

EMPLOYMENT AGREEMENT

Executive Management (Exempt Service)

Community Development Director

This Employment Agreement ("Agreement") is made and entered into as of _____, 2026, by and between the CITY OF LODI, a municipal corporation (hereinafter called "City"), and DAVID HANHAM, an individual, (hereinafter referred to as "Employee") (City and Employee hereinafter referred to individually as "Party" or collectively as the "Parties").

RECITALS:

WHEREAS, Employee desires to be employed as Community Development Director and City desires to employ the services of Employee as Community Development Director; and

WHEREAS, City and Employee desire to agree in writing as to the terms and conditions of employment for the Community Development Director; and

WHEREAS, Employee and City agree and acknowledge that Employee's employment as Community Development Director is his sole and exclusive employment with City, and that their employment relationship is governed solely and exclusively by this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the promises and conditions set forth herein, the Parties hereto mutually agree as follows:

1. **Employment:** City agrees to employ Employee as Community Development Director, in accordance with the following provisions:

(a) Employee shall serve as Community Development Director, and shall be responsible for managing and directing the operations of the Community Development Department in accordance with an agreed upon performance plan.

(b) Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

(c) Employee shall not engage in any activity, which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with his reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC).

(d) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate his full energies and qualifications to his employment as Community Development Director, and shall not engage in any other employment except as set forth in this agreement or as may be specifically approved in writing in advance by the City Manager.

2. **Start Date:** Employee shall begin work as Community Development Director on September 8, 2026 (herein referred to as "Start Date").

3. **Maintenance of Professional Expertise:** To promote continued professional growth and benefit to the City, Employee shall, at City expense and consistent with budgetary constraints: maintain membership in professional organizations related to professional disciplines; attend workshops, seminars and other similar activities designed to advance Employee's professional development; and, represent the

City in professional associations and other organizations.

4. Resignation, or Termination:

(a) Employee may resign at any time and agrees to give City at least 30 days advance written notice of the effective date of his resignation. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(b) The Parties recognize and affirm that Employee may be terminated by the City Manager with cause, which shall mean gross insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to him, or material breach of this Agreement. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(c) The Parties recognize and affirm that Employee may be terminated by the City Manager without cause. In such event, Employee shall be entitled to severance pay as provided in Paragraph 5 herein.

(d) In the event of termination and in recognition of Employee's professional status and integrity, Employee and the City Manager shall prepare a joint public statement to be made by the City Manager. This employment relationship is based on the mutual respect between the Parties and a desire to maintain the highest degree of professionalism. In communicating with third Parties about the Parties' employment relationship and the circumstances under which it may have been severed, the Parties shall (a) protect and advance their mutual respect and professionalism, and (b) refrain from making statements that would negatively impact either Party.

(e) Employee may choose to resign or retire his office instead of being terminated if agreed to by the City Manager. In such an event the public announcement, as provided for in Paragraph 4 (d) above, will note Employee has resigned or retired. The provisions of Paragraph 4 (d) shall remain applicable. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

5. Severance Pay: If Employee is terminated by the City Manager without cause while still willing and able to perform the duties of Community Development Director, City agrees to pay Employee a cash payment equal to six (6) months' aggregate salary and the City's cost of six (6) months' health insurance benefits subject to reduction as set forth in this Paragraph 5. The severance payment will be paid over time at the same time as other employees of the City are paid and subject to customary withholdings. In the event Employee retains new employment during the six-month severance period, any remaining severance payment will be forfeited as of the date Employee begins his new Employment. To be eligible for such severance payment, Employee shall fulfill all of his obligations under this Agreement, and shall sign an Acknowledgment and Release of Claims against the City in a form acceptable to the City Attorney. Payment under this paragraph will release City from any further obligations under this Agreement, or any other circumstance or transaction between the Parties.

6. Employment as Department Head is Sole Employment with City: Employee further represents and acknowledges that his employment as Community Development Director is his sole and exclusive employment with the City. Employee has no right to any other exempt position with the City or to any employment in the classified service.

7. Salary:

(a) City agrees to pay Employee \$201,619.47 in salary per annum for his services, payable in installments at the same time as other employees of the City are paid and subject to customary withholding. The City may reduce base salary compensation or other financial benefits of Employee as part of general salary reduction in pay among and common to all employees. In addition, Employee shall pay seven percent (7%) (Employee's share) of his salary toward the California Public Employees Retirement system benefit and agrees to a cost-sharing agreement.

(b) Employee will receive a three percent (3%) cost-of-living increase effective in the first pay period of both January 2027 and January 2028.

8. Benefits:

(a) The City shall provide Employee the same benefits as provided to management employees in accordance with the terms of the Executive Management Statement of Benefits, amended as of May 16, 2012, and as hereafter amended, increased or decreased, except as modified herein. City shall pay up to 90% of the medical premium, by enrollment category, for the lowest cost HMO plan available in the zip code 95240, effective January 1, 2026. Employee's vacation leave shall be calculated as if he is in his 10th year of service with the City (accrued at 4.62 hours per pay-period), increasing thereafter as provided in the Executive Management Statement of Benefits. Employee shall be granted an 80 hour leave bank that can only be used during Employee's first 12 months of employment, this additional leave bank shall expire upon Employee's first anniversary with City.

(b) The foregoing benefits are the sole and exclusive benefits to be provided to Employee. Any improvement or modification of such benefits may only be made by written instrument signed by the City Manager. As used herein, benefits include, but are not limited to: vacation, sick leave, holidays, administrative leave, retirement, vision insurance, health insurance, dental insurance, long-term disability insurance, life insurance, and deferred compensation.

9. Cell Phone/Vehicle: Employee will be provided with a cellular telephone for employment related use at the City's expense or a monthly stipend, at Employee's option, on terms consistent with other Executive Managers. Employee will also be provided with access to the City Manager pool car for work related use on an as available basis.

10. Performance Evaluation: The City Manager shall review and evaluate the performance of Employee no less than one time each year and set goals and objectives for the ensuing year. Such review and evaluation shall be in accordance with specific criteria developed in the performance plan in consultation with Employee and the City Manager.

11. Assignment: Employee shall not assign any of the duties and responsibilities, or obligations of this Agreement except with the express written consent of the City Manager.

12. Authority to Work in the United States: Employee represents, under penalty of perjury, that he is authorized to work in the United States. In accordance with § 274A (8 USC 1324) of the Immigration Reform and Control Act of 1986 before this Agreement can become effective, Employee must provide documentary evidence to City consistent with the Act, that he is legally entitled to work in the United States, and must execute the verification required by that Act.

13. Notice: All notices required herein shall be sent first class mail to the Parties as follows:

To **CITY:**

City of Lodi
Attn: City Manager's Office
P. O. Box 3006
Lodi, CA 95241-1910

To **EMPLOYEE:**

David Hanham


Notice shall be deemed effectively served upon deposit in the United States mail. Either Party may change the "Notice" address by notifying the other Party in writing of such change.

14. Entire Agreement: This Agreement contains the entire agreement between the Parties hereto. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by any Party hereto. This Agreement may only be amended by written instrument signed by Employee and the City Manager.

15. Severability: If any provision of this Agreement is invalid or unenforceable, it shall be considered deleted herefrom and the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

(Remainder of the page left blank.)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

CITY OF LODI, a municipal corporation

EMPLOYEE

By: _____
Kara Reddig
City Manager

By: _____
David Hanham

ATTEST:

APPROVED AS TO FORM:

By: _____
Walfred Solorzano
Interim City Clerk

By: _____
for John M. Luebberke
Interim City Attorney 