

EMPLOYMENT AGREEMENT

CITY OF SPARKS COMMUNITY SERVICES DIRECTOR

THIS AGREEMENT is made and entered into this 28th day of April, 2025, by and between the **CITY OF SPARKS** (“CITY”), a municipal corporation formed under the laws of the State of Nevada, and **James Rundle** (“EMPLOYEE”), both of whom agree as follows:

W I T N E S S E T H

WHEREAS, CITY employs a City Manager, who is empowered to appoint certain employees of the CITY pursuant to Section 1.080 of the CITY’s Charter;

WHEREAS, the Sparks City Council is empowered to approve contracts between the CITY and other persons;

WHEREAS, the City Manager has appointed EMPLOYEE to the position of Community Services Director;

WHEREAS, based upon the City Manager’s appointment, CITY desires to retain the services of EMPLOYEE as Community Services Director for the City of Sparks;

WHEREAS, EMPLOYEE is an individual who has the education, training, and experience in the field and position to which EMPLOYEE has been appointed;

WHEREAS, it is the desire of the CITY to provide certain benefits, establish certain conditions of employment, and set working conditions of EMPLOYEE; and

WHEREAS, EMPLOYEE desires to be employed as Community Services Director of the CITY;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the EMPLOYEE and CITY agree as follows:

Section 1. Duties

CITY agrees to employ EMPLOYEE as the CITY’s Community Services Director (“Position”) to perform the functions and duties described in the Job Description, attached hereto and incorporated herein as Exhibit A. Nothing in this Agreement shall restrict the City Manager’s right to assign and allocate responsibilities or job duties to EMPLOYEE or reclassify the Position. Nothing in this Agreement shall limit or restrict the City Manager’s right to demote or discipline EMPLOYEE or decrease EMPLOYEE’s salary as provided in this Agreement or in the City Administrative Rules.

Section 2. Base Salary

CITY agrees to pay EMPLOYEE for services described in Section 1 above, and other duties as assigned, an annual base salary of \$209,518.40 per year beginning May 5, 2025, payable

biweekly. Each two (2) week period shall constitute a pay period. The pay period shall commence on Monday at 12:00 a.m. and end on Sunday at 11:59 p.m. the dates of payment shall be established by the CITY.

EMPLOYEE's base salary shall be subject to general wage increases, labor market adjustments, and all similar scheduled pay adjustments provided by the then-current Management, Professional and Technical Employees Resolution, Section 2, Article A: Pay Rates.

If the Position is reclassified to a higher pay range within the CITY's adopted classification and compensation system, EMPLOYEE shall be placed into the new pay range with a minimum five percent (5.0%) increase in base salary. Under no circumstances, however, shall EMPLOYEE be paid more than the top of the salary range for the Position. If the Position is reclassified to a lower pay range, EMPLOYEE shall be placed into the new pay range at the same pay rate at which EMPLOYEE is then serving, or the top of the new range, whichever is less.

Section 3. Other Pay and Benefits

In addition to the base salary and any adjustments or merit increases described in Section 2 and Section 5, EMPLOYEE shall receive the following benefits:

- A. CITY will pay EMPLOYEE a performance incentive in any amount up to \$10,000 based on the performance of the EMPLOYEE, at the sole discretion of the City Manager or designee. This performance incentive, if any, shall be payable on or before June 30 of each year.
- B. CITY will match One Hundred Percent (100%) of EMPLOYEE's contribution to a CITY-approved deferred compensation program to the extent permitted by law.
- C. CITY will pay One Hundred Percent (100%) of EMPLOYEE's contribution to the Public Employment Retirement System for the State of Nevada.
- D. Group Health, Dental, Life, and Long-Term Disability Insurance
 - 1. ELIGIBILITY: EMPLOYEE is eligible for group health (medical, dental, vision, pharmacy, and life) insurance and long-term disability insurance and may, on the first of the month following CITY employment, be eligible to enroll in the CITY's group health insurance plan and long-term disability insurance plan, provided EMPLOYEE is not excluded from enrollment by conditions of the Group Health Plan Document.
 - 2. Insurance Premium
 - i. CITY shall pay the entire premium for group health, dental, vision, and life insurance for EMPLOYEE and SPOUSE and seventy-five percent (75%) of the premium for the EMPLOYEE's eligible dependents enrolled in the CITY's plan. EMPLOYEE shall pay twenty-five percent (25%) of the premium for EMPLOYEE's eligible dependents.

