

## EMPLOYMENT AGREEMENT

This Agreement is by and between the City of Alliance, Nebraska, a Nebraska first-class city having adopted a city-manager form of government (the "City"), and Seth Sorensen ("Manager").

### Recitals:

I. The City is a Nebraska city of the first class under Neb. Rev. Stat. § 16-101, *et. seq.* The City has adopted a city-manager form of government under Neb. Rev. Stat. § 19-601, *et. seq.*

II. The City is in need of a qualified person to perform the duties of Manager, and Manager has the necessary skills, expertise, and availability to perform the duties.

III. The City has offered Manager the position of Manager of Alliance, Nebraska, effective April 6, 2021 and Manager has accepted. This Agreement sets forth the terms and conditions of his employment with the City.

### Agreement:

1. Term:

a. This Agreement shall begin June 1, 2021. Manager shall serve at the pleasure of the City Council and nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate this Agreement at any time, with or without cause, subject only to the applicable provisions set forth in paragraph 2 of this Agreement.

b. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Manager to resign at any time from his position with the City subject only to the provisions set forth in paragraph 2 of this Agreement.

c. Manager agrees to remain in the exclusive employ of the City until termination or resignation as provided in this Agreement. Manager shall not use any confidential information obtained through his position as Manager for personal gain. Both parties acknowledge that exclusive employment shall mean that Manager shall not accept any outside employment from any source whatsoever without first obtaining written approval from the City. Outside employment shall not be construed to include occasional teaching, writing, or consulting performed on Manager's time off. It is further understood that any activity of this nature outside of the workplace cannot represent a conflict of interest with regarding to time, energy, or interests of the City.

d. Performance of the Manager shall be reviewed by the City Council at the discretion of the City Council, occurring no less frequently than annually. During each performance review, the City Council may enter executive session, at which time the parties may discuss (but not decide upon, unless allowed by law) matters of City goals, City direction, administrative suggestions,

complaints and criticisms of the Manager, strengths of the Manager, and areas where improvement by the Manager is needed.

2. Termination:

a. Manager may terminate this Agreement, and Manager's duties hereunder, upon sixty (60) days' notice to the City.

b. With Cause, the City may terminate this Agreement, and Manager's duties hereunder, immediately upon written notice to Manager. Cause shall include, but not be limited to:

(i) any material violation of any of the City's policies, rules, or regulations, whether existing now or later adopted;

(ii) any material violation of this Agreement;

(iii) gross incompetency

(iv) gross neglect of duty;

(v) grossly unprofessional conduct;

(vi) material insubordination;

(vii) any violation of the law, other than minor traffic offenses; or

(viii) other conduct which interferes with Manager's continued performance of duties or damages the reputation of the City.

c. The parties acknowledge that the Manager serves at the pleasure of the City Council and may be removed at any time by the City Council. It is, therefore, not possible for the City to offer Manager any guaranty of continued employment. To induce Manager to serve in the position of Manager, it is in the best interests of the City to provide a severance package in the event Manager's employment by the City is terminated by the City without cause. If Manager's employment by the City is terminated by the City without cause, the City agrees to pay Manager severance on regular paydays of the City in an amount equal to six (6) months' Salary (as defined below). Any severance payment shall be paid according to the City's customary payroll practices, and all customary payroll taxes or deductions shall be made by the City before payment (including any reduced payment under paragraph 2.d.ii below). This severance shall include City-paid family health, dental, retirement, life and long-term disability (if applicable) for the duration of the severance period. The parties agree the severance pursuant to this Agreement is agreed upon before services are rendered, and is compensation for services rendered before payment is made or agreed to be made.

d. Severance payments under paragraph 2.c above may be reduced or terminated as follows:

i. Severance (including City-paid benefits) shall cease in the event Manager commences employment in another position providing greater gross pay;

ii. If Manager commences employment at a lesser paying position during the severance period, then severance will continue as the difference between his City regular gross Salary pay minus the regular gross pay of his new position; provided, however, the City may terminate all City-paid family health, dental, retirement, life and long-term disability (if applicable) for the remainder of the severance period after Manager commences such employment.

e. Manager shall use his best efforts to secure comparable employment as quickly as possible following separation from the City. In addition, during the applicable severance period, Manager will provide his current address and telephone number information. Manager will also cooperate as needed with the City's legal counsel on the prosecution of or defense of lawsuits where the testimony of Manager is necessary.

