

**~~FIRST-SECOND~~ AMENDED AND RESTATED EMPLOYMENT AGREEMENT
(Reno City Manager)**

THIS ~~FIRST-SECOND~~ AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into on August 26th, 2020, by and between the CITY OF RENO, a Nevada municipal corporation (hereinafter "Employer" or "City Council"), and DOUGLAS THORNLEY, (hereinafter "Employee") an individual who has experience in local government management.

RECITALS:

A. **WHEREAS**, Employer and Employee previously entered into that certain Employment Agreement (Reno City Manager) dated August 26, ~~2021~~2020, as subsequently amended and restated (the "Employment Agreement"); and,

~~A. —~~

B. **WHEREAS**, on June 8, 2022, City Council conducted the City Manager's annual performance evaluation~~City Manager Thornley presented a staff report highlighting City accomplishments at his performance evaluation on October 27, 2021;~~ and,

C. **WHEREAS**, after ~~City Manager Thornley received the City Manager's performance evaluation~~performance feedback from Council Members, *inter alia*, it was moved by Mayor Schieve Council Member Reese, seconded by Council Member Reese Weber, to amend the Employment Agreement to include a longevity benefit; specifically, for each full year of service in the City's employ, Employer agrees to pay on Employee's behalf the cost to purchase six (6) months of Nevada PERS credit for service~~to increase his annual compensation;~~ and,

D. **WHEREAS**, the motion carried.

NOW, THEREFORE, for good and valuable consideration, the Parties agree to amend and restate the Employment Agreement as follows:

1. **TERM**

a. Initial term. In compliance with NRS 354.626(2)(e)(24 month maximum term), the first day of Employee's employment under this Agreement shall commence on October 12, 2020 (the "Effective Date") and shall continue until the second year anniversary date of the Effective Date of this Agreement, unless sooner terminated pursuant to Section 7.

b. Automatic extension. On July 1, 2021, the Term of this Agreement shall be extended to June 30, 2023. On July 1st of each year thereafter (i.e., starting in 2022), the Term shall be extended for one (1) additional year, unless either party elects not to extend the Term, and notifies the other party of its election in writing prior to each such anniversary date. In the event the Agreement is not automatically extended, all compensation, benefits and requirements of the Agreement shall remain in effect until the expiration of the Term of the Agreement, unless sooner terminated under the provisions of this Agreement.

c. Acknowledgement. It is acknowledged that the Term has been previously extended to June 30, ~~2023-2024~~ by automatic extension.

2. DUTIES AND AUTHORITY

a. Employee shall ~~be serve as~~ the sole, designated chief executive officer of the City of Reno, and City Council will not employ any other person in a similar position or capacity. Employer agrees to employ Employee as City Manager to perform:

1. the functions and duties specified in Sec. 3.020 of the Reno City Charter;
2. the functions and duties specified in City ordinances, resolutions, rules and policies; and,
3. any other functions and duties as the City Council may determine from time to time, provided such functions and duties are not inconsistent with or in conflict with the provisions of this Agreement, the Reno City Charter or any other applicable law or regulation.

b. To accomplish this, Employee shall have the power and authority to:

1. attend all meetings of the City Council, unless excused by the Mayor, and take part in the discussion of all matters before the City Council;
2. review all agenda documents before preparing the agenda for any regular or special meetings of the City Council;
3. direct the work of all appointive City officers and departments that are the concern and responsibility of the City Council, except the City Attorney and those that are directly appointed by or report directly to the City Council. Employee may undertake any study or investigation that is necessary or desirable, or as directed by the City Council. Employee shall endeavor to implement changes that Employee believes will result in greater efficiency, economy, or improved public service in the administration of City affairs;
4. recommend to the City Council adoption of such measures as Employee may deem necessary or expedient for the health, safety, or welfare of the community or for the improvement of administrative services;
5. consolidate or combine offices, positions, departments, or units under Employee's jurisdiction and control;
6. conduct research in administrative practices in order to bring about greater efficiency and economy in City government and develop and recommend to the City Council long-range plans to improve City operations and prepare for future City growth and development;
7. provide management training and develop leadership qualities among department heads and staff as necessary to build a City management team that can plan for

and meet future challenges; and

8. exercise control of City government in emergencies as authorized by the Reno City Charter, municipal code, and Nevada law.

c. The City Council further commits as follows:

1. The City Council sets policy for the governance and administration of the City, and it implements its policies through Employee.