- ii. 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 EMPLOYEE’s sole responsibility.
 - 3. Status While on Leave of Absence: EMPLOYEE on leave of absence from the CITY may continue to carry CITY group insurance policy and long-term disability policy by making full premium payments in accordance with applicable law.
 - 4. Long-Term Disability Insurance Upon Separation from CITY Service: EMPLOYEE who separates from CITY service may be eligible to convert the long-term disability coverage through the insurance company. EMPLOYEE is responsible for One Hundred Percent (100%) of the premium cost and shall pay the premium directly to the insurance company.
- E. Holidays: EMPLOYEE shall receive paid holidays in accordance with the then-current Management, Professional and Technical Resolution.
- F. Annual Leave
- 1. EMPLOYEE shall accrue 8.4 hours of annual leave per biweekly pay period.
 - 2. The maximum hours to be accumulated are five hundred sixty (560) hours. City Manager approval is required for all annual leave requests in excess of three (3) consecutive weeks.
 - 3. The minimum annual leave time that may be taken by EMPLOYEE at any one time is one (1) working day. All annual leave shall be taken at such times as may be approved by the City Manager.
 - 4. EMPLOYEE shall not be charged annual leave for a legal holiday described in this Agreement.
 - 5. EMPLOYEE may elect to cash out up to one hundred twenty (120) hours of annual leave per fiscal year. Annual leave conversion must be taken in forty (40) hour increments. EMPLOYEE must have a minimum of one hundred sixty (160) hours prior to the cash out to use this benefit.
 - 6. If EMPLOYEE is approaching resignation or retirement, EMPLOYEE may use accrued annual leave prior to the effective date of EMPLOYEE’s resignation or retirement. In lieu of using such annual leave, EMPLOYEE may receive a lump sum payment for accrued but unused annual leave. The maximum hours to be accumulated are five hundred sixty (560) hours. Subject to all the provisions of this Agreement, EMPLOYEE may use a portion of accrued annual leave and may receive a lump sum payment for the remainder of accrued annual leave.

G. Sick Leave

1. For the purposes of determining eligibility for Sick Leave allowance, the term “continuous service” shall be that service commencing with employment with the CITY and continuing until termination.
2. 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.
3. EMPLOYEE shall earn Sick Leave at the rate of five (5) hours per bi-weekly pay period or major fraction thereof, computed on the basis of calendar days of actual service.
4. Unused Sick Leave may accrue to EMPLOYEE’s credit without restriction to a maximum amount.
5. Accrual of Sick Leave shall cease after any period of continuous Sick Leave exceeding six (6) calendar months in duration.
6. Sick Leave with pay may be used in the case of a bona fide illness of EMPLOYEE or a member of the EMPLOYEE’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 within 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 City Manager.
7. Evidence in the form of a physician’s certificate or certificate of illness executed by EMPLOYEE and upon the form approved by CITY shall be furnished as proof of adequacy of the reason for the EMPLOYEE’s absence during the time when sick leave was requested if requested by the City Manager. Certificates may be required by the City Manager when there is: (a) absence in excess of three (3) days, or (b) reason to believe that the Sick Leave privilege is being abused.
8. EMPLOYEE shall not be entitled to Sick Leave while absent from duty on account of any of the following:
 - i. Disability arising from any conduct which is in violation of federal, state, or local statute or written CITY or departmental policy.
 - ii. Sickness or disability sustained while on Leave Without Pay.
9. Minimum Sick Leave to Be Taken: The minimum Sick Leave time that EMPLOYEE may take at any one time shall be one (1) working day.

10. Return to Work: EMPLOYEE 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 EMPLOYEE wishes to return to work prior to the date originally specified by the physician.
 11. If EMPLOYEE accrues more than four hundred (400) hours of sick leave, EMPLOYEE may cash in any portion of the sick leave balance over four hundred (400) hours once each fiscal year and shall receive a lump sum payment valued at twenty percent (20%) of the cashed-in balance paid at EMPLOYEE's base salary as of the first full pay period following July 1. EMPLOYEE must have at least four hundred (400) hours of sick leave remaining after using this cash-in benefit. A maximum of four hundred (400) hours of sick leave may be cashed-in during any fiscal year. To use this benefit, EMPLOYEE must submit a request in writing to CITY's Payroll division no later than June 1. Payment under this provision will be made to EMPLOYEE with the second paycheck in July.
- H. Personal Leave: EMPLOYEE shall be entitled to forty (40) hours of Personal Leave each fiscal year. Any personal leave balance remaining as of June 30 shall be forfeited. Upon initiation of this contract Employee shall receive 40 hours of Personal Leave to be used by June 30, 2025.
- I. Accrued Leave at End of Employment: Upon EMPLOYEE's resignation or termination of employment, regardless of the method of termination as defined in Section 6, EMPLOYEE will be entitled to full compensation for the accrued unused Annual Leave and Personal Leave. Upon EMPLOYEE's resignation or termination of employment, EMPLOYEE understands the attendant tax consequences and elects to convert accumulated sick leave, provided minimum years of service and other eligibility requirements are met, pursuant to the then-current Management, Professional and Technical Employees Resolution Section 3, Article B: Health Insurance upon Retirement.

