

**AMENDED AGREEMENT FOR PROFESSIONAL SERVICES & EMPLOYMENT
AS CITY MANAGER
CITY OF HONDO, TEXAS**

THIS AMENDED EMPLOYMENT AGREEMENT ("this Agreement") is made and entered into this the 25th day of August, 2025, by and between the **CITY OF HONDO, TEXAS** (hereinafter referred to as the "City"), a Texas home-rule municipality, and **JOHN NARON** (hereinafter referred to as "Manager"), both of which parties hereto understand and agree as follows:

WITNESSETH:

WHEREAS, the City Council of the City (the "Council") is given the power and authority under Article IV of the City Charter to appoint, supervise, and remove the City Manager ("Manager"); and,

WHEREAS, the Council and the Manager believe that an employment agreement negotiated between the Council, on behalf of the City, and the Manager can be mutually beneficial to the City, the Manager, and the community they serve and is in the best interests of the public welfare; and,

WHEREAS, when appropriately structured, the Council and the Manager believe an employment agreement can strengthen the Council-Manager relationship by enhancing the excellence and continuity of the management of the City for the benefit of its citizens; and

WHEREAS, JOHN NARON has been employed as City Manager for the City of Hondo since September 30, 2023; and

WHEREAS, City Council desires to continue employing **JOHN NARON** as City Manager ("Manager") for the City of Hondo, Texas; and

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

WHEREAS, JOHN NARON desires to continue employment as Manager, and an officer, of Hondo on the terms outlined herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, and hereinbefore stated, the parties hereto agree as follows:

A. Duties and Responsibilities

1. **CHIEF EXECUTIVE OFFICER.** The Manager is the chief executive officer of the City and shall faithfully perform the duties of the City Manager as prescribed in the job description, as set forth in the City Charter, if any, and City ordinances and, as may be lawfully assigned by the Council (collectively the "City Manager's Duties"). Further, the Manager shall comply with (collectively "Applicable Laws and Authorities") state and federal law, the City's Charter, all City policies, rules, regulations and ordinances as they exist or may hereinafter be amended, and all lawful Council directives. All duties assigned

to the Manager by the Council shall be appropriate to and consistent with the professional role and responsibility of the City Manager position.

2. **DUTIES.** The Council does hereby employ Manager as City Manager to perform the City Manager's Duties in accordance with and pursuant to all Applicable Laws and Authorities and each of the following duties to the full extent not prohibited by or in material conflict with Section 4.1 (6) of the City Charter or Applicable Laws and Authorities to include but not limited to the following:
 - a. Employ, on behalf of the City, all other employees of the City except the city attorney and the municipal court judge.
 - b. Direct, assign, reassign, evaluate and remove all of the employees of the City except the municipal court judge and the City Attorney.
 - c. Organize, reorganize and arrange the staff of the City other than the municipal court judge.
 - d. Develop and establish internal regulations, rules, and procedures which the Manager deems necessary for the efficient and effective operation of the City.
 - e. Accept all resignations of employees of the City, except for the city attorney's, municipal court judge's and the Manager's resignation, which must be accepted by the Council.
 - f. The Manager shall perform the City Manager's Duties with reasonable care, diligence, skill and expertise.

3. **REASSIGNMENT.** The Manager cannot be reassigned from the position of City Manager to another position without the Manager's prior written consent.

B. Council Meetings.

Except to the extent prohibited by or in material conflict with Applicable Laws and Authorities, the Manager or the Manager's designee shall attend, and shall be permitted to attend, all meetings of the Council, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on this Agreement, or any amendment thereto, the Manager's evaluation, or for purposes of resolving conflicts between individual Council members.

C. Term

The term of this Agreement shall commence August __, 2025 and shall be indefinite, and this Agreement shall be and remain in full force and effect until terminated by the Manager or the City Council as herein provided (the "Term").

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 Council, or Manager, to terminate this

Agreement subject to the applicable provisions of the Hondo City Charter and the provisions of Section I. of this Agreement.

D. Salary

The Manager will receive an annual base salary of **\$165,000** beginning October 1, 2025 to be paid in installments at the same time as other employees of the City are paid. In addition, the City Council agrees to provide an increase in said base salary beginning in Fiscal Year 2027, and every Fiscal Year thereafter during the Term of this Agreement, in the amount allocated for all employees for said Fiscal Year and to such an extent as the City Council determines that it is desirable to do so and if Manager receives an overall average evaluation score of at least “meets” standards on the annual **performance evaluation** by City Council. Manager shall also receive the same benefits that are provided to other employees of the City, but Manager shall not receive increases in pay provided to other employees in addition to the amount allocated by Council to Manager under this paragraph.

