

CONTRACT OF EMPLOYMENT OF SPARKS CITY MANAGER

THIS AGREEMENT is made and entered into this 22nd day of April, 2024, by and between the **CITY OF SPARKS** (“CITY”), a municipal corporation formed under the laws of the State of Nevada, and Dion Louthan (“MANAGER”), both of whom agree as follows:

WITNESSETH:

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

WHEREAS, Mr. Louthan is an individual who has the education, training and experience in local government management necessary for the position; 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, Mr. Louthan desires to be employed as the City Manager of the CITY; and

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 to perform the functions and duties as follows:

1. Those duties and functions outlined in Section 3.020 of the Sparks City Charter;
2. As the chief executive officer of the CITY, MANGER, shall faithfully perform the duties as prescribed in the job description as set forth in the CITY’s charter and/or ordinances, this Agreement, and as may be lawfully assigned by CITY and shall comply with all lawful governing body directives, state and federal law, CITY policies, rules and ordinances as they exist or may hereafter be amended;
3. The MANAGER shall perform the duties of City Manager with reasonable care, diligence, skill and expertise;
4. All duties assigned to the MANAGER by the governing body shall be appropriate to and consistent with the professional role and responsibility of the MANAGER;
5. The MANAGER cannot be reassigned from the position of City Manager to another position without the MANAGER’s express written consent;
6. Those contained in the Job Description for the position of City Manager Exhibit A attached hereto and incorporated herein; and
7. Duties and functions of the Chief Administrative Officer of Redevelopment Agency.

Section 2. Salary and Bonus Pay

1. CITY agrees to pay MANAGER for his services an annual base salary of \$285,600.00 a year beginning June 3, 2024. City Council may make such adjustment to this salary as agreed to with the MANAGER from time to time and as provided in Section 6 of this Agreement. Upon recommendation of the Mayor and approval of the City Council, CITY agrees to increase MANAGER's annual base salary by up to five percent (5.0%) starting the first full pay period following July 1, 2025.
2. Each year that the MANAGER's annual performance evaluation is satisfactory or better, the CITY, upon approval by the City Council, shall pay MANAGER bonus pay in the amount of FIVE THOUSAND DOLLARS (\$5,000.00). In addition, the City Council may award MANAGER additional bonus pay up to FIVE THOUSAND DOLLARS (\$5,000.00), in City Council's sole discretion. The Parties recognize and agree that bonus pay, if any, is not subject to Nevada Public Employees Retirement System (PERS) contributions or calculations. This bonus pay, if any, shall be payable no later than the final Wednesday of May of each year this contract is in effect.
3. CITY will match One Hundred Percent (100%) of MANAGER's contribution to a deferred compensation program up to the maximum contribution as limited by federal law.
4. CITY will pay One Hundred Percent (100%) of the MANAGER's contribution to the Public Employees Retirement System for the State of Nevada up to the limitations identified in NRS 286.535.
5. MANAGER will have the retirement rights of employees as provided by the Statutes of the State of Nevada.
6. MANAGER shall not have use of City vehicle.
7. Effective the first full pay period after July 1, 2025, CITY agrees to provide MANAGER an annual base salary Cost of Living Adjustment (COLA) equal to the amount allowed for in the then-current "Management, Professional and Technical Employee Resolution." MANAGER retains the right to waive said adjustment at his sole discretion.

Section 3. Benefits

MANAGER shall receive the following benefits:

1. GROUP HEALTH, DENTAL, LIFE, AND LONG-TERM DISABILITY INSURANCE
 - A. ELIGIBILITY: MANAGER is eligible for group health and long-term disability insurance and may, upon the first day of the month following initial employment, enroll in the CITY's group health insurance plan, which includes dental, vision, life insurance, and long-term disability insurance plan, provided such MANAGER is not excluded from enrollment by conditions of the insurance contract.

B. GROUP HEALTH PREMIUM

- i. CITY shall pay the entire premium for group health, dental, vision, and life insurance for MANGER and Spouse and Seventy Five Percent (75%) for the MANAGER's remaining eligible dependents.
- ii. CITY shall pay the premiums for a term life insurance policy in the amount commensurate with the MANAGER base salary, which would include any annual salary increases.
- iii. The CITY shall pay One Hundred Percent (100%) of the total premium for the basic long-term disability plan offered by CITY. Additional premium for any "buy-up" to the plan is the MANAGER's responsibility:

C. Status While on Leave of Absence: MANAGER on Leave of Absence from the CITY may continue to carry the CITY Group Insurance Policy and long-term disability policy by making full premium payments in accordance with applicable federal regulations.