Section 4. Contract Term

This Agreement shall commence on May 5, 2025, and shall continue unless or until otherwise amended, 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 to this Agreement.

Section 5. Performance Evaluation and Salary Review

- A. The City Manager or designee shall review and evaluate the EMPLOYEE's performance annually, to be completed on or before May 30, 2026. The City Manager or designee may adjust EMPLOYEE's salary within the limits of the CITY's adopted Classification and Compensation System and as stated in this Agreement as the City Manager or designee deems appropriate based on EMPLOYEE's performance.
- B. During this annual review, the City Manager or designee may establish specific performance criteria to assist with the next annual review of EMPLOYEE. Any specific performance criteria established by the City Manager or designee shall be applied

prospectively only and shall not be applied retroactively to evaluate the performance of the EMPLOYEE.

- C. In addition to the annual performance appraisal provided for by this Section, the City Manager or designee shall use best efforts to provide to EMPLOYEE, in a timely manner, substantive criticisms, complaints, and suggestions for study and/or appropriate action by EMPLOYEE.
- D. During the annual performance evaluation process or at such other time as is appropriate based on the circumstances and this Agreement, the City Manager may, upon finding that EMPLOYEE has failed to maintain the standard of work required, reduce EMPLOYEE's base salary within the limits of the CITY's adopted Classification and Compensation System as the City Manager deems appropriate. If EMPLOYEE's base salary has been reduced pursuant to this subsection, the City Manager shall review EMPLOYEE's performance within three (3) months of said reduction, and every three (3) months thereafter until EMPLOYEE's standard of work improves to a satisfactory level. During these subsequent reviews, upon finding that EMPLOYEE's standard of work has improved to a satisfactory level, the City Manager shall return EMPLOYEE's base salary to its pre-reduction amount.

Section 6. 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 EMPLOYEE may be terminated by any of the following methods:

- A. Mutual Agreement. EMPLOYEE's employment in the service of the CITY may be terminated by written mutual agreement executed by both parties.
- B. Termination Without Cause. This Agreement may be terminated for any legal reason whatsoever and/or for no reason at all, in the sole, absolute, and unreviewable discretion of the City Manager, upon written notice by City Manager to EMPLOYEE. CITY may terminate EMPLOYEE's employment without cause by providing one hundred twenty (120) days' advance written notice to EMPLOYEE. During such one hundred twenty (120) day period, the City Manager, in his/her sole discretion, may determine if EMPLOYEE is to maintain regular business hours for CITY or if EMPLOYEE should be placed on administrative leave with pay. Any termination of EMPLOYEE occurring within six (6) months of CITY's employment of a new City Manager shall be presumed without cause unless such termination is for cause as provided in this Agreement.
- C. Termination For Cause. The City Manager may, upon thirty (30) days' written notice to EMPLOYEE, terminate this Agreement for cause. For the purposes of this Agreement, "cause" shall mean any of the following: EMPLOYEE's failure to perform the duties of the Position in a satisfactory manner; any act that would tend to diminish public confidence in the government of the CITY should EMPLOYEE remain in the Position; arrest, charge,

or conviction of any crime; breach of EMPLOYEE's duty of loyalty; willful disregard of CITY policies and procedures; breach of any of the material terms of this Agreement; and insubordination or deliberate refusal to follow the lawful instructions of the City Manager or designee.

