

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

THIS FIRST 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 entered into that certain Employment Agreement (Reno City Manager) dated August 26, 2021 (the "Employment Agreement"); and,

B. **WHEREAS**, 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 performance feedback from Council Members, it was moved by Mayor Schieve, seconded by Council Member Reese, to amend the Employment Agreement 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 by automatic extension.

2. **DUTIES AND AUTHORITY**

a. Employee shall be the chief executive officer of the City of Reno. 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.

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.

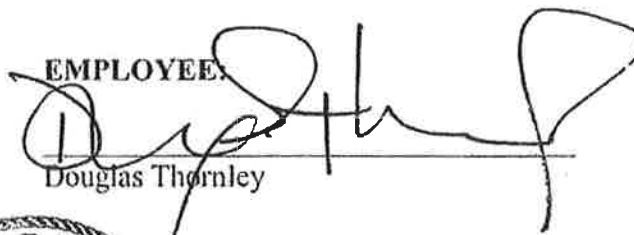
g. *Acknowledgement of Parties.* The parties acknowledge that they have consulted with or have had the opportunity to consult with an independent attorney of their own choice concerning this Agreement and that they have read and understood the Agreement, are fully aware of its legal effect, and have entered into it freely based upon their own judgment and not on any representations or promises other than those contained in this Agreement.

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


CITY/EMPLOYER:


Hillary Schieve, Mayor

EMPLOYEE:


Douglas Thornley

CITY CLERK:


Mikki Huntsman, City Clerk



APPROVED AS TO LEGAL FORM:


City Attorney's Office

EXHIBIT A



ICMA Code of Ethics with Guidelines

The ICMA Code of Ethics was adopted by the ICMA membership in 1924, and most recently amended by the membership in June 2020. The Guidelines for the Code were adopted by the ICMA Executive Board in 1972, and most recently revised in June 2020.

The mission of ICMA is to advance professional local government through leadership, management, innovation, and ethics. To further this mission, certain principles, as enforced by the Rules of Procedure, shall govern the conduct of every member of ICMA, who shall:

Tenet 1. We believe professional management is essential to efficient and democratic local government by elected officials.

Tenet 2. Affirm the dignity and worth of local government services and maintain a deep sense of social responsibility as a trusted public servant.

GUIDELINE

Advice to Officials of Other Local Governments. When members advise and respond to inquiries from elected or appointed officials of other local governments, they should inform the administrators of those communities in order to uphold local government professionalism.

Tenet 3. Demonstrate by word and action the highest standards of ethical conduct and integrity in all public, professional, and personal relationships in order that the member may merit the trust and respect of the elected and appointed officials, employees, and the public.

GUIDELINES

Public Confidence. Members should conduct themselves so as to maintain public confidence in their position and profession, the integrity of their local government, and in their responsibility to uphold the public trust.

Length of Service. For chief administrative/executive officers appointed by a governing body or elected official, a minimum of two years is considered necessary to render a professional service to the local government. In limited circumstances, it may be in the best interests of the local government and the member to separate before serving two years. Some examples include refusal of the appointing authority to honor commitments concerning conditions of employment, a vote of no confidence in the member, or significant personal issues. It is the responsibility of an applicant for a position to understand conditions of employment, including expectations of service. Not understanding the terms of employment prior to accepting does not justify

premature separation. For all members a short tenure should be the exception rather than a recurring experience, and members are expected to honor all conditions of employment with the organization.

Appointment Commitment. Members who accept an appointment to a position should report to that position. This does not preclude the possibility of a member considering several offers or seeking several positions at the same time. However, once a member has accepted a formal offer of employment, that commitment is considered binding unless the employer makes fundamental changes in the negotiated terms of employment.

Credentials. A member's resume for employment or application for ICMA's Voluntary Credentialing Program shall completely and accurately reflect the member's education, work experience, and personal history. Omissions and inaccuracies must be avoided.

Professional Respect. Members seeking a position should show professional respect for persons formerly holding the position, successors holding the position, or for others who might be applying for the same position. Professional respect does not preclude honest differences of opinion; it does preclude attacking a person's motives or integrity.

