

## **CITY OF LAREDO CITY MANAGER EMPLOYMENT AGREEMENT**

THIS AGREEMENT (“Agreement”) is made and entered into by and between the CITY OF LAREDO, TEXAS (“City”), a municipal corporation chartered under the Constitution and Laws of the State of Texas as a Home-Rule City, and JOSEPH WAYNE NEEB (“City Manager”). The City and City Manager may be collectively referred to as the “Parties.”

### **WITNESSETH**

**WHEREAS**, City represents that it is executing this Agreement by and through its City Council (“Council”); and

**WHEREAS**, City desires to appoint JOSEPH WAYNE NEEB as City Manager of the City of Laredo, Texas, as provided by the Charter of the City of Laredo, Texas (“Charter”); and

**WHEREAS**, it is the desire of the City to provide certain benefits, establish certain conditions of employment, and to set certain working conditions for the City Manager; and

**WHEREAS**, JOSEPH WAYNE NEEB desires to accept the appointment as City Manager under the terms outlined herein; and

**WHEREAS**, this Agreement states the essential terms of the agreement pursuant to which JOSEPH WAYNE NEEB will provide employment services to the City as the City Manager of the City; and

**WHEREAS**, City represents and the Parties acknowledge that all of the obligations under this Agreement can and will be satisfied out of current revenues or out of funds within the immediate control of the City.

**NOW THEREFORE**, in consideration of the mutual covenants, promises, and agreements contained herein, the Parties intend to be legally bound and hereto agree as follows:

### **SECTION 1. Appointment.**

Council, on behalf of the City, appoints JOSEPH WAYNE NEEB, as City Manager of the City of Laredo, beginning on **February 21, 2023**, to perform the functions and duties of that position as specified in the Charter, Article III, Section 3.05, and to perform other legally permissible duties and functions as the Council shall assign.



**SECTION 2. Term.**

JOSEPH WAYNE NEEB is hereby appointed to an indefinite term pursuant to Charter, Article III, Section 3.01. He is to officially assume the duties of City Manager from the date of appointment on February 21, 2023.

City may remove the City Manager at any time subject only to applicable provisions of the Charter and consistent with the provisions in Section 10 of this Agreement. Nothing in this Agreement is intended or shall be construed in any way to create a definite term of employment for the City Manager or to in any way abridge, limit, or otherwise interfere with the right of Council to terminate the City Manager at any time at the will of the Council subject to the provisions in Section 10 of this Agreement.

Nothing herein shall prevent, limit, or otherwise interfere with the right of the City Manager to voluntarily resign in accordance with Section 10 of this Agreement.

**SECTION 3. Residence.**

City Manager is to maintain a permanent residence within the corporate city limits of Laredo during the entirety of employment with the City.

**SECTION 4. Duties.**

JOSEPH WAYNE NEEB is to perform the functions and duties of the City Manager pursuant to Charter, Article III, Section 3.05, and to perform other legally permissible duties and functions as the Council may assign. City Manager shall be the chief administrative and executive officer of the city and shall be responsible to the Council for the administration of all City affairs placed in his charge by or under the Charter. More specifically, City Manager shall have the following powers and duties:

Shall appoint and, when he deems it in the best interest of the City, suspend, reassign, or terminate any City department directors provided for by or under the Charter, except as otherwise provided for by law, this Charter, or personnel rules adopted pursuant to this Charter. Department directors shall have the power to appoint, remove, or suspend all employees in their respective departments pursuant to the policy as stated in Section 4.01(B), Directors of Departments;

Shall direct and supervise the administration of all departments, offices, and agencies of the City, except as otherwise provided by the Charter or the law;

Shall attend all City Council meetings and shall have the right to take part in discussion but may not vote;

Shall see that all laws, provisions of the Charter, and acts of Council, subject to enforcement by the City Manager or by officers subject to the City Manager's direction and supervision, are faithfully executed;



Shall prepare and submit the annual budget and capital program to the City Council;

Shall submit to the City Council and make available to the public a complete report on the finances and administrative activities of the City as of the end of each fiscal year;

Shall make such other reports as the City Council may require concerning the operations of City departments, offices, and agencies subject to his direction and supervision;

Shall keep the City Council fully advised as to the financial condition and future needs of the City and make such recommendations to the City Council concerning the affairs of the City as he deems desirable; and

Shall perform such other duties as are specified in this Charter or may be required by City Council.

City Manager, at all times, will comply with City procedures and policies.

**SECTION 5. Compensation and Benefits.**

**A. Annual Base Salary.** City Manager shall be paid an initial annual base salary of \$270,000.00 plus specified benefits payable on the same pay schedule as other non-civil service employees of the City.