E. Automobile Usage

The City agrees to pay Manager a monthly automobile allowance of **\$500.00 (\$6,000 per annum)**. The automobile allowance shall be subject to review from time to time by the City Council and accordingly modified, if deemed necessary. This automobile allowance shall cover all automobile-related expenses incurred by Manager, including expenses for automobile repair, maintenance, insurance, operation and replacement. Manager shall receive additional reimbursement for excess mileage outside the area as defined in the City of Hondo “Travel Policy”.

F. Vacation Leave & Sick Leave

Vacation and Sick leave shall be calculated in accordance with the City of Hondo Personnel Policies Handbook (Handbook). Manager shall then earn and accumulate the maximum allowable under the Handbook. Manager is encouraged to use his accrued vacation leave each year earned. Manager will be allowed to accrue, accumulate and carry over the maximum vacation and sick leave allowable under the Handbook. At separation from employment, Manager is entitled to payment of any accrued but unused vacation and sick leave as permitted and capped for all employees under the Handbook.

G. Insurance and Cell Phone

1. The Manager shall be covered by the same health, dental, and vision plans as all other employees, or such plans that are available through City and selected by the Manager. The coverage for Manager shall be paid for by the City and shall continue in full force and effect during this Agreement.
2. The City agrees to provide the Manager with a mobile phone for city business. In addition to use for official city business, such phone may be used for incidental personal use. At the conclusion of Manager’s employment with City, Manager agrees to return mobile phone provided for his use.

H. Residency

The City requires Manager to maintain residency within the City limits in accordance with Section 4.01 (1) of the City Charter.

I. Termination and Severance Pay

1. In the event that a municipal election results in a change in the composition of the City Council (i.e. a new Council Member is elected), the City Council shall not terminate this Agreement for ninety (90) days following the swearing-in of the newly elected members, unless the termination of this Agreement is "for cause."
2. In the event the City Council decides to terminate Manager's employment during such time Manager is willing and able to continue performing the duties of the City Manager, then the City agrees to pay Manager twelve (12) months full salary as a lump sum or in accordance with the City's pay schedule per election by the City.
3. In the event that severance is paid to Manager, Manager must agree to contemporaneously execute and deliver to the City a full Release of any and all claims that he may have against the City. The failure to execute and deliver such release shall nullify any obligation by the City to pay severance.
4. In the event the City Council terminates the Manager's employment "for cause," because of the commission of an illegal act, including but not limited to, acts involving personal gain, corruption, misconduct or malfeasance in office; any felony; or violation of the City Charter or the City of Hondo "Code of Ethics", then the City shall have no obligation whatsoever to pay any severance pay designated in this Agreement, and need not delay termination for the ninety (90) days following the change in composition of the Council following a municipal election as provided in this Section I. (1) above.
5. If the Manager becomes permanently disabled because of sickness, physical or mental disability, so that the Manager will be unable to complete any of his duties under this Agreement with a reasonable accommodation as permitted by the Americans with Disabilities Act, the City has the option, consistent with applicable law, to terminate this Agreement upon 60 calendar days written notice of termination to the Manager. If so terminated, Manager shall be eligible for long term disability benefits provided to other City employees and the City shall have no obligation to pay any severance pay designated in this section.
6. **Resignation.** If the Manager terminates this Agreement by voluntary resignation of the position of City Manager, the Manager shall give thirty (30) days notice in advance unless the Council agrees otherwise in writing. If the City Manager retires from full time public service with the City, the Manager shall provide three (3) months' advance notice. In the event the City Manager dies while employed by the City under this Agreement, the Manager's beneficiaries or those entitled to the Manager's estate shall be entitled to the Manager's earned salary, and any in-lieu payments for accrued vacation and sick leave.

J. Texas Municipal Retirement System

Contributions to Texas Municipal Retirement System (TMRS) are mandatory for all full time employees. Contribution rates and other policies of the City's TMRS Plan are determined by the City Council and are subject to change.

K. Performance Evaluation

It will be the responsibility of the Manager to work with the Mayor and Council to develop performance criteria on an annual basis. The Council must approve the performance criteria developed by the Manager. The Council shall review and formally evaluate the performance of the Manager at least once annually in August of each year utilizing the performance criteria and the performance evaluation approved by the Council. The review of the Manager's performance shall be in writing and in accordance with criteria and format approved by the Council. The Council shall provide the Manager a reasonable and adequate opportunity to discuss with the Council and/or respond to the Manager's evaluation. The annual performance reviews and evaluations shall be reasonably related to the Manager's written job description and shall be based, in whole or in part, on the performance criteria jointly developed and adopted by the Council and Manager. Adjustment of base salary, if any, shall be in accordance with Section D. of this Agreement.

