

EMPLOYMENT AGREEMENT ADDENDUM

Executive Management Exempt Service

Electric Utility Director

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

WHEREAS, the City and Employee entered into an Employment Agreement dated July 19, 2019, 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-____, which authorized 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 in Section 8 below; and

WHEREAS, the City and Employee now wish to execute this Addendum agreeing and acknowledging the salary and benefit increases 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 increases to Employee's salary and benefits as approved and adopted by the City Council in Resolution 2026-____, as follows:

7. Salary:

(a) City agrees to pay Employee \$342,028.00 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.

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

(c) 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:

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 dated 2012, and as may from time to time be amended by the City Council, Increased or decreased, except as modified herein ("Executive Statement of Benefits"). These are the sole end 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, and life insurance. Employee

shall receive a bank of 40 hours of vacation leave concurrent with his start date that can only be used during Employee's first 12-months of Employment. Employee's vacation leave shall be calculated as if he were in his sixth year of continuous service to the City (i.e. Employee will accrue 120.12 hours of paid vacation leave per calendar year), increasing from there as provided in the Executive Management Statement of Benefits.

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.

City is a full member of the Public Employees Retirement System (PERS) to which City agrees to contribute to Employee's retirement account the total amount PERS requires. Employee shall contribute Employee's contribution to the membership contract with PERS for each pay period for Employee's membership (Classic or PEPR). In addition, in accordance with California Government Code section 20516 contract amendment process requirements, Employee shall pay six percent (6%) towards the employer's share of the CalPERS normal pension cost through a cost-sharing agreement. Effective July 6, 2026, the employee's cost-sharing contribution (pursuant to California Government Code section 20516) of six percent (6%), as listed above, shall be eliminated.

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: _____
JEFFREY BERKHEIMER

ATTEST:

APPROVED AS TO FORM:

By: _____
OLIVIA NASHED
City Clerk

KATIE O. LUCCHESI
City Attorney
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EMPLOYMENT AGREEMENT

**Executive Management
(Exempt Service)**

Electric Utility Director

THIS AGREEMENT entered into effective July 19, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter referred to as "City") and JEFFREY D. BERKHEIMER, an individual (hereinafter referred to as "Employee").

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

WHEREAS, City and Employee agree in writing to the terms and conditions of employment as Electric Utility Director; and

WHEREAS, Employee and City agree and acknowledge that Employee's employment as the Electric Utility Director 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 the Electric Utility Director, in accordance with the following provisions:

(a) Employee shall serve as the Electric Utility Director, and shall be responsible for managing and directing the operations of the Electric Utility 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 Electric Utility Director, and shall not engage in any other employment.

(e) Employee acknowledges that he is subject to City of Lodi's Rules for Personnel Administration, amended October 6, 2010, and Administrative Policies and Procedure Manual, as each may be amended from time to time by action of the City Council.

2. **Start Date:** Employee shall begin work as the Electric Utility Director effective August 12, 2019.

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 electric utility 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 of the City of Lodi ("City Manager") with cause, which shall mean gross insubordination, incapacity, dereliction of duty, violation of state or federal employment practice laws or regulations, 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 public statement to be made by the City. 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 the Electric Utility 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 pay, Employee shall fulfill all of his obligations under this Agreement, and shall sign an Acknowledgment and Release of Claims against the City. 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 the Electric Utility 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 \$179,000.00 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 City employees.

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 dated 2012, and as may from time to time be amended by the City Council, increased or decreased, except as modified herein ("Executive Statement of Benefits"). These 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, and life insurance. Employee shall receive a bank of 40 hours of vacation leave concurrent with his start date that can only be used during Employee's first 12-months of Employment. Employee's vacation leave shall be calculated as if he were in his sixth year of continuous service to the City (i.e. Employee will accrue 120.12 hours of paid vacation leave per calendar year), increasing from there as provided in the Executive Management Statement of Benefits. .

9. 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.

10. 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.

11. 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.

12. Cell Phone/Vehicle: Employee will be provided with a Cell Phone 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 Electric Utility Pool Car for work related use on an as available basis.

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:

Jeffrey D. Berkhelmer
[REDACTED]
[REDACTED]

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 and approved by the City Council in open session.

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.

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

EMPLOYEE

By: 
JEFFREY D. BERKHEIMER

CITY OF LODI, a municipal corporation

By: 
STEPHEN SCHWABAUER
City Manager

ATTEST:

By: 
JENNIFER M. FERRAILO
City Clerk

APPROVED AS TO FORM:

By: 
JANICE D. MAGDICH
City Attorney

RESOLUTION NO. 2025-015

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING SALARY
ADJUSTMENTS FOR CLASSIFICATIONS IMPACTED BY THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
NEGOTIATED MEMORANDUM OF UNDERSTANDING, ESTABLISHING THE
SALARY RANGE FOR THE ELECTRIC UTILITY DIRECTOR, AND
AUTHORIZING THE CITY MANAGER TO EXECUTE AN ADDENDUM TO THE
ELECTRIC UTILITY DIRECTOR EMPLOYMENT AGREEMENT
ACKNOWLEDGING THE SALARY INCREASE

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WHEREAS, representatives from the City and the International Brotherhood of Electrical Workers, Local 1245 (IBEW) reached an agreement on a successor Memorandum of Understanding (MOU) that was approved by the City Council on December 18, 2024; and

WHEREAS, the City contracted with Gallagher Benefit Services, Inc. to complete a total compensation survey across City positions ("Gallagher Study"); and

WHEREAS, the IBEW MOU implemented salary adjustments recommended in the Gallagher Study to maintain median salaries and be competitive in the market of comparable agencies; and

WHEREAS, the implementation of the Gallagher study into the IBEW MOU has a direct impact on supervisors and managers in the Electric Utility Department (EUD); and

WHEREAS, the MOU between the City and Lodi City Mid-Management Association (LCMMA) provides a 10% differential between the top salary step of LCMMA members and the LCMMA members' direct report; and

WHEREAS, other EUD classifications not included in the Gallagher Study also require an adjustment for internal equity, and salary increase percentages were identified by using internal comparability; and

WHEREAS, it is recommended that the Council approve salary adjustments for classifications in the Electric Utility Department impacted by the International Brotherhood of Electrical Workers Memorandum of Understanding in advance of the expiration of the MOU with Lodi City Mid-Management and the American Federation of State, County and Municipal Employees General Service Unit;

WHEREAS, on July 17, 2019, the City Council ratified an employment agreement between Electric Utility Director Jeffrey D. Berkheimer and the City; and

WHEREAS, it is recommended that Council approve a salary range for the Electric Utility Director Position; and

WHEREAS, it is recommended that the Council authorize the City Manager execute an addendum to the Electric Utility Director's employment agreement to acknowledge the base salary increase to \$342,028 annually (Step 4 of the salary range).

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve salary increases to the EUD classifications noted in the salary table identified as Attachment attached hereto, and retroactively authorizes implementation of these increases effective as of January 6, 2025.

BE IT ALSO RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute an addendum to the employment agreement between the City of Lodi and Jeffrey D. Berkheimer, in a form to be approved by the City Attorney, to reflect an annual salary of \$342,028 to be retroactively effective as of January 6, 2025.

Dated: February 5, 2025

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I hereby certify that Resolution No. 2025--015 was passed and adopted by the City Council of the City of Lodi in a regular meeting held February 5, 2025, by the following votes:

AYES: COUNCIL MEMBERS – Craig-Hensley, Hothi, Nakanishi, Yopez, and Mayor Bregman

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


OLIVIA NASHED
City Clerk

2025-015