- D. Early Termination by Employee. EMPLOYEE may terminate this Agreement upon ninety (90) days' written notice to CITY. EMPLOYEE shall continue to perform all duties under this Agreement until the end of such ninety (90) day period, provided, however, that during such ninety (90) day period, the City Manager, in his/her sole discretion, may determine if EMPLOYEE is to maintain regular business hours for CITY or if EMPLOYEE should be placed on administrative leave with pay. If EMPLOYEE terminates this Agreement, EMPLOYEE shall receive payment for unused annual and personal leave and shall have the sick leave options outlined in this Agreement but shall not be entitled to any additional severance benefit.
- E. Termination by Death. EMPLOYEE'S employment shall terminate automatically on his/her death. CITY shall pay to EMPLOYEE's beneficiaries or estate, as appropriate and as permitted by applicable law, any compensation then due and owing, including but not limited to a lump sum payment for accrued annual leave; however, there shall be no entitlement to severance or non-renewal package benefits. Nothing in this section shall affect any entitlements of EMPLOYEE's heirs, beneficiaries, or estate to the benefits of any life insurance plan or other applicable benefits.

Section 7. Termination Obligations

- A. Duties of Employee. Upon termination for any reason, EMPLOYEE shall:
 1. Leave the premises of CITY if requested by the City Manager;
 2. Immediately turn over all records, books, papers, computers (including all computer devices), computer disks or other storage devices, keys, phones, uniforms, tools, credit cards, identification cards or badges, and all other property owned by the CITY or used by EMPLOYEE in connection with EMPLOYEE's duties;
 3. Preserve any and all records, books, papers, electronic communications, and data on any computers (including all computer devices), computer disks or other storage devices, or phones owned by the CITY or used by EMPLOYEE in connection with EMPLOYEE's duties;
 4. Discuss with anyone designated by the CITY all work in progress and reveal all information that may be needed by a person who will perform the duties of the Position;
 5. Participate in a termination interview with representatives of the CITY if requested; and

6. Reimburse or indemnify the CITY for any costs or claims owed by EMPLOYEE or as a result of EMPLOYEE's conduct to the CITY.
- B. Cooperate in Pending Work and Litigation. Following any termination of EMPLOYEE's employment for any reason, EMPLOYEE shall fully cooperate with the CITY in all matters relating to winding down or transfer of pending work and duties to other CITY employees. EMPLOYEE shall also cooperate with CITY in any litigation or administrative action in which CITY or any of CITY's employees is a party that relates in any way to EMPLOYEE's acts, omissions, or knowledge while employed by the CITY.

Section 8. Ethical Commitments

EMPLOYEE agrees to adhere to all ethical standards applicable to employees and officers of CITY, including but not limited to the provisions of NRS Chapter 281A.

Section 9. General Provisions

- A. This Agreement contains the full and complete statement of all arrangements between the parties with respect to EMPLOYEE's employment with CITY and all benefits arising therefrom. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter of this Agreement that are not fully expressed in this Agreement.
- B. The City of Sparks Administrative Rules shall apply to EMPLOYEE unless contradicted by the express terms of this Agreement.
- C. The provisions of this Agreement may be waived, changed, modified, or discharged only by a written amendment to this Agreement signed by CITY and EMPLOYEE.
- D. 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 competent jurisdiction, such provision shall be severed from this Agreement, 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.
- E. Any party's failure to declare any particular breach of this Agreement by the other party shall not constitute waiver by such party of any other breach of this Agreement or any rights or remedies for any other breach of this Agreement.
- F. This Agreement shall not be construed in favor of or against either party by virtue of who drafted its terms and conditions. Headings used in this Agreement are for reference purposes only and shall not be used to interpret the terms and conditions of this Agreement. Unless the context requires otherwise, the masculine, feminine, and neutral genders and the singular and the plural include one another.
- G. This Agreement shall be governed by and construed according to the laws of the State of Nevada. Any claims relating to or arising from this Agreement shall be brought in a court of competent jurisdiction in the County of Washoe, State of Nevada.

- H. All notices required or permitted under this Agreement shall be in writing and shall be sent to the City Manager of the CITY and hand-delivered to EMPLOYEE, or e-mailed to EMPLOYEE, or mailed to the home address of EMPLOYEE on file with the CITY. EMPLOYEE shall provide written notice of any change of address within five (5) business days of such change.
- I. The parties acknowledge that they have consulted with or have had the opportunity to consult with independent legal counsel 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 based on any representations or promises other than those expressly 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 EMPLOYEE has signed and executed this Agreement, all on the day and year first above written.

EMPLOYEE

James Rundle
James Rundle

CITY OF SPARKS

Ed Lawson
Ed Lawson, Mayor

ATTEST

Lisa Hunderman
Lisa Hunderman, City Clerk



APPROVED AS TO FORM

Wesley Duncan
Wesley Duncan, City Attorney