D. Long-Term Disability Insurance Upon Separation from CITY Service: MANAGER who separates from CITY service may be eligible to convert the long-term disability coverage through the insurance company. The MANAGER is responsible for One Hundred Percent (100%) of the premium cost and shall pay the premium directly to the insurance company.

2. HOLIDAYS

MANAGER will receive the following paid legal holidays as follows:

New Year's Day	January 1
M. L. King Jr.'s Birthday	3 rd Monday in January
Washington's Birthday	3 rd Monday in February
Memorial Day	Last Monday in May
Juneteenth	June 19
Independence Day	July 4
Labor Day	1 st Monday in September
Nevada Day	Last Friday in October
Veteran's Day	November 11
Thanksgiving Day	Thanksgiving Day
Day after Thanksgiving	Friday after Thanksgiving Day
Christmas Day	December 25

And any other day that may be declared a holiday by the Mayor of the City of Sparks, the Governor of the State of Nevada, or a national holiday by the President of the United States. Special Holidays granted by the President of the United States for Federal Employees under Executive Order 11582 are not CITY Holidays.

Holidays shall be observed as follows:

- A. If a legal holiday falls on the first day of MANAGER's scheduled day off, the day preceding shall be observed as a holiday.
- B. If a legal holiday falls on the second or succeeding day of consecutive scheduled days off, the next succeeding workday shall be observed as a holiday.

3. ANNUAL LEAVE

- A. Eligibility: For the purpose of determining Annual Leave earned, the term "actual service" shall mean the number of days actually worked on the job; provided, however, that absence from work due to Sick Leave with pay, Annual Leave with pay, Voluntary Unpaid Leave as specified herein, or injury or illness incurred in the CITY service shall be deemed actual service.
- B. Accrual of Annual Leave:
 - i. 40-hour Workweek Annual Leave Accrual Rate at 8.4 hours per pay period:
 - ii. Maximum accumulated: No maximum is established; however, MANAGER is expected to take a least three (3) weeks of annual leave per fiscal year once an initial minimum balance of one hundred sixty (160) hours is achieved.
 - iii. Initial Leave Credit: On the effective date of this Agreement, CITY shall credit MANAGER with forty (40) hours of Annual Leave.
- C. Minimum Annual Leave To be Taken: The minimum Annual Leave time which may be taken at any one time by MANAGER shall be one day (8 hours).
- D. Annual Leave on A Holiday: MANAGER on Annual Leave on a Holiday shall not be charged Annual Leave for that holiday.
- E. Annual Conversion: MANAGER may elect to cash out annual leave up to eighty (80) hours per fiscal year. Annual leave conversion must be taken in forty (40) hour increments. MANAGER must have a minimum of one hundred sixty (160) hours prior to the cash out to use this benefit.

4. SICK LEAVE

- A. Eligibility: For the purpose of determining Sick Leave earned, the term "actual service" shall mean the number of days actually worked on the job; provided, however, that absence from work due to Sick Leave with pay, Annual Leave with pay, Voluntary Unpaid Leave as specified herein, injury or illness incurred in the CITY service, unpaid furlough day, and absence on temporary military duty shall be deemed actual service.
- B. Accrual of Sick Leave: MANAGER shall earn Sick Leave credits at the rate of five (5) hours per bi-weekly period or major fraction thereof, computed on the basis of calendar days of actual service.