3. Compensation and Benefits:

a. Manager shall receive a "Salary" during the term of this Agreement equal to \$140,000 per year. The compensation shall be paid in by-monthly installments according to the City's regular payroll schedule, and shall be paid according to the City's normal and customary payroll practices. The parties agree this amount is a salary or wage for employment, that it is a gross income figure, and that customary payroll taxes or deductions shall be made by the City. If this Agreement commences or is terminated during the middle of any payroll period, the payment for that period shall be prorated and paid to the date of Agreement commencement or termination. The Salary may be adjusted by mutual agreement of the parties.

b. Manager shall be entitled to receive all normal and customary benefits, leave, and insurance afforded to all full-time and non-civil service employees of the City, subject to normal and customary waiting periods per City policies or manuals, and subject to the following modifications:

i. Manager shall be credited 40 hours sick leave and 40 hours vacation leave upon June 1, 2021, and shall thereafter accrue additional leave according to the normal and customary leave practices afforded to all full-time and non-civil service employees of the City.

ii. The City will contribute a matching percentage, up to 6% of the Manager's Salary, for the Manager's ICMA retirement plan.

c. All expenses incurred by Manager that are necessary to perform the duties of the Manager shall be reimbursed to Manager upon approval by the City, under the City's normal

employee reimbursement policies. Provided, however, Manager shall be provided the following benefits unique to the Manager:

- i. \$300 per month as a car allowance, used by Manager to purchase, lease, own, operate, and maintain at least one personal vehicle;
- ii. \$50 per month as a cell phone allowance, used by the Manager to purchase and use a cellphone;
- iii. Mileage shall be paid to Manager at the normal reimbursement rate for other employees for any trip of official business of the City beyond 200 miles from Alliance, Nebraska. All trips within 200 miles are intended to be compensated for under the monthly car allowance;
- iv. Moving expenses up to \$5,000 for the Manager's move to the City from his previous location.

d. Manager shall be furnished an office area, and shall be furnished with all technology, equipment, and materials necessary for his duties. All dues and fees for membership in ICMA and the League of Nebraska Municipalities shall be paid by the City, including all costs associated with participation in those organizations' major conferences. Any annual premium costs of bonding Manager for the position of Manager shall be paid by the City.

4. Duties:

a. Manager shall perform the functions and duties as designated to the Manager. Specific duties shall include, but not be limited to:

- i. Appointment and removal of department heads and officers and employees of the City subordinate to the Manager, excluding the City clerk and subject to the Civil Service Act of Nebraska for those employees covered under such Act.
- ii. Enforcing the City laws and ordinances;
- iii. Management of all City departments created by the City Council;
- iv. Attending all meetings of the City Council;
- v. Holding and running regular staff meetings and other meetings that require the attendance of the Manager;
- vi. Providing recommendations and advice to City Council on measures discussed or proposed;
- vii. Other duties as directed to the Manager from time to time.

b. Manager shall devote the level of skill, care, and diligence ordinarily exercised by persons in Manager's field of expertise, and shall perform all duties and responsibilities in a timely and professional manner.

c. It is expected that Manager shall devote his full professional time and attention to his duties and responsibilities under this Agreement. Manager may engage in outside gainful enterprises or professional activities so long as Manager's performance under this Agreement is satisfactory and the enterprises or activities do not conflict with Manager's duties under this Agreement.

5. Duty of Loyalty:

a. Inasmuch as Manager has acquired or will have access to information of the City which may be of a confidential nature, Manager acknowledges, understands, and agrees that the City has legitimate interests in being protected from certain activities by Manager including, but not limited to, the disclosure of confidential information belonging to the City or engaging in any competitive activity with the City. Manager agrees not to disclose, except as required by law, any such confidential information belonging to the City.

b. Manager will not disclose to any person or entity (other than to City officials and personnel) any proprietary information pertaining to the customers or business and procedures of the City, except as required by law.

c. The provisions of this paragraph 5 shall survive the termination of this Agreement.

6. Miscellaneous:

a. Any notice due under this Agreement shall be delivered in person to the respective parties or mailed to each party at the following addresses:

City of Alliance, Nebraska  
City Clerk  
PO Box D  
Alliance, NE 69301

b. This Agreement is and shall be personal to the parties and may not be assigned by the parties. The parties may amend this Agreement only by a written amendment signed by both parties.

c. This Agreement may be executed in one or more counterparts, each of which may be considered as an original.

d. This Agreement will be construed and enforced according to the laws of Nebraska.

e. Either party's waiver of a breach of any provision of this Agreement shall not be construed to be a waiver of any subsequent breach.

f. The provisions of this Agreement are severable. The invalidity of any provision shall not affect the validity of any other provision.

g. Any legal action arising under this Agreement shall be brought in the District Court of Box Butte County, Nebraska.

[Signature Page Follows]

City of Alliance, Nebraska

City Manager

Mike Dafney  
Mike Dafney, Mayor

Seth Sorensen  
Seth Sorensen

Date: April 6, 2021

Date: April 5, 2021

Attest: Tarah Johnson  
Tarah Johnson, City Clerk

Subscribed and sworn to before this 6<sup>th</sup> day of April, 2021, by Mike Dafney, as Mayor of the City of Alliance, Nebraska.



Kelly L Keller  
Notary Public

Subscribed and sworn to before this 5<sup>th</sup> day of April, 2021, Seth Sorensen.



Heather Ramirez  
Notary Public