2. Except for the purpose of inquiry, the City Council and its members shall deal with all subordinate City employees, officers, contractors, and consultants solely through Employee or Employee's designee, and neither the City Council nor any member thereof shall give orders to any subordinate of Employee, either publicly or privately.

3. The City Council agrees none of its individual members will order the appointment or removal of any person to any office or employment under the supervision and control of Employee.

4. Neither the City Council nor any of its members shall interfere with the execution of the powers and duties of Employee. Employee shall take orders and instructions from the City Council only when it is sitting as a body in a lawfully held meeting.

d. Employee agrees to adhere to the professional standards of conduct as prescribed by the International City/County Management Association ("ICMA"). See, Exhibit A. The City Council agrees that neither it, nor any of its members will give Employee any order, direction, or request that would require Employee to violate the ICMA Code of Ethics.

3. COMPENSATION

Employer agrees to pay Employee an annual base salary of THREE HUNDRED FORTY NINE THOUSAND TWO HUNDRED AND FIFTY DOLLARS AND NO CENTS (\$349,250.00), payable in installments at the same time that the ~~other~~ management level employees of the Employer are paid.

4. BENEFITS

a. *Management benefits.* Except as provided otherwise herein, Employee shall receive benefits associated with a management level position of the City of Reno, as may be modified by City Council from time to time, including but not limited to sick leave, vacation leave, medical benefits, dental benefits, disability and life insurance benefits, retirement benefits, and ability to participate in the deferred compensation program and related matching contributions. Employee is subject to applicable City ordinances, resolutions, rules and policies pertaining to accrual and use of sick and vacation leave by management level employees as the same currently exist and may hereafter be modified.

b. *Automobile allowance.* Employee shall receive an automobile allowance in the

amount of \$500 per month while holding the office of City Manager.

c. *Initial leave credit.* On the Effective Date of this Agreement, Employer shall credit Employee with forty (40) hours of vacation leave and forty (40) hours of sick leave. It is acknowledged that Employee received initial leave credit from Employer.

e.d. *Longevity benefit.* Commencing on July 1, 2021, for each full year of service in the City's employ thereafter, Employer agrees to pay on Employee's behalf the cost to purchase six (6) months of Nevada PERS credit for service pursuant to NRS 286.3005.

5. GENERAL BUSINESS EXPENSES

a. Employer shall reimburse Employee for actual and necessary expenses incurred within the scope of employment in accordance with applicable City reimbursement policies and procedures.

b. Employer agrees to budget and pay for travel and subsistence expenses of Employee for official travel and meetings adequate to pursue necessary official functions for the Employer.

c. Employer agrees to provide Employee with a credit card for business expenses which are non-personal and job related.

d. Employer agrees to issue Employee a cell phone to conduct official City business, and Employee agrees to use the City issued cell phone exclusively to conduct official City business. Employee shall not use her personal cell phone, email or other electronic transmission device to conduct official City business. Employee agrees to comply with City policies and procedures regarding mobile data security and records retention.

e. Employee's annual budget for professional development shall be included in City's adopted annual budget. Employee shall endeavor to obtain ICMA city manager accreditation. Employer shall pay for or reimburse Employee for professional development expenses actually incurred, including related accreditation, subsistence, and travel expenses.

6. PERFORMANCE EVALUATION AND SALARY REVIEW

The Employee's annual performance review will be held in the last quarter of each fiscal year, or more often as directed by the Employer. It shall be Employee's responsibility to schedule evaluations. Failure to evaluate shall have no effect on the rights, duties, and obligations of the parties herein. Except as otherwise directed by Employer, any modifications of salary, bonus, or other related matters will be included in the next fiscal year's budget.

The City Council and Employee shall jointly define goals and performance objectives which they deem necessary for proper operation of the City in the attainment of the City Council's policy objectives and shall establish the relative priority among the various goals and objectives.