Reporting Ethics Violations. When becoming aware of a possible violation of the ICMA Code of Ethics, members are encouraged to report possible violations to ICMA. In reporting the possible violation, members may choose to go on record as the complainant or report the matter on a confidential basis.

Confidentiality. Members shall not discuss or divulge information with anyone about pending or completed ethics cases, except as specifically authorized by the Rules of Procedure for Enforcement of the Code of Ethics.

Seeking Employment. Members should not seek employment for a position that has an incumbent who has not announced his or her separation or been officially informed by the appointive entity that his or her services are to be terminated. Members should not initiate contact with representatives of the appointive entity. Members contacted by representatives of the appointive entity body regarding prospective interest in the position should decline to have a conversation until the incumbent's separation from employment is publicly known.

Relationships in the Workplace. Members should not engage in an intimate or romantic relationship with any elected official or board appointee, employee they report to, one they appoint and/or supervise, either directly or indirectly, within the organization.

This guideline does not restrict personal friendships, professional mentoring, or social interactions with employees, elected officials and Board appointees.

Influence. Members should conduct their professional and personal affairs in a manner that demonstrates that they cannot be improperly influenced in the performance of their official duties.

Conflicting Roles. Members who serve multiple roles – either within the local government organization or externally – should avoid participating in matters that create either a conflict of interest or the perception of one. They should disclose any potential conflict to the governing body so that it can be managed appropriately.

Conduct Unbecoming. Members should treat people fairly, with dignity and respect and should not engage in, or condone bullying behavior, harassment, sexual harassment or discrimination on the basis of race, religion, national origin, age, disability, gender, gender identity, or sexual orientation.

Tenet 4. Serve the best interests of the people.

GUIDELINES

Impacts of Decisions. Members should inform their governing body of the anticipated effects of a decision on people in their jurisdictions, especially if specific groups may be disproportionately harmed or helped.

Inclusion. To ensure that all the people within their jurisdiction have the ability to actively engage with their local government, members should strive to eliminate barriers to public involvement in decisions, programs, and services.

Tenet 5. Submit policy proposals to elected officials; provide them with facts, and technical and professional advice about policy options; and collaborate with them in setting goals for the community and organization.

Tenet 6. Recognize that elected representatives are accountable to their community for the decisions they make; members are responsible for implementing those decisions.

Tenet 7. Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.

GUIDELINES

Elections of the Governing Body. Members should maintain a reputation for serving equally and impartially all members of the governing body of the local government they serve, regardless of party. To this end, they should not participate in an election campaign on behalf of or in opposition to candidates for the governing body.

Elections of Elected Executives. Members shall not participate in the election campaign of any candidate for mayor or elected county executive.

Running for Office. Members shall not run for elected office or become involved in political activities related to running for elected office, or accept appointment to an elected office. They shall not seek political endorsements, financial contributions or engage in other campaign activities.

Elections. Members share with their fellow citizens the right and responsibility to vote. However, in order not to impair their effectiveness on behalf of the local governments they serve, they shall not participate in political activities to support the candidacy of individuals running for any city, county, special district, school, state or federal offices. Specifically, they shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fund-raising activities for individuals seeking or holding elected office.

Elections relating to the Form of Government. Members may assist in preparing and presenting materials that explain the form of government to the public prior to a form of government election. If assistance is required by another community, members may respond.

Presentation of Issues. Members may assist their governing body in the presentation of issues involved in referenda such as bond issues, annexations, and other matters that affect the government entity's operations and/or fiscal capacity.

Personal Advocacy of Issues. Members share with their fellow citizens the right and responsibility to voice their opinion on public issues. Members may advocate for issues of personal interest only when doing so does not conflict with the performance of their official duties.

Tenet 8. Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.

GUIDELINES

Self-Assessment. Each member should assess his or her professional skills and abilities on a periodic basis.

Professional Development. Each member should commit at least 40 hours per year to professional development activities that are based on the practices identified by the members of ICMA.

Tenet 9. Keep the community informed on local government affairs; encourage communication between the citizens and all local government officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.

Tenet 10. Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.

GUIDELINE

Information Sharing. The member should openly share information with the governing body while diligently carrying out the member's responsibilities as set forth in the charter or enabling legislation.

