

RESOLUTION NO. 22-043

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DIXON APPROVING A FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT OF THE CITY MANAGER JIM LINDLEY AND AUTHORIZING THE MAYOR TO EXECUTE AND ENTER INTO THE AGREEMENT ON BEHALF OF THE CITY

WHEREAS, pursuant to the City of Dixon's ("City") Municipal Code section 2.09.020, the City Council is authorized to hire and appoint the City Manager; and

WHEREAS, August 28, 2018, the City Council adopted a resolution approving an Employment Agreement of the City Manager Jim Lindley ("Agreement"); and

WHEREAS, the City and the City Manager now wish to enter into a First Amendment to the Agreement, which will reduce the severance payment upon termination without cause from eighteen (18) months of salary to twelve (12) months of salary;

WHEREAS, the First Amendment to the Agreement will additionally increase the Base Salary provided under the Agreement to Two Hundred Forty-Two Thousand Five Hundred Dollars (\$242,500).

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DIXON that the City Council approves the Agreement, attached hereto as Exhibit A, and authorizes the Mayor to execute and enter into the Agreement on behalf of the City.

PASSED AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF DIXON ON THE 1ST DAY OF MARCH 2022, BY THE FOLLOWING VOTE:

AYES: Ernest, Hendershot, Johnson, Pederson, Bird

NOES: None

ABSTAIN: None

ABSENT: None

ATTEST:

APPROVED:



Kristin Janisch
Elected City Clerk



Steve Bird
Mayor of the City of Dixon

**FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT BY AND
BETWEEN CITY OF DIXON AND JIM LINDLEY FOR THE POSITION
OF CITY MANAGER**

This First Amended Employment Agreement ("First Amendment") is made and entered into on this 1st day of March, 2022, by and between the City of Dixon ("Employer"), a California municipal corporation, and Jim Lindley, an individual ("Employee"). Employer and Employee may be referred to hereinafter as a "Party" or collectively as the "Parties." There are no other parties to this First Amendment.

RECITALS

- A. Employee commenced work as City Manager on March 12, 2012.
- B. The Parties entered into an Agreement for employment of City Manager on August 14, 2018 ("Agreement"), which provides the terms and conditions of Employee's employment.
- C. The Parties now desire to amend the terms and conditions of the Agreement.

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

AGREEMENT

Section 1. Incorporation of Recitals. The recitals set forth above are incorporated herein by this reference and made a part of this First Amendment. In the event of any inconsistencies between the recitals and section 1 through 11 of this First Amendment, sections 1 through 11 will prevail.

Section 2. Effect of Original Agreement. Except as otherwise provided herein, all provisions, defined terms, and obligations in the original Agreement remain in full force and effect. The Parties agree that they continue to be bound by all terms of the Agreement except as modified by this First Amendment. All capitalized terms used in this First Amendment, which are not otherwise defined in this First Amendment, shall have the meanings given to such terms in the Agreement.

Section 3. Definition of Agreement. The Agreement, attached hereto as **Exhibit A**, together with this First Amendment, collectively make and are defined together to collectively be the "Agreement".

Section 4. Effective Date. This First Amendment shall be retroactively effective as of the first pay period of the 2022 calendar year (the "Effective Date").

Section 4. Amendments. The Agreement is amended as follows:

A. Section 3.5 of the Agreement is hereby amended to read as follows:

This Agreement shall be automatically renewed annually on the anniversary of the Effective Date (the "Annual Renewal Date"), unless otherwise terminated pursuant to Section 7.3 of this Agreement.

B. Section 5.1 of the Agreement is hereby amended to read as follows:

Base Salary. City agrees to pay Employee a salary consistent with the pay plan for the City Manager ("Base Salary"), payable in installments at the same time that the other City employees are paid.

City shall pay Employee a Base Salary in the amount of Two Hundred Forty-Two Thousand Five Hundred Dollars (\$242,500) per year.