7. TERMINATION AND SEVERANCE.

a. *Termination for convenience.* Employee agrees that the City Council may

terminate this Agreement for convenience by providing at least sixty (60) days written notice to Employee. In the event of termination for convenience, Employee shall be entitled to payment equal to five (5) months' salary (collectively "Severance Compensation").

b. *Charter change.* If the Employer, citizens or the legislature acts to amend any provisions of the charter pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially changes the form of government, Employee shall have the right to declare that such amendments constitute termination. Employee shall be entitled to Severance Compensation as specified in Section 7(a).

c. *Reduction in salary or benefits.* If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, the Employee may declare that such action constitutes a breach of this Agreement and will be regarded as a termination. Employee shall be entitled to Severance Compensation as specified in Section 7(a).

d. *Removal.* The City Council may terminate this Agreement by removing Employee from office in accordance with the procedure contained in Sec. 3.030 of the Reno City Charter. Causes for removal include, without limitation: (a) refusal of Employee to follow the lawful direction of the City Council; (b) failure of Employee to substantially perform any of the required duties of the City Manager; (c) repeated unexcused absences by Employee; (d) material violation(s) of City policy(ies) by Employee; (e) Employee's conviction of a felony or misdemeanor crime involving acts of moral turpitude; (f) use or possession of illegal drugs by Employee; (g) violation(s) of the Code of Ethical Standards set forth in NRS Chapter 281A or Reno Municipal Code, Chapter 2.20 "Code of Ethics for Public Officials"; or (h) breach of this Agreement. If Employee is removed from office, Employee shall not be entitled to Severance Compensation.

e. *Severance Compensation.* Severance Compensation, if applicable, shall be paid in one lump sum and in the same manner as the customary payout of earned salary.

f. *Leave.* Notwithstanding any other provision in this Agreement to the contrary, if this Agreement is terminated for any reason, Employee shall be entitled to a payout of all earned, but unused, vacation leave.

8. TERMINATION OBLIGATIONS

a. Employee will return to Employer all of the Employer's property in Employee's possession relating to her employment with the Employer.

b. Employee will cooperate fully with the Employer in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action that has been or may be filed. This provision survives termination of this Agreement for any reason.

c. Employer shall defend and indemnify Employee in any civil action brought against

Employee based on any alleged act or omission relating to the Employee's public duties or employment in accordance with NRS 41.03375 to NRS 41.03473, inclusive (Legal Representation). This provision survives termination of this Agreement for any reason.

9. RESIGNATION

In the event that the Employee voluntarily resigns his/her position with the Employer, the Employee shall provide a minimum of sixty (60) days' notice unless the parties agree otherwise. In the event of resignation, Employee shall not be entitled to severance compensation.

10. HOURS OF WORK

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

11. PROFESSIONAL MEETINGS.

Employee is expected to attend appropriate professional meetings and conferences at local, state and national levels, and to periodically report to the City Council regarding meetings attended. Employee's annual budget for such memberships and conferences shall be included in City's adopted annual budget. City will pay Employee's annual membership fees for appropriate professional organizations, including without limitation, ICMA.

12. NOTICES.

All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered hand delivery, by facsimile, by regular or certified mail, postage prepared on the date posted and addressed to the other party as set forth in this paragraph, or at such other address as the parties may in writing designate:

City of Reno:

Attn: Mayor
P.O. Box 1900
Reno, NV 89505
schieveh@reno.gov

Employee:

Douglas Thornley
1040 Skyline Blvd.
Reno, NV 89509

With Copy to:
Reno City Attorney
P.O. Box 1900
Reno, NV 89505
hallk@reno.gov

13. GENERAL PROVISIONS

a. *Entire Agreement and Modification.* This Agreement constitutes the entire agreement of the parties and such is intended as a complete and exclusive statement of the

promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. No modification or amendment to this Agreement shall be binding upon the parties unless it is in writing and signed by the parties. All forms of modification or amendment to this Agreement will be approved by Employer in a noticed public meeting.

b. *Waiver of Breach.* 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 rights or remedies as to any other breach.

c. *Severability and Enforcement.* If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.

d. *Interpretation.* This Agreement shall be interpreted in accordance with the laws of the State of Nevada and 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.

e. *Governing Law and Jurisdiction.* This Agreement and the 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.

f. *Signatures.* This Agreement may be executed in separate counterparts, which may be combined to create a fully executed document. In addition, a facsimile or electronic signature on this Agreement shall be treated for all purposes as an original signature.

g. *Acknowledgement of Parties.* 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.

[Signature page following.]

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first hereinabove written.

CITY/EMPLOYER:

EMPLOYEE:

Hillary Schieve, Mayor

Douglas Thornley

CITY CLERK:

Mikki Huntsman, City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney's Office

EXHIBIT A