

CITY MANAGER SEVERANCE AGREEMENT

THIS CITY MANAGER SEVERANCE AGREEMENT (“Agreement”) is made and entered into effective the March 9, 2026, by and between the City of Nederland, Texas, a home-rule municipality in the State of Texas (the “City”), and Manuel De La Rosa (the “City Manager”).

Recitals:

WHEREAS, the City has employed Manuel De La Rosa as its City Manager pursuant to the Employment Agreement executed concurrently herewith; and

WHEREAS, Texas Local Government Code § 180.011 governs and restricts severance payments made by political subdivisions, including the City; and

WHEREAS, the City desires to comply fully with all requirements, limitations, and prohibitions of § 180.011 when providing severance benefits to the City Manager; and

WHEREAS, the City Council desires to define the City Manager’s rights to severance benefits solely by this Agreement and not by the Employment Agreement; and

WHEREAS, the City Manager desires clarity and certainty regarding the circumstances in which severance benefits may be paid;

NOW, THEREFORE, the City and the City Manager agree as follows:

Terms:

Section 1. Purpose and Authority

1.1 Authority. This Agreement is adopted pursuant to Texas Local Government Code § 180.011, which governs severance payments for political subdivision employees, including City Managers. This Agreement is intended to fully comply with the requirements, limitations, and prohibitions of § 180.011 as it exists on the effective date of this Agreement.

1.2 Intent. The intent of this Agreement is to define the City Manager’s rights to severance benefits only in the event the City Council terminates his employment, and to confirm that the Employment Agreement itself does not establish or provide any severance rights.

Section 2. Triggering Events

2.1 Eligibility for Severance. The City Manager shall be eligible for severance benefits under this Agreement only if: (a) the City Council votes to terminate the City Manager’s employment; and (b) such termination is not based on misconduct, as defined herein.

2.2 No Severance for Resignation. The City Manager shall not be entitled to severance if he: (a) resigns voluntarily; (b) resigns in lieu of termination.

2.3 No Severance for Death or Incapacity. No severance shall be owed if the City Manager's separation is due to death or incapacity.

Section 3. Statutory Misconduct Bar

3.1 Statutory Requirement. Texas Local Government Code § 180.011 prohibits the City from paying severance if the City Manager is terminated or separated due to misconduct.

3.2 Definition of Misconduct. For purposes of this Agreement, "misconduct" includes:

- a) a final conviction or plea of guilty or nolo contendere to any felony;
- b) a final conviction or plea of guilty or nolo contendere to any crime involving moral turpitude;
- c) final judgment holding the City Manager personally liable for a violation of another person's civil rights;
- d) a willful or grossly negligent violation by the City Manager, in the course and scope of performing the duties of City Manager, of the City Charter, City ordinances, written City policies, or state or federal law, when such violation is material and directly related to the performance of his official responsibilities;
- e) any willful or wrongful act, omission, gross negligence, or act committed in bad faith in the course and scope of employment that results in harm to the City; or
- f) a final determination by the Texas City Management Association ("TCMA") Ethics Committee that the City Manager has violated any applicable tenet of the TCMA Code of Ethics.

3.3 Determination of Misconduct. A finding of misconduct for purposes of this Agreement may be made by: (a) a final court judgment; (b) a final ethics determination by TCMA; or (c) a factual finding by the City Council, supported by evidence, that misconduct occurred. If any of the above occurs, the City Manager is not eligible for severance.

Section 4. Severance Benefits

4.1 Severance Pay. If eligible, the City Manager shall receive severance equal to twenty (20) weeks of the City Manager's annual base salary, calculated as of the effective date of termination. This amount is the maximum permitted by Texas Local Government Code § 180.011.

4.2 Form and Timing of Payment. Severance shall be paid: (a) in a lump sum; (b) within thirty (30) days of the effective date of termination; and (c) less all legally required withholdings.

Section 5. Conditions and Limitations

5.1 No Severance for Cause. If the City Council terminates the City Manager based on misconduct under Section 3, no severance shall be paid.

5.2 Release Required. The Manger's receipt of severance is conditioned upon execution of a standard release of claims acceptable to the City Attorney and consistent with Texas Law.

5.3 No Severance for Pending Criminal Matters. If, at the time of termination, the City Manager is: (a) under indictment; (b) subject to pending criminal prosecution; or (c) the subject of a pending civil-rights lawsuit alleging personal liability, the City may withhold severance pending final adjudication. If misconduct is found, no severance may be paid.

Section 6. Public Posting

6.1 Posting Requirement. Pursuant to Texas Local Government Code § 180.011(d), the City shall prominently post this Agreement on the City's public website: (a) on the homepage or a clearly identifiable subpage; and (b) at any time severance is paid under this Agreement.

6.2 Duration of Posting. The City shall maintain the posted copy for the period required by law.

Section 7. Relationship to Employment Agreement

7.1 Exclusive source of Severance rights. This Agreement constitutes the sole and exclusive source of severance rights for the City Manager.

7.2 Control in Case of Conflict. In the event of any conflict between this Agreement and the Employment Agreement concerning termination or severance, this Agreement shall control.

7.3 No Modification by Practice. No past practice, performance review, or employment term shall modify the severance terms herein.

Section 8. General Provisions

8.1 Governing Law. This Agreement shall be governed by the laws of the State of Texas.

8.2 Venue. Venue lies exclusively in Jefferson County, Texas.

8.3 Entire Agreement. This Agreement represents the entire understanding concerning severance between the parties.

8.4 Amendments. This Agreement may be amended only by written agreement approved by the City Council.

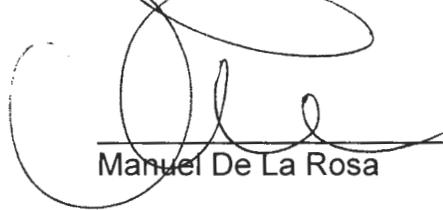
Executed this the 4th day of March, 2026.

CITY OF NEDERLAND, TEXAS

By: 

Jeff Ortiz
Mayor Pro-Tem

CITY MANAGER:



Manuel De La Rosa

ATTEST:



Joni Underwood
CITY CLERK