- C. Initial Leave Credit: On the effective date of this Agreement, CITY shall credit MANAGER with forty (40) hours of Sick Leave.
- D. Unrestricted Maximum: Unused Sick Leave may accrue to MANAGER's credit without restriction to a maximum amount. Accrual of Sick Leave shall cease after any period of continuous Sick Leave exceeding in duration of six (6) calendar months.
- E. Authorized Use of Sick Leave: Sick Leave, with pay, may be used in the case of a bona fide illness of a MANAGER or a member of the MANAGER's family within the third degree of consanguinity. Sick Leave may also be used for bereavement leave in the event of death of a relative to the third degree of consanguinity and affinity or domestic partner. Sick Leave used for bereavement leave shall be limited to forty (40) hours per incident or as otherwise approved by the Mayor.
- F. Certificate of Illness: Evidence in the form of a physician's certificate or certificate of illness executed by MANAGER and upon the form approved by CITY shall be furnished as proof of adequacy of the reason for the MANAGER's absence during the time when sick leave was requested if requested by the Mayor. Certificates may be required by the Mayor when there is: (a) absence in excess of three (3) days or (b) whenever there is reason to believe that the Sick Leave privilege is being abused.
- G. Forfeiture of Sick Leave: MANAGER shall not be entitled to Sick Leave while absent from duty on account of any of the following:
 - H. Disability arising from any sickness or injury purposely self-inflicted or caused by any of the MANAGER's willful misconduct.
 - I. Disability arising from any conduct which is in violation of federal, state or local statute, written CITY or departmental policy.
 - J. Sickness or disability sustained while on Leave Without Pay.
- K. Advancing Sick Leave: Upon application to the Mayor, MANAGER may be advanced Sick Leave. Advanced Sick Leave will not exceed sixty (60) days and will be subject to the following:
 - i. The request for advancement of Sick Leave will be supported by a medical certificate.
 - ii. All available accumulated Sick Leave, Annual Leave, and Personal Leave will be exhausted before advancement.
 - iii. There is reasonable assurance that MANAGER will return to duty to earn and repay the advance credits. If MANAGER's employment terminates prior to restoring advanced sick leave, any amounts owing will be deducted from the MANAGER's final paycheck.
 - iv. The Mayor will be the final approving authority on such request.

- L. Recovery for Damages: If MANAGER recovers damages for time lost, the MANAGER shall not receive Sick Leave pay under this Article for the same time; or having received sick leave prior to the recovery of damages, MANAGER shall repay the CITY for any amount paid therefore under this Article. MANAGER shall only repay the amount that is commensurate with damages received and will receive Sick Leave pay for any difference between recovered damages for time lost and actual time lost if recovered damages are less than actual time lost.
- M. Minimum Sick Leave to Be Taken: The minimum Sick Leave time which may be taken at any one time shall be one day (8 hours).
- N. Return to Work: MANAGER certified by a physician to be absent from work for a specified period of time due to illness or injury must present a physician's release if MANAGER wishes to return prior to the date originally specified by the physician.

5. SERVICE-CONNECTED DISABILITY LEAVE

If MANAGER is absent due to a service-connected injury, MANAGER shall receive current, full, regular pay of sixty (60) days in a twelve (12) month period, without being charged any Sick and/or Annual Leave. After sixty (60) days, MANAGER shall, by notifying Human Resources in writing, elect one of the following options:

- A. OPTION 1. The MANAGER shall accept as full compensation the amount received from Workers' Compensation.
- B. OPTION 2. The MANAGER shall accept current, full, regular pay and benefits from CITY. The MANAGER shall be charged sick leave until the MANAGER's sick leave balance is zero hours, then MANAGER shall be charged annual leave until the MANAGER's annual leave balance is zero hours. Upon depletion of the sick leave and annual leave hours to a zero balance, MANAGER shall be compensated by OPTION 1.
- C. The MANAGER cannot change from the MANAGER's original elected OPTION for service-connected disability leave.
- D. The following procedures shall be adhered to when MANAGER is compensated by the CITY, within the maximum of sixty (60) days in a twelve (12)-month period and/or MANAGER is compensated under OPTION 2.
 - i. All Workers' Compensation payments will be credited to the CITY.
 - ii. The MANAGER shall be credited for first annual leave, then sick leave hours charged during this disability. The hours charged to and compensated for by Workers' Compensation are multiplied by two thirds (2/3) and credited to the MANAGER.
 - iii. In no event shall MANAGER be allowed to receive the MANAGER's Workers' Compensation payment as well as compensation from the CITY.

