

EMPLOYMENT AGREEMENT ADDENDUM

Executive Management Exempt Service

Fire Chief

THIS EMPLOYMENT AGREEMENT ADDENDUM ("Addendum") made and effective this _____, 2026, by and between the CITY OF LODI, a municipal corporation ("City") and Kenneth Johnson, an individual ("Employee").

WHEREAS, the City and Employee entered into an Employment Agreement dated May 6, 2021, as shown in Exhibit "A" attached hereto and incorporated herein by this reference ("Agreement"); and

WHEREAS, on February 18, 2026, the City Council approved Resolution 2026-____, attached hereto as Exhibit "B" which authorized an equity increase of five percent (5.0%) to Employee's base salary to the amount of \$236,752.17 annually, to retroactively take effect on January 5, 2026; approving an equity increase of one point five percent (1.5%) effective the first full pay period in January 2027; approving cost of living increases of three percent (3%) effective the first full pay period in January 2027, and January 2028; and amendments to Employee's benefits as listed below; and

WHEREAS, the City and Employee now wish to execute this Addendum agreeing and acknowledging that the salary and benefit increases reflected in Resolution 2026-____ and update the Agreement language to reflect these changes.

Agreement

City and Employee hereby acknowledge and agree that the Agreement shall be updated to reflect the increase to Employee's salary and benefits as approved and adopted by the City Council Resolution 2026-____, as follows:

7. Salary:

(a) Effective January 5, 2026, City agrees to pay Employee \$236,752.17 in salary per year 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 nine percent (9%) (Employee's share) of his salary towards the California Public Employees Retirement system benefit and agrees to a cost-sharing agreement and will pay an additional three percent (3%) towards the employer's share of CalPERS normal pension cost. Effective July 6, 2026, the Employee's cost-sharing contribution (pursuant to California Government Code section 20516) shall be reduced from nine percent (9%) to three percent (3%).

(b) Future annual adjustments to Employee's salary shall be set by City Council action, and shall include a one-point five percent (1.5%) equity adjustment at the first full pay-period in January 2027; a three percent (3%) cost of living wage increase at the first full pay-period in January 2027 and another three percent (3%) cost of living wage increase at the first full pay-period in January 2028.

(c) City agrees to maintain a minimum ten percent (10%) salary differential between Employee and the Fire Department's next highest paid executive or mid manager, including incentive pay.

(d) If assigned by the City Manager to a vacant or interim Director position, for more than two consecutive weeks, Employee shall receive the current salary of the position they are filling while in this status, or a 10% upgrade, whichever is greater.

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 may from time to time be amended, increased or decreased, except as modified herein. Employee's vacation leave shall be calculated as if he is in his 13th year of service with the City (accrued at 5.23 hours per pay period), subsequently increasing as provided in the Executive Management Statement of Benefits. Employee shall be granted an eighty (80) hour vacation/sick leave bank that can only be used during Employee's first 12 months of employment; this secondary bank shall expire upon Employee's first anniversary with the City. In addition, Employee may carry-over fifty percent (50%) of his sick leave bank from his employment with the City of Stockton; however, in no event shall the sick leave carry-over exceed 200-hours.

Employee and qualified dependents are eligible to participate in the City's sponsored medical insurance as offered through CalPERS, or other medical plan offered by the City. Effective January 1, 2026, the 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. Employee shall be responsible for ten percent (10%) of the medical premium for the lowest cost HMO plan available in the zip code 95240. If employee selects a higher cost medical plan, Employee will pay the difference as a payroll deduction.

If Employee elects not to be covered by medical insurance through the City, an additional \$692.81 per month for Family or \$532.92 for Employee+1 or \$305.22 for a Single employee, will be added to either the Employee's deferred compensation account or paid in cash. In order to qualify for this 'cash-out' provision, proof of group insurance coverage must be provided to the 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.

NOW, THEREFORE, the parties hereby agree and acknowledge cost of living increases in January 2027 and 2028, amendments to CalPERS cost-sharing, and the City's contribution towards medical insurance, as approved by the City Council in Resolution 2026-__, and confirm that all other terms and conditions remain as previously set forth in the Agreement.

IN WITNESS WHEREOF, the parties have executed this Addendum to the Agreement the day and year written above.

CITY OF LODI, a municipal corporation

EMPLOYEE

By: _____
JAMES LINDSAY
Interim City Manager

By: _____
KENNETH JOHNSON

ATTEST:

APPROVED AS TO FORM:

By: _____
OLIVIA NASHED
City Clerk

KATIE O. LUCCHESI
City Attorney KL

EMPLOYMENT AGREEMENT

**Executive Management
Exempt Service**

Fire Chief

THIS AGREEMENT entered into on May 6th, 2021, by and between the CITY OF LODI, a municipal corporation (hereinafter referred to as "City") and Kenneth W. Johnson, an individual (hereinafter referred to as "Employee").

