

CITY MANAGER EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered into as of May ____, 2026, by and between the City of Lodi, a municipal corporation, hereinafter called "City" and Kara Reddig, hereinafter called "Employee," both of whom agree as follows:

RECITALS:

It is the desire of the City to retain the services of Employee and to provide inducement for her to remain in such employment, make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security, and to provide a just means for terminating Employee's services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT:

1. GENERAL EMPLOYMENT & TERM

City agrees to employ Employee as the City Manager of City starting on June __, 2026, at 7:30 a.m. ("Effective Date"), and Employee accepts such employment and agrees to perform the functions and duties of City Manager for the City as provided by law and as she may be assigned by the City Council. The term of this Agreement shall be for a three-year period beginning on the Effective Date and ending on June __, 2029 at 5:00 p.m., unless sooner terminated pursuant to either Section 14 or 15 below ("Employment Term"). Should City elect not to renew this Agreement, City shall provide Employee six-months prior notice of non-renewal.

2. DUTIES & AUTHORITY:

Employee will:

- (a) Perform the functions and duties of a City Manager as specified in applicable statutes including, but not limited to, the California Government Code, and City Ordinances, Resolutions, Rules and Regulations, as well as all other applicable federal, state, and local laws;
- (b) Conduct efficient administration of all the affairs of the City which are under her control. In addition to the city manager's general powers as administrative head, and not as a limitation thereon, it is her duty and she shall have power to complete the tasks and responsibilities outlined in Lodi Municipal Code Section 2.12.060;
- (c) Perform all legally permissible and proper duties as the City Council may assign and as may be modified from time to time; and
- (d) In coordination with the City Attorney, Employee shall recommend policies, rules, and regulations to implement City Council policies and shall enforce policies established by the City Council. To accomplish this, Employee shall:

- 1) Attend City Council meetings as needed or required by the City Council.

- 2) Review all items, and any supporting documents, agenda items for any regular and special meetings of the City Council. Employee shall consult with the City attorney, Department Heads, relevant staff and consultants as necessary to advise City Council concerning items on the City Council's agenda.

3. EXCLUSIVE EMPLOYMENT:

- (a) Except as the City Council may otherwise approve in writing pursuant to subparagraph (b) of this paragraph 3, Employee has the duty and herein commits to devote her full time and energies in the best interest of the City, and to act in accordance with the duties and responsibilities of the position of City Manager as specified in Lodi Municipal Code section 2.12.060, as well as other duties assigned by the City Council, which reasonably relate to the position of City Manager.
- (b) Employee shall not accept employment from or on behalf of any person, firm, corporation or entity during the term of this Agreement except as approved in writing by the City Council. The foregoing shall not be construed to prevent Employee from performing volunteer community service, participating in community service organizations, Employee's membership on non-profit boards, or managing personal and real property investments, outside the City jurisdiction without requiring further approval of the City Council. However, if performing any of these activities within the City jurisdiction, Employee shall, prior to performing such services, disclose such anticipated services to the City Council and obtain its approval. Any approved outside services shall not create nor tend to create a disqualifying conflict of interest as defined by the California Political Reform Act of 1974, as amended, nor shall such services impair Employee's ability to fully perform her duties for City hereunder.

4. EMPLOYEE COMMITMENTS:

- (a) Specific Tasks and Work Plans – Employee agrees to accomplish specific tasks as specified and described by the City Council from time to time in a timely and professional manner. Such specific tasks shall be discussed with Employee and then adopted by motion of the City Council as frequently as the City Council may choose.
- (b) Hours of Work – Employee is an exempt employee who does not accrue compensatory time off but is expected to engage in those hours of work as necessary to fulfill the obligations of the position. Employee does not have set hours of work but is expected to be available at all reasonable times. It is recognized that Employee must devote a great deal of her time outside “normal office hours” to the business of the City, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. The Employee has discretion as to her work schedule to accomplish these tasks and meet City needs.

5. CITY COMMITMENTS:

- (a) City shall provide Employee with an office, support staff, office equipment, supplies, and all other facilities and services adequate for the performance of her duties.