6. COURT LEAVE

MANAGER appearing in any court or before the Grand Jury as a party to an action arising out of CITY employment or as a witness to either a civil or criminal case for the purpose of giving testimony as to facts or knowledge received in the course of CITY employment, shall receive full compensation as though actually on the job during such time. MANAGER shall claim any jury, witness or other fee to which MANAGER may be entitled by reason of such appearance and forthwith pay the same over to the Director of Finance to be deposited in the General Fund of the CITY. In all cases, however, MANAGER shall retain mileage allowance. If MANAGER is on duty and witnesses an event not related to the performance of his duty, but as a bystander witness, he will not be compensated for the court appearance. Additionally, MANAGER will not be paid court pay for any court appearance as a witness against the CITY.

MANAGER shall note on his timecard the hours of court leave granted to the MANAGER while absent from the MANAGER's regularly scheduled duties.

7. MILITARY LEAVE

Military leave shall be in compliance with the Uniformed Services Employment & Reemployment Rights Acts of 1994. In the event that MANAGER is absent due to being called into one of the military services of the United States or the State of Nevada for "Summer Camp" duty, the MANAGER may continue to receive a salary and other benefits from the CITY for a period not to exceed (15) fifteen working days.

MANAGER who is authorized military leave is obligated to furnish a statement of gross base military pay for the number of regular workdays for which the MANAGER took military leave. Such statement shall be furnished upon the MANAGER's return from military leave to the Director of Finance.

8. USE OF PAID LEAVE

MANAGER who is absent for a full day is entitled to compensation for Sick Leave, Annual Leave, or other paid leave. MANAGER who is absent for a full day due to illness or annual leave is only entitled to compensation in relation to the amount of accumulated Sick Leave, Annual Leave, or other paid leave.

9. MOVING EXPENSES

CITY agrees to make a one-time payment to MANAGER in the amount of TEN THOUSAND DOLLARS (\$10,000.00) for the purpose of moving and relocation costs, payable with MANAGER's first paycheck from the CITY.

10. PERSONAL LEAVE

MANAGER shall be entitled to eighty (80) hours of Personal Leave each fiscal year, beginning July 1, 2024. Any leave balance remaining as of June 30 shall be forfeited. In addition, upon beginning employment with the CITY, MANAGER shall receive eighty (80) additional hours of Personal Leave, which must be utilized by June 30, 2025.

11. CARRY OVER OF LEAVE

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 and Personal Leave. If qualified, MANAGER may convert unused Sick Leave upon resignation or termination of employment as set forth below:

- A. OPTION 1: Conversion of Accumulated Sick Leave: MANAGER separating from the CITY may elect to convert the percentage set forth below in the table of MANAGER's accumulated unused sick leave to an unfunded CITY account for the purpose of paying for future medical coverage under the CITY's then existing group medical insurance plan or the medical plan offered through the Public Employees Benefit Plan (PEBP), on a monthly basis in accordance with the following table:

<u>Years</u>	<u>Percentage Converted</u>
10	50%
11	60%
12	70%
13	80%
14	90%
15	100%

The account will be assigned a present value as of the date of separation equal to the number of hours of accumulated sick leave times the MANAGER's base hourly rate at the time of separation. Upon MANAGER's retirement in the PERS system and if otherwise qualified CITY will pay the retiree's medical coverage so long as there is a balance of accumulated sick leave adequate to cover the monthly premium. CITY will account for MANAGER's accumulated sick leave and debit said account on a dollar-for-dollar basis.

Upon retirement, if retired MANAGER does not continue medical coverage under the City of Sparks group health policy, retired MANAGER and spouse will not be eligible for the benefits outlined herein. Pursuant to Nevada Revised Statute 287.0205 retired MANAGER or spouse may reinstate coverage in January of any even numbered year as long as the City of Sparks was MANAGER's last Nevada public employer. Upon reinstatement retired MANAGER or spouse will pay in full the current health plan premium.

When retired MANAGER becomes eligible for Medicare coverage or other federal programs, the retired MANAGER will receive Medicare supplemental coverage so long as there is a balance of accumulated sick leave adequate to cover the monthly premium.

A surviving spouse will continue to receive medical coverage under this benefit so long as there is a balance of accumulated sick leave adequate to cover the monthly premium.

This benefit is nontransferable and does not survive the retiree except as to a surviving spouse as described above.