As of the Effective Date of this Agreement, Employee's Base Salary will be adjusted in accordance with any increase in the All Urban Consumer Price Index for the San Francisco-Oakland-Hayward Area ("CPI"), but will not be decreased in the event there is any year-to-year or cumulative decrease in the CPI during the Term of this Agreement. Any increase to the Base Salary as a result of an increase to the CPI will be rounded up to the nearest dollar. Any changes in Employee's Base Salary shall be based on the February CPI, released every year in May, and shall become effective the first full pay period following the beginning of each fiscal year following the Effective Date of this Agreement.

C. Section 7.3 of the Agreement is hereby Amended to read as follows:

Termination Without Good Cause. Notice of the City's intent to terminate this Agreement without cause must be given in writing no less than one (1) year prior to the Annual Renewal Date. If notice of termination without cause is given less than one (1) year prior to the Annual Renewal Date, this Agreement shall terminate no earlier than one (1) year following receipt by Employee of the City's written notice of termination. This Agreement shall not be subject to termination without cause during the six (6) months following certification of any regular City Council election. The Parties acknowledge and agree that this six-month prohibition on termination specifically provides a reasonable time for new City Council members to work with and appropriately evaluate Employee's performance.

In the event City terminates this Agreement without cause, as defined below, the City shall pay Employee a sum equal to twelve (12) months Base Salary and shall pay Employee twelve (12) months of continued healthcare benefits

under the provisions of the Federal Consolidated Omnibus Budget Reconciliation Act (collectively, "Severance").

This Severance is subject to the restrictions of Government Code section 53260, including without limitation, that the maximum amount of Severance pay that Employee may receive shall be the lesser of (i) twelve (12) months base salary; or (ii) base salary for the number of months remaining on the term of this Agreement. Any cash settlement related to the termination of this Agreement received by Employee from City shall be fully reimbursed to the City if Employee is convicted of a crime involving an abuse of his office or position while employed with City, pursuant to Government Code section 53243.2. This Severance shall be paid in the same manner as other employees unless otherwise agreed to by the City and Employee. The City agrees to make a contribution to the Employee's deferred compensation account on the value of this compensation, calculated using the rate ordinarily contributed on regular compensation.

D. Section 10 of the Agreement is hereby amended to read as follows:

Notices. Any notice or communication required hereunder between the City and Employee must be in writing and may be given either personally, by electronic mail ("email") (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by email transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's email server. Notices transmitted by email after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent; or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Dixon
ATTN: Administrative City Clerk
600 East A Street
Dixon, California 95620
lruiz@cityofdixon.us

and White Brenner LLP
ATTN: Douglas L. White
1414 K Street, 3rd Floor
Sacramento, CA 95814
doug@whitebrennerllp.com

If to Employee: City of Dixon
ATTN: Jim Lindley
600 East A Street
Dixon, California 95620
w/cc: home address on file
jlindley@cityofdixon.us

Section 5. Integrated Agreement. The Agreement contains all of the agreements of the Parties and all previous understandings, negotiations, and agreements are integrated into the Agreement.

Section 6. Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this First Amendment are declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this First Amendment, which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties herein.

Section 7. Counterparts. This First Amendment may be executed simultaneously and, in several counterparts, each of which shall be deemed an original, but which together shall be deemed one and the same instrument.

Section 8. Authority. All Parties to this First Amendment warrant and represent that they have the power and authority to enter into this First Amendment and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by the state or federal law in order to enter into this First Amendment have been fully complied with.

Section 9. Document Preparation. This First Amendment will not be construed against the Party preparing it, but will be construed as if prepared by all Parties.

Section 10. Advice of Legal Counsel. Each Party acknowledges that it has reviewed this First Amendment with its own legal counsel and based upon the advice of that counsel, freely entered into this First Amendment.