- (b) City shall pay for, or provide, Employee reimbursement of actual business expenses. The City shall provide Employee with a City credit card to charge appropriate and lawful business expenses up to the amount provided for in the City budget.
- (c) City shall pay for Employee's educational courses, subscriptions, membership fees, and dues for City Manager and City business expenses, as well as Employee's participation in City approved local service clubs and community-based organizations.
- (d) City also agrees to pay travel and subsistence expenses of Employee to pursue official and other functions for the City, and meetings and occasions to continue the professional development of Employee, including but not limited to Annual Conferences of the League of California Cities, ICMA and other national, regional, state, and local conferences, and governmental groups and committees upon which Employee serves as a member as well as executive coaching up to an amount provided for in the City budget.

6. MUTUAL COMMITMENTS:

Performance Evaluation – Routine performance evaluations are an important way for the City Council and Employee to ensure effective communication about expectations and performance. The City Council recognizes that for Employee to respond to its needs and to grow in the performance of her job, she needs to know how the City Council Members think she is performing. To assure Employee gets this feedback, the City Council commits to:

- (a) City Council shall define goals and performance objectives for Employee, which they determine necessary for the proper operation of the City and attainment of the City Council's strategic initiatives. The City Council and Employee shall further establish a relative priority among those various goals and objectives.
- (b) By the end of September 2026, Employee shall complete an initial three-month check-in performance review with Council. A subsequent check-in performance review with Council shall occur by the end of December 2026. During these initial reviews Employee shall provide a formal update on her accomplishments towards the goals and objectives outlined by the City Council and Employee when her employment began.
- (c) Conduct subsequent evaluation of Employee's performance and salary review at least annually from Employee's start date, or on any other schedule deemed appropriate by the City Council. The City Council or Employee may request to use an outside facilitator to assist in conducting these evaluations.
- (d) For all annual performance reviews, City Council and Employee shall develop specific criteria to evaluate Employee's discharge of duties, which they determine necessary for the proper operation of the City and progress on Council's strategic initiatives. Such criteria may be added to or deleted as the City Council may from time to time determine in consultation with Employee.

7. COMPENSATION:

City agrees to provide the following compensation to Employee during the term of the Agreement:

- (a) Base Salary – Employee shall be paid an annual salary of \$285,000.00 per year (“Base Salary”), which sum may be adjusted from time to time as provided in this Agreement by action of the City Council, payable in twenty-six (26) equal installments in the same manner as City department heads.
- (b) The City shall pay all traditional employer costs required by law, including but not limited to: FICA, Medicare, Unemployment Compensation, and Workers’ Compensation.
- (c) Future annual adjustments to Employee’s salary shall be set by City Council action. City may not reduce salary or benefits provided by this Agreement unless:
 - (i) it does so on a Citywide (all-employees) basis, and then in no greater percentage than the average reduction of all City employees, or
 - (ii) it does so after providing Employee with a written negative performance evaluation that provides direction and opportunity for improvement prior to any action to reduce salary or benefits.
- (d) Any future negotiations between City and Employee as to Employee’s salary, beyond the previously approved increases adopted in Subsection (c) above, shall be conducted either during the annual performance review process, or in writing through the HR Manager or third-party facilitator agreed to by both parties for the salary negotiation.

8. AUTOMOBILE:

Employee shall receive a monthly automobile allowance of \$300.00. Employee shall be reimbursed for travel expenses beyond her regular, monthly vehicle use in accordance with City’s travel policies.

9. GENERAL EXPENSES:

Employee shall also be reimbursed by City for reasonable out-of-pocket expenses incurred in the course and scope of her employment in accordance with City reimbursement policies.

10. BASIC BENEFITS:

- (a) Holidays - Employee shall begin with a thirty-two (32) hour bank of floating holiday leave. After that, Employee shall receive 36 floating hours of paid leave (pro-rated for calendar year 2026) and ten and one half (10 ½) paid fixed holidays per year, credited in the same manner as all other City employees.
- (b) Vacation Leave – Employee shall begin with a forty (40) hour bank of floating vacation leave. As of the Effective Date Employee’s vacation leave shall be calculated as if she

were in her twenty-fourth year of continuous service to the City. This will accrue at a rate of 6.16 hours per pay period (for a total of 160.16 hours per year), as provided in the City of Lodi Executive Management Statement of Benefits, dated 2012, as amended from time to time by resolution of the City Council ("Executive Statement of Benefits"). Upon termination or resignation of employment, Employee or those entitled to her estate shall receive a lump sum payment for unused or accumulated vacation time to her credit at her rate of pay as of her date of termination.