The fund to which the accumulated sick leave is credited does not accrue interest and does not have cash value. CITY pays for the retired MANAGER's medical coverage by debiting the monthly cost of such coverage from the retiree's accumulated sick leave balance and paying the actual cost of such coverage out of the appropriate CITY fund. The retiree may request an annual summary of the sick leave balance.

Eligibility: MANAGER who elects Option 2 set forth below to have sick leave payoff in cash at termination in accordance with Option 2 is not entitled to Option 1. MANAGER electing sick leave conversion to an insurance benefit is not entitled to sick leave payoff in cash.

- B. OPTION 2: Sick Leave Cash-Out Provision: As an alternative to Sick Leave Conversion, MANAGER, upon retirement, may elect a cash out of this benefit as follows:

Years of Service	Cash-Out Percentage
10	50%
15	60%
20	75%
21	80%
22	85%
23	90%
24	95%
25 or more	100%

Retired MANAGER may elect an annual payment of conversion dollars in annual payments that provide equal payout over time.

Maximum annual payment will not exceed twenty-five thousand dollars (\$25,000.00). Once election is made, it may not be changed. Upon death of the retired MANAGER, payments will be made to the retired MANAGER's then living spouse only, and the payments are otherwise nontransferable. If the sick leave payout is nominally over twenty-five thousand dollars (\$25,000.00), at the discretion of the Finance Director, the remaining balance may be paid.

If the account is valued at less than fifteen-thousand dollars (\$15,000.00), and cash-out is elected, the full amount will be paid upon termination of employment. If the sick leave payout is nominally over the fifteen-thousand dollars (\$15,000.00), at the discretion of the Finance Director, the remaining balance may be paid out.

If the retired MANAGER chooses this cash out option, the retired MANAGER is not eligible to continue on the CITY's group health insurance plan for themselves and dependents. However, retired MANAGER may return to the CITY's group health insurance plan pursuant Nevada Revised Statute on any even-numbered year and pay the full cost of coverage and annual cash payments may continue as selected.

If still employed as the MANAGER, and MANAGER suffers a non-service-related death, the MANAGER's beneficiaries or estate shall receive a one-time payment of a percentage of MANAGER's accumulated sick leave in accordance with years of service in the sick leave cash out table in Option 2. At no time, will the onetime payment exceed twenty-five thousand (\$25,000.00) no matter the years of service. After the initial payment, the payments cease. No other benefits are available to MANAGER's beneficiaries or estate from accumulated sick leave.

12. CITY shall 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.
13. 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.
14. 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.
15. CITY will pay all costs of any fidelity or other bonds required of MANAGER by virtue of his employment with CITY.
16. If not otherwise set forth, MANAGER will receive all other benefits of the then-current "Management, Professional and Technical Employee Resolution."

Section 4. Residency

MANAGER has until September 1, 2024, to establish residency within the corporate limits of the City of Sparks, Nevada. The City Council may extend this date if reasonably necessary for MANAGER to establish residency.

Section 5. Contract Term

This Agreement shall commence on June 3, 2024, and shall continue until June 30, 2027, unless otherwise concluded or terminated pursuant to the terms and conditions of this Agreement. Nothing in this Agreement is intended to restrict the parties' rights and abilities to enter into subsequent amendments, including any extensions, to this Agreement.

Section 6. Performance Evaluation and Salary Review; Non-Renewal in Final Year of Term

The Mayor and City Council shall utilize a mutually agreeable third party (or City staff if mutually agreed by the Parties) to facilitate the Mayor's and City Council's annual evaluation of the MANAGER's job performance on or before the last City Council meeting in April of each year throughout the Term of this Agreement, with the first such evaluation to occur on or before the last City Council meeting in April of 2025. The City Council may award bonuses and make such

adjustment to MANAGER's salary, within the limits as determined by the CITY's adopted Classification and Compensation system, as agreed with the MANAGER, or as otherwise stated in this Agreement. At no time shall the Mayor and City Council provide more than a five (5) percent merit increase for the MANAGER.