Unless the Manager expressly requests otherwise in writing, except to the extent prohibited by or in material conflict with Applicable Laws and Authorities, the evaluation of the Manager shall at all times be conducted in closed session of the Council and shall be considered confidential to the maximum and full extent permitted by law. Nothing herein shall prohibit the Council or the Manager from sharing the content of the Manager's evaluation with their respective legal counsel.

L. Business Expenses

City recognizes that certain expenses of a job-related nature are incurred by Manager, and hereby agrees to reimburse or to pay said expenses if Manager provides adequate documentation. The City is hereby authorized to disburse such monies upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits. Manager shall be issued a City cell phone that he shall use as necessary for city business and shall provide the number to city officials.

M. Professional Dues and Education

The City agrees to reimburse membership dues in ICMA and TCMA, and for reasonable expenses incurred in the attendance at annual conferences and/or regional conferences. Such reasonable expenses shall be defined as including conference registration fees, coach/economy air fares, hotel accommodations and meals in accordance with the City's travel policy. In addition, the City agrees to reimburse reasonable expenses incurred in attendance at one other professional development conference or training opportunity as approved by Council. Developing and maintaining professional association contacts and standing provide the City access to valuable resources, and the reasonable participation and related travel by the Manager. All dues, continuing education and travel expenses are subject to annual appropriation by the City Council.

N. Indemnification

To the extent it may be permitted 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 Manager from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Manager in the 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 Manager, as an employee of the City, acting within the course and scope of the 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 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 Manager. The selection of the Manager's legal counsel shall be with the mutual agreement of the Manager and the City if such legal counsel is not also City's legal counsel.

City will compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. This indemnification shall extend beyond and survive the termination of employment and the expiration of this Agreement.

O. Hours of Work

It is recognized that the Manager is expected to engage in the hours of work that are necessary to fulfill the obligations of the position, must be available at all times, and must devote a great deal of time outside the normal office hours to the business of the City. In furtherance of this condition of employment, Manager shall, when not present in his office or city facilities, be available and on call, to attend his duties as though he was present. Manager shall, when on official leave status, designate such other employee, who is capable to temporarily carry out the duties of the City Manager, as Acting City Manager, and shall so inform, in writing, the Mayor and City Council.

The Manager will devote full time and effort to the performance of the duties of the City Manager, and shall remain in the exclusive employ of the City during the Term of this Agreement, provided that, with the prior consent of the Council, the Manager may accept temporary, outside professional employment which will not in any way limit the performance of, or the Manager's availability for the performance of, the Manager's duties hereunder.

P. Appropriations

The Council has appropriated set aside and encumbered, and does hereby appropriate, set aside, and encumber, available and unappropriated funds of the City in an amount sufficient to fund and pay all financial obligations of the City pursuant to this Agreement.

Q. Conflict of Interest Prohibition

The Manager shall not, during the Term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the City, except for stock ownership in a company whose capital stock is publicly held and regularly traded on any stock exchange, without the prior written approval of the

Council. For and during the Term of the Agreement, the Manager shall, except for a personal residence or residential property acquired or held for future use as the Manager's personal residence, not invest in any other real estate or property improvements within the City, without the prior written consent of the Council.

R. General Provisions

- 1. Severability.** In the event any one or more of the sections, provisions or clauses contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.
- 2. Entire Agreement.** This Agreement incorporates all the agreements, covenants and understandings between the City and the Manager concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged onto this written Agreement. No other prior agreements or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.
- 3. Amendment.** This Agreement shall not be modified or amended except by a written instrument executed by the Manager and the duly authorized representative of the Council.
- 4. Governing Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of Texas. Venue shall lie exclusively in Medina County, Texas.
- 5. Savings Clause.** If any term or provision of this Agreement, as applied to any party or to any circumstance, is declared by a court of competent jurisdiction hereof to be illegal, unenforceable or void in any situation and in any jurisdiction, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending provision in any other situation or in any other jurisdiction. The parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases or to replace any illegal, unenforceable or void term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.
- 6. Conflicts.** In the event of any conflict between the terms, conditions and provisions of this Agreement and the Applicable Laws and Authorities, then, unless otherwise prohibited by law, the terms of this Agreement shall take precedence over the contrary provisions of the Applicable Laws and Authorities during the term of this Agreement.

IN WITNESS WHEREOF, the City of Hondo, Texas, has caused this Employment Agreement to be signed and executed on its behalf by its Mayor after being authorized to do so at a regular and duly posted meeting of the Hondo City Council, and the Manager has signed and executed this Agreement.

Signed this the 25TH day of August, 2025.

CITY OF HONDO, TEXAS

John McAnelly
JOHN MCANELLY, MAYOR

ACCEPTED:

John Naron
JOHN NARON
CITY MANAGER

ATTESTED:

Rebekah Dolphus
REBEKAH DOLPHUS
CITY SECRETARY