WHEREAS, Employee desires to be employed as Fire Chief and City desires to employ the services of Employee as Fire Chief; and

WHEREAS, City and Employee agree in writing to the terms and conditions of employment as Fire Chief; and

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

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

1. Employment: City agrees to employ Employee as Fire Chief, in accordance with the following provisions:

(a) Employee shall serve as Fire Chief, and shall be responsible for managing and directing the operations of the Fire 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 that 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 Fire Chief, 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 Fire Chief on May 31, 2021 (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 city fire administration and related 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 affect 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 Fire Chief, 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 pay, 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 transaction between the parties.

6. Employment as Department Head is Sole Employment with City:

Employee further represents and acknowledges that his employment as Fire Chief 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 \$15,265.45 in salary per month 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 nine percent (9%) (Employee's share) of his salary towards the California Public Employees Retirement system benefit and agrees to a cost-sharing agreement and will pay an additional three percent (3%) towards the employer's share of CalPERS normal pension cost.

(b) Employee will receive a three percent (3%) salary adjustment pursuant to City Council Resolution 2019-157, effective the first full pay period in July 2021.

8. Benefits:

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 may from time to time be amended, increased or decreased, except as modified herein. Employee's vacation leave shall be calculated as if he is in his 15th year of service with the City (accrued at 6.16 hours per pay period), as provided in the Executive Management Statement of Benefits. Employee shall be granted an eighty (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 the City. In addition, Employee may carry-over up to 50% of his sick leave bank from his employment with the City of Stockton; however, in no event shall the sick leave carry-over exceed 200-hours.

(a) 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. Vehicle Use: The City requires that Employee have transportation readily available for his use during his employment with the City, and, to the end of assuring that Employee has a vehicle available, Employee shall be assigned an appropriate vehicle equipped with necessary safety equipment and communications devices. Due to his on-call status, Employee shall be allowed use of said vehicle for personal use up to three hours away from the Lodi Fire Department if necessary to accommodate a call to duty.

10. **Uniform Allowance:** Employee will be provided a one-time reimbursement for the total cost of one complete Class A Fire Chief Uniform and four (4) working uniforms.

11. **Performance Evaluation:** The City Manager shall review and evaluate the performance of Employee 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.

12. **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.

13. **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.

14. **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:

Kenneth W. Johnson


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.

15. **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 and specifically approved by the City Council in open session.

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16. 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.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written above.

EMPLOYEE

By: 
KENNETH W. JOHNSON

CITY OF LODI, a municipal corporation

By: 
STEPHEN SCHWABAUER
City Manager

ATTEST:

By: 
for: JENNIFER CUSMIR
City Clerk

APPROVED AS TO FORM:


JANICE D. MAGDICH
City Attorney

RESOLUTION NO. 2022-306

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
COMPENSATION AND BENEFIT MODIFICATIONS FOR EXECUTIVE
MANAGEMENT EMPLOYEES FOR THE PERIOD JANUARY 1, 2023
THROUGH DECEMBER 31, 2025

WHEREAS, the City has completed negotiations with all bargaining units; and

WHEREAS, it is recommended that Council provide the same salary and benefit modifications to the Executive Management Employee contracts:

- Six percent (6%) increase to base salary effective January 9, 2023; Five percent (5%) increase to base salary, effective January, 8, 2024; and Four percent (4%) increase to base salary, effective January 6, 2025;
- Additional wage increase of one percent (1%) effective January 9, 2023 for the Police Chief;
- Additional wage increase of one point six two percent (1.62%) effective January 9, 2023 for the Electric Utility Director;
- Additional wage increase of three point six two percent (3.62%) effective January 9, 2023 for the Parks, Recreation and Cultural Services Director;
- Additional wage increase of five point one eight percent (5.81%) effective January 9, 2023 for the Library Services Director;
- Additional wage increase of seven point one eight percent (7.18%) effective January 9, 2023 for the Community Development Director;
- Increase to the City's contribution towards medical premiums and remain fixed over the term of the contract:
 - \$ 2,005.52 per month for family coverage;
 - \$ 1,542.71 per month for employee plus one dependent coverage; and
 - \$ 771.35 per month for employee only coverage.
- Increase to the annual maximum dental benefit from \$1,000 to \$1,250, and the addition of orthodontia benefits for the employees and eligible dependents with a lifetime maximum benefit of \$1,250.
- Addition of one fixed holiday in recognition of the Juneteenth holiday.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve compensation and benefit modifications to Executive Management Employee contracts.

Date: December 7, 2022

I hereby certify that Resolution No. 2022-306 was passed and adopted by the Lodi City Council in a regular meeting held December 7, 2022, by the following vote:

AYES: COUNCIL MEMBERS – Hothi, Khan, Kuehne, Nakanishi, and
Mayor Chandler

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

Olivia Nashed

OLIVIA NASHED
City Clerk