During this annual review, City Council may take action to establish specific performance criteria to assist with the next annual review of MANAGER. Any specific performance criteria established by City Council shall be applied prospectively only and shall not be applied retroactively to evaluate the past performance of the MANAGER. Upon establishing any specific performance criteria, the City Council may, in its discretion, direct that an additional interim performance evaluation occur within 90 and 180 days from the City Council's annual performance evaluation to evaluate MANAGER's progress on any such specific performance criteria.

If this Agreement is in the final year of the Term, the CITY, by appropriate City Council action at the April performance evaluation, may notify the MANAGER that this Agreement will not be renewed or extended by providing such notice at the final April performance evaluation and providing such notice in writing to MANAGER'S city-issued email address or in person by 5:00 PM (PST) on April 30th in such final year of the Term (may be referred to as "Contract Non-Renewal"). During the period between notice of Contract Non-Renewal and the end of the Term, the Mayor, in their sole discretion, may determine if MANAGER is to maintain regular business hours for CITY, or if MANAGER is to be placed on administrative leave with pay until expiration of the Term. In the event of Contract Non-Renewal, MANAGER shall be entitled to (a) all salary and benefits, as benefits are defined by this Agreement, due and owing associated with the position of MANAGER due at the time of separation; and (b) payment for all unused accrued annual leave and personal leave at the time of separation.

Section 7. Termination

For purposes of interpreting this Agreement, whenever the general term "terminate" or any of its derivative forms is used, such term 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 Dion Louthan as 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.
2. Termination by Death. MANAGER's employment shall terminate automatically on his death. CITY shall pay to MANGER's beneficiaries or estate, as appropriate and as permitted by applicable laws, any compensation then due and owing; however, there shall be no entitlement to severance package benefits. Nothing in this section shall affect any entitlements of MANAGER's heirs to the benefits of any life insurance plan or other applicable benefits.
3. Termination Without Cause. At any time, CITY, by appropriate City Council action, or MANAGER, individually, may terminate MANAGER's employment as City Manager without cause, by providing sixty (60) days advance written notice (may be referred to as "Termination

Without Cause”). During such sixty (60) day period, the Mayor, in their sole discretion, may determine if MANAGER is to maintain regular business hours for CITY or if he should be placed on administrative leave with pay.

4. Termination for Cause. Notwithstanding any other terms and condition of this Agreement, CITY, acting through City Council, may terminate MANAGER’s employment as City Manager for cause. Termination for cause shall follow the processes and procedures required by Nevada law and adopted by the City. For the purposes of this Agreement, “cause” shall mean any of the following with relation to the MANAGER:
 - A. Failure to perform the duties of the Position in a satisfactory manner; neglect of duties, including but not limited to excessive absences or failure to exercise the care and diligence of a reasonably prudent executive responsible for administering public programs and safeguarding public funds;
 - B. Commission of fraud, misappropriation, embezzlement, any act of misappropriation or failure to account for public funds,
 - C. Any act that would tend to diminish public confidence in the government of the CITY should MANAGER remain in the Position, or similar acts of dishonesty, including but not limited to making false statements under oath, on any official report, during any administrative or governmental proceeding, on any employment application or during interviews leading to employment;
 - D. Conviction of any crime involving moral turpitude or violence; conviction of any felony; arrest, indictment, or other charge for a felony under circumstances indicating MANAGER committed a felony without legal justification, regardless of whether MANAGER is convicted of a felony;
 - E. Intentional misconduct that may subject CITY to criminal or civil liability;
 - F. Breach of MANAGER’s duty of loyalty, including the disruption of opportunities properly belonging to CITY;
 - G. Willful disregard of CITY policies and procedures;
 - H. Breach of any of the material terms of this Agreement; or
 - I. Insubordination or deliberate refusal to follow the lawful direction of the City Council.

Upon termination of this Agreement by CITY under this subsection, MANAGER shall be entitled to receive all salary and benefits due and owing under this Agreement as of the termination date.

5. Any termination within ninety (90) days before and ninety (90) days after any municipal general or special election for the selection or recall of one or more members of the Mayor or City Council will be deemed termination without cause; provided, however, that this Section

7(5) shall not apply to any termination for cause related to incidents in which there is probable cause that MANAGER committed criminal act(s).