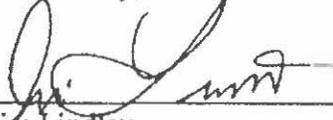
Section 11. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this First Amendment, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action, or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this First Amendment has been entered into by and between Employer and Employee as of the Effective Date.

EMPLOYEE

Jim Lindley, an individual



Jim Lindley

Date Signed: 3-4-22

EMPLOYER

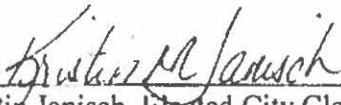
City of Dixon, a California
municipal corporation

By: 

Steve Bird, Mayor

Date Signed: 3/4/22

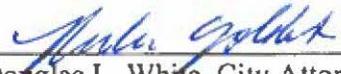
Attest:

By: 

Kristin Janisch, Elected City Clerk

Date Signed: 3/8/22

Approved as to Form:

By: 

At: Douglas L. White, City Attorney

Dated: 5/17/22

IN WITNESS WHEREOF, this First Amendment has been entered into by and between Employer and Employee as of the Effective Date.

EMPLOYEE

Jim Lindley, an individual



Jim Lindley

Date Signed: 3-4-22

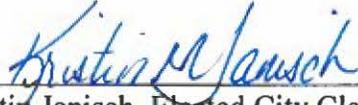
EMPLOYER

City of Dixon, a California
municipal corporation


By: _____
Steve Bird, Mayor

Date Signed: 3/4/22

Attest:

By: 

Kristin Janisch, Elected City Clerk

Date Signed: 3/8/22

Approved as to Form:

By: _____
Douglas L. White, City Attorney

Dated: _____

EXHIBIT A
EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into this 14th day of August 2018, ("Execution Date"), by and between the City of Dixon, a municipal corporation, ("City") and Jim Lindley, an individual ("Employee"). The City and Employee may individually be referred to herein as "Party" or collectively as "Parties". There are no other parties to this Agreement.

RECITALS

A. Employee is presently employed with the City in the capacity as the City Manager. The City Manager is the executive head of the City government under the direction and control of the Dixon City Council ("City Council").

B. Employee commenced work as City Manager on March 12, 2012.

C. City Council has evaluated Employee's knowledge, experience, administrative skills, and abilities during Employee's employment as City Manager, and desires to continue his employment as City Manager pursuant to the terms of this Agreement.

D. The City Council is authorized to appoint the City Manager pursuant to Dixon Municipal Code ("Municipal Code") sections 2.09.010 and 2.09.020.

E. The Parties agree that this Agreement shall be the sole agreement between the Parties regarding the employment of Employee as City Manager and shall replace the previous employment agreement and benefits conferred on the City Manager through the City personnel system.

F. The Parties desire to execute this Agreement pursuant to the authority of and subject to the provisions of California Government Code ("Government Code") section 53260 et seq.

NOW, THEREFORE, in consideration of the mutual covenants entered into between the Parties and in consideration of the benefits that accrue to each, it is agreed as follows:

AGREEMENT

Section 1. Recitals. The recitals set forth above ("Recitals") are incorporated herein by this reference and made a part of this Agreement. In the event of any inconsistencies between the Recitals and Sections 1 through 11 of this Agreement, Sections 1 through 11 will prevail.

Section 2. Effective Date. This Agreement shall become effective once executed by both the City and the Employee.

(CW064452.7)

Employment Agreement between City of Dixon and Jim Lindley

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AGREEMENT NO. _____

Section 3. Appointment of City Manager, Duties, and Term.

Section 3.1. Appointment of City Manager and Duties. The City Council hereby appoints Employee to the position of City Manager, in and for the City, to perform the functions and duties of the City Manager under the direction of the City Council, under section 2.09.010 of the Municipal Code. Employee accepts such appointment and employment pursuant to the terms of this Agreement. Employee shall further perform the functions and duties specified under the laws of the State of California, the ordinances and resolutions of the City, and such other duties and functions as the City Council may from time-to-time assign.