- (c) Sick Leave - As of the Effective Date, Employee shall begin with a forty (40) hour bank of sick leave. After that, Employee shall be granted ninety-six (96) hours of sick leave per year which will accrue at a rate of 3.70 hours per pay period with no limit on the amount that can be accumulated.
- (d) Administrative Leave - Employee shall begin with a forty (40) hour bank of administrative leave. After that, Employee shall be granted eighty (80) hours of administrative leave per calendar year (pro-rated for calendar year 2026). Employee may cash out up to eighty (80) hours of Administrative Leave each year. Upon termination or resignation of employment, Employee or those entitled to her estate shall receive a lump sum payment for unused or accumulated administrative leave to her credit at her rate of pay as of her date of termination.
- (e) Deferred Compensation: Employee may participate in the City's Deferred Compensation plan. The City will match up to a percentage equal to the highest amount provided to any bargaining group, but which amount shall never be less than 3% of Employee's base salary.
- (f) Cellular Phone and Technology Stipends: Employee shall be reimbursed for use of her personal cellular phone and home internet service for City business in accordance with the City's cellular phone and internet reimbursement policies.
- (g) Other terms and conditions – Except as otherwise provided herein, all provisions of the City of Lodi Municipal Code, official policies and regulations and rules of the City relating to disability, incapacity, vacation, holidays, retirement systems contributions, and other fringe benefits and working conditions as they now exist or hereafter may be amended also shall apply to Employee as they would to other executive management employees of City in addition to said benefits set out in this Agreement.

11. INSURANCE:

- (a) Health Insurance: Employee shall receive health insurance, vision insurance, dental insurance, long term disability, chiropractic insurance, and any other similar benefits which may be offered by the City in the same manner and under the same terms as other City executive management employees.
- (b) Life Insurance: Employee shall receive Life Insurance as provided in the Executive Statement of Benefits, as it may be amended from time to time by the City Council.

12. RETIREMENT:

City is a full member of the Public Employees Retirement System (PERS) to which City agrees to contribute to Employee's retirement account to the same extent and under the same terms as the City does for other executive management employees.

13. SEPARATION:

- (a) Resignation – If Employee voluntarily resigns, Employee shall not be entitled to severance pay otherwise provided in Paragraph 14 of this Agreement. If Employee voluntarily resigns, she shall give City at least forty-five (45) days' advance written notice and shall be entitled to all earned salary and all earned, accrued, unused leave (vacation, sick, administrative, and holiday) through Employee's last day of employment with the City in the manner as all other City employees.
- (b) Termination & Removal – The City Council may remove Employee with or without cause, by a majority vote of its members. Notice of termination shall be provided to Employee in writing. Any such notice of termination shall be given at a noticed meeting of the City Council. The City will respect Employee's rights under Government Code section 54957, subdivision (b). Employee shall not be removed during the first 120 days following any change in membership of the City Council, except upon four-fifths vote of the City Council. Given the at-will nature of the position of City Manager, an important element of the employment Agreement pertains to termination. It is in both the City's interest and that of Employee that separation of Employee be done in a businesslike manner.

14. TERMINATION AND SEVERANCE:

If the City Council terminates Employee, City agrees to pay to Employee a lump sum cash payment equal to nine (9) months' salary and to continue to pay Employee's health insurance benefits on the same terms set forth in Paragraph 11(a) of this Agreement for nine (9) months from the Employee's date of termination. In all cases such payments shall be subject to all rules and regulations governing income tax withholding. However, notwithstanding the above, if Employee is terminated due to retirement, insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to her, or a breach of this Agreement, City shall have no obligation to pay any severance provided in this Paragraph 14. If Employee is convicted of a crime involving abuse of her office or position, as described in Paragraph 20, Employee shall reimburse City for any severance pay paid to Employee under this Paragraph 14.

15. EMPLOYMENT STATUS:

- (a) Employee is an "at will" employee and shall serve at the pleasure of the City Council. Her at-will status cannot be changed except by formal amendment to this Agreement approved by the City Council at a properly noticed meeting and signed by the Mayor.
- (b) Except as provided in Paragraph 14, nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of the City Council to terminate the services of Employee.

(c) Except as provided in Paragraph 13, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign from her position as City Manager at any time.

16. AUTHORITY TO WORK IN THE UNITED STATES:

Employee represents, under penalty of perjury, that she 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 she is legally entitled to work in the United States, and must execute the verification required by that Act.

17. MODIFICATIONS:

No modification of this Agreement shall be valid unless said modification is in writing and signed by both parties.

