjustment (COLA) equal to the amount allowed for in the then-current Management, Professional and Technical Employee Resolution, provided that Mr. Krutz may waive said COLA at his sole discretion; and

WHEREAS, according to the formula set forth in the Management, Professional and Technical Employee Resolution, Mr. Krutz was allowed a COLA of 2.8 percent, effective the first full pay period after July 1, 2020; and

WHEREAS, on May 26, 2020, the City Council conducted its first annual review of Mr. Krutz's performance and commended his leadership, dedication to transparency, and realignment of the City's management structure; and

WHEREAS, due to economic uncertainty resulting from the COVID-19 pandemic, Mr. Krutz requested to forgo the COLA called for in the employment contract, asked the City Council to decline to provide him a merit increase in his salary, requested that his salary be reduced by five (5) percent, and requested that his employment contract be extended for one year through June 30, 2023; and

WHEREAS, the City Council approved an amendment to the employment contract providing for such matters; and

WHEREAS, the City's financial outlook has dramatically improved since May 26, 2020, because revenues have not decreased as was originally anticipated; and

WHEREAS, Mr. Krutz has requested that his full salary that was in effect prior to May 26, 2020, be reinstated, and that City Council approve a five (5) percent merit increase and a 2.8 percent COLA, effective the first full pay period after January 11, 2021;

NOW, THEREFORE, the City of Sparks and Mr. Krutz agree that the employment contract AC-5553, approved by the City Council on February 25, 2019, and first amended on May 26, 2020, shall be further amended as follows:

1. Mr. Krutz's full salary that was in effect prior to May 26, 2020, shall be reinstated.
2. Mr. Krutz shall receive a five (5) percent merit increase.

3. Mr. Krutz shall receive a 2.8 percent COLA.
4. This amendment to the employment contract shall not apply retroactively and shall take effect on the first day of the first full pay period after January 11, 2021.
5. This amendment shall have no effect on any other term of the employment contract or the first amendment thereto except as expressly stated herein.

IN WITNESS WHEREOF, the City of Sparks has caused this Amendment No. 2 to Contract of Employment of Sparks City Manager to be signed and executed on behalf of the City by its Mayor and duly attested by the City Clerk, and Neil C. Krutz has signed and executed this agreement this 11th day of January, 2021.

NEIL C. KRUTZ, ICMA-CM

CITY OF SPARKS

Neil C. Krutz, ICMA-CM
City Manager

Ed Lawson
Mayor

ATTEST:

Lisa Hunderman
City Clerk

APPROVED AS TO FORM:

Chester H. Adams
City Attorney