Subject to Council approval and budget appropriations each year, City Manager's base salary will increase 4% per annum on the anniversary date from the date of appointment on February 21, 2023, for each of the successive four (4) years as follows:

February 21, 2024	=	\$280,800.00
February 21, 2025	=	\$292,032.00
February 21, 2026	=	\$303,713.28
February 21, 2027	=	\$315,861.81

City Manager's base salary may be further increased at any time as determined by the Council following any satisfactory performance evaluation, in conjunction with increases in compensation of other non-civil service employees of the City or at the discretion of the Council.

**B. Insurance.** City Manager will pay the employee's share of premiums for basic health, dental, and vision insurance elected by the City Manager for himself and his dependents. Any additional and optional benefits available or which may become available to non-civil service employees will also be available to the City Manager.



City shall pay for and provide City Manager with a life insurance policy in an amount equal to City Manager's Annual Salary.

**C. Paid-Time-Off Leave Accrual.** City Manager will accrue 21.5 days (172 hours) of paid time off ("PTO") leave per annum. For year one, Ten (10) days (80 hours) of PTO leave will be pre-funded and available for immediate use by the City Manager upon the date of appointment on February 21, 2023. No pre-funded PTO leave amounts are required for subsequent years of employment. Up to 480 hours of unused PTO leave will roll over from one fiscal year to the next fiscal year. Only a maximum of 480 hours of PTO leave shall be paid out to the City Manager upon separation from employment. City Manager will be afforded the same holidays and other related leave benefits as those provided to all other non-civil service employees.

**D. Retirement.** City Manager shall participate in the Texas Municipal Retirement System ("TMRS") to the extent provided for in the Texas Municipal Retirement System Act, Texas Government Code, Subtitle G. Texas Municipal Retirement System, Chapter 851, as amended.

In addition, City shall contribute \$350.00 per pay period to a 457 Retirement Plan for City Manager.

**E. Allowances.** City agrees to pay City Manager for incidental expenses the sum of \$500.00 per month for vehicle allowance and \$100.00 per month for cell phone allowance, beginning the month in which the City first pays salary to the City Manager under this Agreement. The monthly allowances shall be payable with the first paycheck of each month. The monthly allowances shall be prorated to the effective date of the City Manager's separation of employment. It is understood and agreed that such allowances shall be paid by City to City Manager in full compliance with the Federal Internal Revenue Code, as it may from time to time be amended or succeeded, and under current law, is subject to income tax withholding and FICA taxes.

#### **SECTION 6. Relocation Allowance.**

On the date of appointment on February 21, 2023, City shall pay City Manager a total of \$25,000.00 to defray moving expenses from Roswell, New Mexico, to a new residence in Laredo, Texas, as well as rental expenses for temporary housing in Laredo, Texas.

#### **SECTION 7. Outside Work.**

City Manager agrees that he will not seek or hold any other employment or contractual work other than with the City of Laredo unless he receives written prior approval from the Council. Civil Activities are excepted and encouraged.

#### **SECTION 8. Performance Objectives and Performance Evaluations.**

Within six (6) months from the date of appointment on February 21, 2023, Council shall, jointly with input from City Manager, develop and provide a set of objectives and criteria for performance evaluation that will be used by Council to evaluate City Manager's performance and to consider further compensation increases consistent with the Charter and other applicable laws.



Council shall review City Manager's performance, provide feedback, and consider a further increase of base salary at the 1-year anniversary of the date of appointment on February 21, 2023.

Thereafter, Council shall review City Manager's performance and provide further objectives and criteria for performance evaluation at least annually.

**SECTION 9. Professional Development.**

As a condition of this employment, City Manager is required to incur necessary and reasonable expenses, including without limitation travel expenses, to fulfill official duties of the City in the nature of professional dues, subscription fees, continuing education expenses, attendance at seminars, maintaining certifications, and similar obligations. Particularly, City Manager shall retain membership and certification with the International City/County Management Association ("ICMA"). City shall budget and reimburse City Manager for reasonable expenses, including, but not limited to, the ICMA membership dues and other conferences and memberships such as the following:

- a) Annual Conference of the International City Management Association,
- b) "Big City" meetings,
- c) Texas City Management Association,
- d) National League of Cities,
- e) Texas Municipal League, and
- f) other national, regional, state, and local governmental groups, associations, or committees in which City Manager serves as a member, officer, or committee member.

City shall budget and pay the City Manager's reasonable travel and subsistence expenses for short courses, institutes, and seminars related to his continued professional development or for which participation furthers the objectives of the City. City Manager will comply with City procedures and policies for travel.