Section 3.2. No Secondary Employment. Employee agrees to devote all his productive time, ability, and attention to the City's business. During the Term, as defined below in this Agreement, Employee shall not hold secondary employment and shall be employed exclusively by the City, subject to any exceptions approved in writing by the City Council; provided, however, Employee has the right to volunteer for such nonprofit organizations as he may see fit, and further provided that such volunteer services shall not interfere with his duties as City Manager.

Section 3.3. Exempt Employee. The general business hours for City employees are Monday through Friday, 9:00 a.m. to 5:00 p.m. However, it is recognized by the Parties that Employee is an exempt employee for purposes of the Fair Labor Standards Act of 1938 (29 U.S.C., § 201, et seq.). As such, Employee shall not receive overtime or extra compensation for hours worked outside of the City's general business hours, which are necessary to fulfill the duties of the City Manager position, unless otherwise provided in this Agreement.

Section 3.4. Schedule. The City Manager's schedule of work each day and week shall vary in accordance with the work required to be performed. The City Council recognizes that the City Manager must devote a great deal of his time outside normal office hours to business of the City and to that end, will be allowed to take compensatory time off as he shall deem appropriate during said normal office hours.

Section 3.5. Term. The term of this Agreement shall expire on March 12, 2024 ("Term"). The City Council may extend the Term from time to time in increments of at least two (2) years. No later than three (3) months prior to the expiration of the Term, the City Council shall provide written notice to Employee as to whether the City Council intends to extend the Term.

Section 4. At-Will Employment. Employee is an at-will employee serving at the pleasure of the City Council, as provided in Government Code section 36506 and the Municipal Code section 2.09.020. Accordingly, the City Council may terminate Employee's employment at any time, with or without cause. Only if Employee is terminated by City without cause, as defined below, shall Employee be entitled to a Severance, as defined below.

Section 5. Compensation and Evaluations.

Section 5.1. Base Salary. City agrees to pay Employee a salary consistent with the pay plan for the City Manager ("Base Salary"), payable in installments at the same time that the other City employees are paid.

City shall pay Employee a Base Salary in the amount of One Hundred and Eighty Thousand Dollars (\$180,000) per year.

Effective beginning in the first full pay period following March 13, 2020, through the end of the Term, Employee's Base Salary will be adjusted in accordance with any increase in the All Urban Consumer Price Index for the San Francisco-Oakland-San Jose Area ("CPI"), but will not be decreased in the event there is any year-to-year or cumulative decrease in the CPI during the Term of this Agreement. Any increase to the Base Salary as a result of an increase to the CPI will be rounded up to the nearest dollar. Any changes in Employee's Base Salary shall be based on the February CPI, released every year in January, and shall become effective the first full pay period following March 12 of years 2020 through 2023. Notwithstanding the aforementioned, at no time shall Employee's Base Salary be increased more than five percent (5%) per year.

Section 5.2. Base Salary Adjustments. The City Council may annually consider adjustment of Employee's Base Salary or other benefits in such amounts and to the extent as the City Council may determine that it is desirable on the basis of the annual review and evaluation of the Employee as provided for in section 5.5 of this Agreement.

Section 5.3. Pro-rata Decrease. Employee acknowledges that the Base Salary may be subject to pro-rata decrease based on the City Council's adoption of an unpaid Mandatory Furlough Program adopted as a budgetary measure.

Section 5.4. Reopener. Employee acknowledges that in the event the City's monetary reserves fall below ten percent (10%) before the expiration of the Term of this Agreement, City may elect to reopen this Agreement for negotiations.

Section 5.5. Review and Evaluation. The City Council agrees to review and evaluate Employee's performance of his duties as City Manager pursuant to the terms of this Agreement ("Review and Evaluation") on not less than an annual basis and to provide Employee with a written performance review. The annual Review and Evaluation shall be conducted in March of each year, or at the City Council's discretion.