18. CONFLICT OF INTEREST:

Because of the duties and role of Employee on behalf of the City and its residents, Employee shall not, without the prior approval of the City Council, during the term of this Agreement, individually, as a partner, joint venturer, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of City, except for stock ownership in any company whose capital stock is publicly held and regularly traded.

Employee shall also be subject to the conflict of interest provisions of the California Government Code and any conflict of interest code applicable to her City employment. Employee is responsible for submitting to the City Clerk the Appropriate Conflict of Interest Statements at the time of appointment, annually thereafter, and upon separation from her position.

Employee shall conduct herself and perform the role of City Manager in a manner consistent with the International City/County Management Association Code of Ethics and the City's ethical standards, each of which are incorporated herein by this reference.

19. INDEMNIFICATION:

In accordance with and subject to the provisions of California's Government Claims Act (Government Code §825 et seq.), and any other applicable law, City shall defend, indemnify, and hold harmless Employee in any civil action against and for all losses sustained by Employee in direct consequence of the discharge of her duties on the City's behalf for the period of her employment. City shall defend, indemnify, and hold harmless Employee against any tort, professional liability claim or demand, or other civil legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of her duties as City Manager. City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. Whenever Employee shall be sued for damages arising out of the performance of her duties, the City may provide defense counsel for Employee in such suit and indemnify her from any judgment rendered against her; provided that such indemnity shall not extend to any judgment for damages arising out of any willful wrongdoing of Employee. Said duty to

indemnify shall survive termination of employment and expiration of this Agreement to protect Employee for any such acts undertaken or committed in her capacity as City Manager, regardless of whether the notice of filing of a lawsuit occurs during or following her employment with the City.

20. ABUSE OF OFFICE:

Any severance payments or cash settlement paid in relation to the termination of this Agreement pursuant to Paragraph 14, and any legal criminal defense payments made by the City in the defense of Employee, if any, are subject to, and shall be interpreted to comply with, the limitations set forth in Government Code section 53260, concerning the maximum cash settlement in an employment contract, and Government Code sections 53243 through 53243.4, limiting and/or restricting payment or continued retention of severance payments and/or legal criminal defense payments should Employee be convicted of a crime involving an abuse of office or position. "Abuse of office or position" for purposes of this Agreement, shall be as defined in Government Code section 53243.4 which provides: "abuse of office or position" means either of the following: (a) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority. (b) A crime against public justice, including, but not limited to, a crime described in Title 5 (commencing with Section 67), Title 6 (commencing with Section 85), or Title 7 (commencing with Section 92) of Part 1 of the Penal Code."

21. ATTORNEY'S FEES:

If either City or Employee brings any action or proceeding against the other, including but not limited to, an action to enforce or to declare the termination, cancellation or revision of this Agreement, the prevailing party in such action or proceeding shall be entitled to receive from the other party all reasonable attorney's fees and costs, actually incurred in connection therewith. If either party shall initiate any suit, action, or appeal on any matter related to this Agreement, then the court before which such suit, action, or appeal is pending shall award to the prevailing party such attorney's fees and costs as the court shall deem reasonable.

22. SEVERABILITY:

If any provision or any portion of any provision of this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion hereof, shall be deemed severable and shall not be affected, but shall remain in full force and effect.

23. INTEGRATED AGREEMENT:

This writing contains the entire agreement between the parties and all prior or contemporaneous agreements, understandings or discussions relative to this Agreement are hereby superseded.

24. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California, and the parties hereto agree that venue for any dispute as to this Agreement shall be in Lodi, San Joaquin County, California.

25. NOTICES:

All written notices required pursuant to this agreement shall be delivered to: City Clerk, P.O. Box 3006, Lodi, CA 95241 or City Hall, 221 West Pine Street, Lodi, CA 95240; and Kara Reddig, c/o City Hall, 221 West Pine Street, Lodi, CA 95240.

26. EXECUTION:

IN WITNESS WHEREOF, the City Council of the City of Lodi has caused this Agreement to be signed and executed on its behalf by the Mayor, and Employee has signed and executed this Agreement as of the day and year first above written.

CITY OF LODI, a municipal corporation:

EMPLOYEE:

By: _____
Ramon Yopez
Mayor

Kara Reddig

Attest:

Approved as to Form:

Olivia Nashed
City Clerk

John M. Luebberke
Interim City Attorney 