**SECTION 10. Termination.**

City may terminate the employment of the City Manager at any time pursuant to Charter, Article III, Section 3.03. Similarly, City Manager may resign from his employment at any time by providing 30 days' notice, as described below. However, if City Manager's employment is terminated by the City or by City Manager in a "Without Cause Termination," as defined herein, then City shall pay the City Manager severance as follows:

A lump sum payment equal to 12 months of base annual salary at the City Manager's then-current base annual salary rate that includes pension contributions up to the TMRS maximum limits.



A lump sum payment equal to 12 months of City contributions for the City Manager's then-current elected insurance benefits.

The lump sum payment described herein shall be paid within 30 days of the City Manager's separation of employment.

If City Manager voluntarily resigns employment other than for a "Without Cause Termination," as defined herein, within six (6) months from the date of appointment on February 21, 2023, then City shall not pay the City Manager severance. In addition, City Manager agrees to pay back to the City the received relocation allowance within 30 days from his last day of employment.

**"Without Cause Termination"** shall mean:

- a) City Manager's removal from the position of City Manager by City other than a removal "For Cause" as defined in this Agreement;
- b) City Manager's resignation following a reduction in the City Manager's salary or benefits by the City Council or following a material diminution by the Council of the amounts paid pursuant to Section 5 of this Agreement;
- c) City Manager's resignation following a formal request for him to resign or other expressions of no confidence by a majority of the Council at a meeting of Council;
- d) City Manager's resignation following an affirmative act by the Council indicating that the City Manager's services are no longer desired by a majority of the Council;
- e) City Manager's resignation following written notice informing the Council of its failure to comply with a material provision of this Agreement.

Unless waived by a majority of Council, before resigning his position, City Manager shall provide City Council at least 30 days' notice in writing of his intention to resign, stating the reason(s) for resignation and providing a date of departure from City employment. If City Manager fails to provide at least 30 days' notice, then he will not be eligible for any potential severance pay provided for in this Section but will not forfeit his accrued leave. City may terminate the City Manager **"For Cause,"** as defined below. Council, upon consultation and deliberation with the City Attorney, may direct the City Attorney to provide written notice to



City Manager immediately suspending him from duty “For Cause” and placing him on Administrative Leave, with or without pay, pending his resignation or termination.

“**For Cause**” shall mean termination due to:

- a) Indictment or conviction of any crime greater than a class C misdemeanor that occurs in the commission by the City Manager of his duties or that was enabled by the abuse of such duties;
- b) Indictment or conviction of any felony;
- c) A failure to carry out the material duties or responsibilities of the City Manager, which failure causes material harm, costs, liability, or risk to the City and provided that, if such failure is capable of cure, City Manager has failed to cure after reasonable written notice; or
- d) Conviction of a crime of moral turpitude, which is an act or behavior that gravely violates the widely-accepted moral standard of the community and substantially and directly reflects negatively on the City. Council, by majority vote, shall determine whether the crime is a crime of moral turpitude.

In the event of a dispute over whether or not the City terminated the City Manager’s employment “For Cause,” City shall bear the burden of proof of establishing that its termination of the City Manager was “For Cause.”

**SECTION 11. Disability.**

If City Manager becomes permanently disabled or otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity, or health for a period of 6 successive weeks beyond any accrued and/or other sick leave properly credited, City may terminate this Agreement and pay severance, any accrued vacation, and other regular accrued benefits, if any.

City Manager acknowledges that he is a key employee pursuant to the Family Medical Leave Act (“FMLA”). As such, City Manager agrees that City shall not need to reinstate him at the end of any FMLA leave. City may terminate this Agreement and pay severance, any accrued vacation, and other regular accrued benefits, if any.



## **SECTION 12. City Property.**

In furtherance of the City Manager's duties, he will be issued, among other things, an American Express card, computer, and other equipment and properties. Within 14 days of leaving employment with the City, the City Manager shall cooperate with City personnel to return any and all City equipment and properties in accordance with City policies.

## **SECTION 13. Indemnification.**

To the extent it may be permitted to do by applicable law, including, but not limited to, Texas Civil Practice & Remedies Code Chapter 102, the City does hereby agree to defend, hold harmless, and indemnify City Manager from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against City Manager in the City Manager's individual or official capacity as an employee and as City Manager, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees arose or does arise in the future from an act or omission of City Manager, as an employee of the City, acting within the course and scope of the City Manager's employment with the City; excluding, however, any such demand, claim, suits actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that the City Manager committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the City or by the City Manager. The selection of the City Manager's legal counsel shall be with the mutual agreement of the City Manager and the City if such legal counsel is not also the City Attorney. A legal defense may be provided through insurance coverage, in which case the City Manager's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Paragraph exceeds the authority provided and limitations imposed by the Texas Civil Practice & Remedies Code Chapter 102, it shall be construed and modified accordingly. The provisions of this Paragraph shall survive the termination, expiration, or other ends of this Agreement and/or the City Manager's employment with the City.