Tenet 11. Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's decisions, pertaining to appointments, pay adjustments, promotions, and discipline.

GUIDELINE

Equal Opportunity. All decisions pertaining to appointments, pay adjustments, promotions, and discipline should prohibit discrimination because of race, color, religion, sex, national origin, sexual orientation, political affiliation, disability, age, or marital status.

It should be the members' personal and professional responsibility to actively recruit and hire a diverse staff throughout their organizations.

Tenet 12. Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.

GUIDELINES

Gifts. Members shall not directly or indirectly solicit, accept or receive any gift if it could reasonably be perceived or inferred that the gift was intended to influence them in the performance of their official duties; or if the gift was intended to serve as a reward for any official action on their part.

The term "Gift" includes but is not limited to services, travel, meals, gift cards, tickets, or other entertainment or hospitality. Gifts of money or loans from persons other than the local government jurisdiction pursuant to normal employment practices are not acceptable.

Members should not accept any gift that could undermine public confidence. De minimus gifts may be accepted in circumstances that support the execution of the member's official duties or serve a legitimate public purpose. In those cases, the member should determine a modest maximum dollar value based on guidance from the governing body or any applicable state or local law.

The guideline is not intended to apply to normal social practices, not associated with the member's official duties, where gifts are exchanged among friends, associates and relatives.

Investments in Conflict with Official Duties. Members should refrain from any investment activity which would compromise the impartial and objective performance of their duties. Members should not invest or hold any investment, directly or indirectly, in any financial business, commercial, or other private transaction that creates a conflict of interest, in fact or appearance, with their official duties.

In the case of real estate, the use of confidential information and knowledge to further a member's personal interest is not permitted. Purchases and sales which might be interpreted as speculation for quick profit should be avoided (see the guideline on "Confidential Information"). Because personal investments may appear to influence official actions and decisions, or create the appearance of impropriety, members should disclose or dispose of such investments prior to accepting a position in a local government. Should the conflict of interest arise during employment, the member should make full disclosure and/or recuse themselves prior to any official action by the governing body that may affect such investments.

This guideline is not intended to prohibit a member from having or acquiring an interest in or deriving a benefit from any investment when the interest or benefit is due to ownership by the member or the member's family of a de minimus percentage of a corporation traded on a recognized stock exchange even though the corporation or its subsidiaries may do business with the local government.

Personal Relationships. In any instance where there is a conflict of interest, appearance of a conflict of interest, or personal financial gain of a member by virtue of a relationship with any individual, spouse/partner, group, agency, vendor or other entity, the member shall disclose the relationship to the organization. For example, if the member has a relative that works for a developer doing business with the local government, that fact should be disclosed.

Confidential Information. Members shall not disclose to others, or use to advance their personal interest, intellectual property, confidential information, or information that is not yet public knowledge, that has been acquired by them in the course of their official duties.

Information that may be in the public domain or accessible by means of an open records request, is not confidential.

Private Employment. Members should not engage in, solicit, negotiate for, or promise to accept private employment, nor should they render services for private interests or conduct a private business when such employment, service, or business creates a conflict with or impairs the proper discharge of their official duties.

Teaching, lecturing, writing, or consulting are typical activities that may not involve conflict of interest, or impair the proper discharge of their official duties. Prior notification of the appointing authority is appropriate in all cases of outside employment.

Representation. Members should not represent any outside interest before any agency, whether public or private, except with the authorization of or at the direction of the appointing authority they serve.

Endorsements. Members should not endorse commercial products or services by agreeing to use their photograph, endorsement, or quotation in paid or other commercial advertisements,

marketing materials, social media, or other documents, whether the member is compensated or not for the member's support. Members may, however, provide verbal professional references as part of the due diligence phase of competitive process or in response to a direct inquiry.

Members may agree to endorse the following, provided they do not receive any compensation: (1) books or other publications; (2) professional development or educational services provided by nonprofit membership organizations or recognized educational institutions; (3) products and/or services in which the local government has a direct economic interest.

Members' observations, opinions, and analyses of commercial products used or tested by their local governments are appropriate and useful to the profession when included as part of professional articles and reports.