Section 8. Termination Obligations

Upon termination, for any reason, MANAGER shall be obligated to perform all of the following:

1. Duties of Employee. MANAGER agrees to (i) leave the premises of CITY if requested by the Mayor or the Mayor's designee, (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 MANAGER in connection with MANAGER'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, and (iv) participate in a termination interview with representatives of the CITY, if requested.
2. Cooperate in Pending Work and Litigation. Following any termination of MANAGER's employment, he shall fully cooperate with the CITY in all matters relating to winding down of or transfer of pending work and duties to the successor City Manager. MANAGER shall also cooperate in defense of any litigation or administrative action brought against the CITY that relates in any way to MANAGER's acts or omissions while employed as the City Manager. If after termination MANAGER's cooperation in defense of any such litigation or administrative action requires more than five (5) hours of time, MANAGER shall be paid at an hourly rate of One Hundred Fifty Dollars (\$150.00) for his time and all reasonably associated expenses, provided, however, that if MANAGER is named as a defendant in said litigation or administrative action, MANAGER shall not be entitled to such hourly rate.

Section 9. Severance Payment for Termination Without Cause

If CITY terminates MANAGER's employment without cause, CITY shall pay to MANAGER within two (2) weeks following of the end of the 60-day notice period the following severance package. MANAGER is not entitled to any other remedies, contractual or otherwise, for Termination without Cause:

1. \$300,000.00; and
2. All salary and benefits, as benefits are defined by this Agreement, due and owing associated with the position of MANAGER due at the time of separation; and
3. Payment for all unused accrued annual leave and personal leave.

Section 10. Termination by Manager

If MANAGER terminates this Agreement for any reason, no severance package will be due and owing to MANAGER. MANAGER shall receive payment for unused annual and personal leave and shall have sick leave options outlined in Section 3(K).

Section 11. Ethical Commitments

MANAGER shall comply with all ethical obligations established by Nevada law; the Sparks City Charter; and the ordinances, policies, and regulations of the CITY.

MANAGER shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fund-raising activities for individuals seeking or holding elected office, nor seek or accept any personal enrichment or profit derived from confidential information or misuse of public time.

CITY shall support MANAGER in keeping these commitments by refraining from any order, direction, or request that would require MANAGER to violate any of these ethical commitments. Specifically, neither the Mayor nor City Council, nor any individual member or representative thereof, shall request MANAGER to endorse any candidate, make any financial contribution, sign or circulate any petition, or participate in any fund-raising activity for individuals seeking or holding elected office, nor to handle any matter of personnel on a basis other than fairness, impartiality, and merit.

Section 12. General Provisions

1. The City Council, individually and collectively, shall use their best effort to refer in a timely manner substantive criticisms, complaints and suggestions called to their attention to the MANAGER for study and/or appropriate action.
2. 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.
3. This Agreement contains a completed statement of all 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.
4. This Agreement may not be waived, changed, modified or discharged orally, but only by a written amendment to this Agreement approved by CITY COUNCIL and signed by MAYOR and MANAGER.
5. 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.
6. Failure to declare a breach of the actual waiver or any particular breach of the Agreement or its material or nonmaterial terms by the other party shall not operate as a waiver by such party of any other of its right or remedies as to any other breach.

7. This Agreement shall not be interpreted for or against either party by virtue of who drafted its terms and conditions. Headings utilized in this Agreement are for reference purposes only and shall not be used to interpret the terms and conditions of this Agreement.
8. This Agreement and rights and obligations of the parties shall be governed by and construed according to, the laws of the State of Nevada. The parties consent to the jurisdiction of a court of competent jurisdiction in the County of Washoe, State of Nevada for any claims relating to this Agreement.
9. All notices under this Agreement shall be in writing and shall be sent to the City Clerk of CITY and the address of MANAGER.
10. The parties acknowledge that they have consulted with or have had the opportunity to consult with an independent attorney of their own choice concerning this Agreement and that they have read and understood the Agreement, are fully aware of its legal effect, and have entered into it freely based upon their own judgment and not on any representations or promises other than those contained in this Agreement.

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

Dion Louthan
Dion Louthan, Manager

CITY OF SPARKS

Ed Lawson
Ed Lawson, Mayor

APPROVED AS TO FORM

Wes Duncan
Wes Duncan, City Attorney

ATTEST

Lisa Hunderman
Lisa Hunderman, City Clerk