## **SECTION 14. Conflicts.**

City Manager shall at all times comply with the City of Laredo Ethics Code. City Manager shall promptly and timely file disclosure statements with the City Secretary regarding any conflicts of interest with the City.

It is understood and agreed that because of the duties of the City Manager within and on behalf of the City and its citizenry, the City Manager shall not, without the prior written consent of the City Council, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business with the City of Laredo, except as to stock ownership in any company whose capital stock is publicly held and regularly traded on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ.



**SECTION 15. Funding.**

City Manager salaries pursuant to this Agreement will be annually budgeted subject to future budget appropriations.

**SECTION 16. Notice.**

Any notice to be given under this Agreement by either Party to the other must be in writing. Notice to City will be sufficient if made or addressed to the following:

City of Laredo  
ATTN: Mayor  
1110 Houston Street, 3rd Floor  
Laredo, Texas 78040

Notice to City Manager will be sufficient if made or addressed to the following:

Joseph Wayne Neeb  
3102 North Diamond A Drive  
Roswell, New Mexico 88201

**SECTION 17. Reasonable attorney's fees and expenses.**

Reasonable attorney's fees and expenses of a Party incurred in successfully prosecuting or defending a suit under this Agreement against the other Party will be recoverable by the successful Party in such action.

**SECTION 18. Severability.**

If any clause or provision of this Agreement is held invalid, illegal, or unenforceable under present or future federal, state, or local laws, including, but not limited to, the Charter, City Code, or ordinances of the City of Laredo, Texas, then and in that event, it is the intention of the Parties hereto that such invalidity, illegality, or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal, or unenforceable clause or provision was never contained herein. It is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is found to be invalid, illegal, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid, and enforceable.



**SECTION 19. Choice of Law and Venue.**

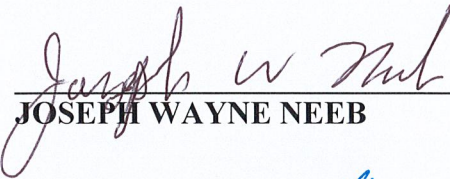
This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Webb County, Texas. Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in Webb County, Texas.

**SECTION 20. General Provisions.**

This Agreement constitutes the final and entire agreement between the Parties and contains all of the terms and conditions agreed upon.

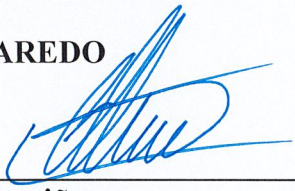
**IN WITNESS WHEREOF, this Agreement is signed and executed by the City Manager and the City of Laredo as of the dates written below.**

**CITY MANAGER**

  
\_\_\_\_\_  
**JOSEPH WAYNE NEED**

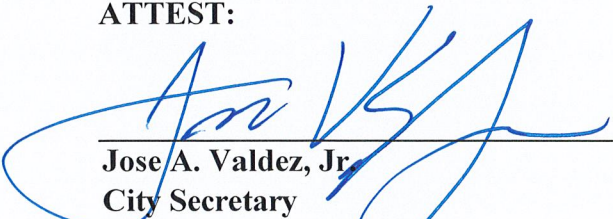
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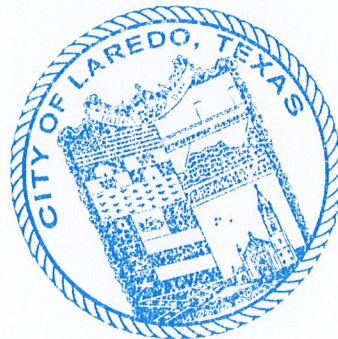
**CITY OF LAREDO**

  
\_\_\_\_\_  
**Dr. Victor Treviño**  
**Mayor**

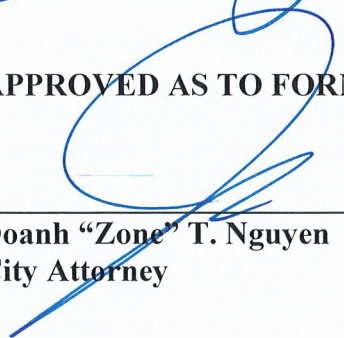
Date: 2/21/23

**ATTEST:**

  
\_\_\_\_\_  
**Jose A. Valdez, Jr.**  
**City Secretary**



**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
**Doanh "Zone" T. Nguyen**  
**City Attorney**