Section 6. Benefits.

Section 6.1. Retirement. The City will continue its participation in the Public Employees Retirement System ("PERS"). Employee is not currently defined as a "New Member" in Government Code section 7522.04 and is eligible for the Tier One Miscellaneous 2.5% @ 55 retirement formula. Employee shall continue to contribute eight percent (8%) towards the employee share of the PERS contributions.

Section 6.2. Deferred Compensation. In addition to the City's payment to PERS set forth in section 6.1 of this Agreement, City agrees to contribute a six percent (6%) match of Employee's Base Salary towards Employee's deferred compensation retirement account.

Section 6.3. Monthly Benefit Allowance (MBA).

6.3.1. Eligibility Date. Employee will continue to receive a Monthly Benefit Allowance ("MBA") at the applicable rate referenced in section 6.3.2 below.

6.3.2. City Contribution. The City will contribute to Employee's MBA. Employee shall receive seventy percent (70%) of the Kaiser (Bay Area) family rate. If Employee elects not to receive the MBA, he will receive Six Hundred Dollars (\$600.00) per month as taxable income. If during the Term of this Agreement, all City employees are afforded greater medical, dental, and/or vision benefits, Employee shall be entitled to the same.

6.3.3. Distribution.

- (a) The City's MBA will be added to Employee's earnings as taxable income and may be used for benefits under the IRC Section 125 Plan ("Cafeteria Plan") or other pre-tax program options offered by the City. The MBA will not be added to Base Salary for purposes of calculating PERS contributions or other salary-based incentive pay/benefits.
- (b) If Employee chooses to enroll in plans that cost more than the City's MBA, he shall pay the additional cost by deduction from gross salary payroll.

6.3.4. CalPERS Medical: Unequal Contribution Method.

- (a) From the appropriate MBA amount set forth above, the City will contribute, under PERS Medical Unequal Contribution Method for Employee, the amount necessary to pay the costs of his enrollment, including the enrollment of family members in the CalPERS health benefits plan.

- (b) The City will contribute, under the PERS Medical Unequal Contribution Method, for each annuitant the amount necessary to pay for the costs of his enrollment, including the enrollment of family members in the CalPERS health benefits plan.
- (c) The City shall pay the current CalPERS monthly administrative fees.

6.3.5. IRC Section 125 Plan Cafeteria Plan.

- (a) The City will maintain a Cafeteria Plan for the benefit of its employees.
- (b) After making the required contribution for medical insurance under the PERS Medical Unequal Contribution Method (see section 6.3.4 above), the remaining dollars may be used by the Employee either to purchase medical insurance through CalPERS health or to purchase any other optional plans that may be offered by the City in accordance with a qualified plan.
- (c) Plans currently offered include: Dental, Voluntary Vision, Long Term Care, Voluntary Group Life Insurance, and Supplemental Life Insurance.
- (d) The choice of insurance plan(s) is made once a year by Employee during the open enrollment period, at the time of hire for new employees, or when Employee's dependent status changes. Insurance premiums will be deducted from gross pay each payroll period throughout the plan year as pre-tax contributions.
- (e) Flexible Spending Account (FSA) - Unreimbursed Medical/Dependent Care Allocation amounts or modifications to these accounts must be determined for a full twelve (12) month period (i.e., the calendar year) during open enrollment period, at the time of hire for new unit members, or when Employee's dependent status changes. Services must be received during the plan period, which is January 1 through December 31. Any unused allocations will be lost. For plan details, contact the Human Resources Department. Administration costs associated with the Flexible Spending Account plan(s) will be paid by the City.

6.3.6. Medical After Retirement.

- (a) If Employee retires from the City during the Term of this contract, he shall receive the following City paid medical benefits after retirement:
1. The dollar equivalent of one (1) month's premium for the PERS Kaiser Plan for Employee, plus one dependent, at the rate of one (1) month's premium for each full year worked in the employ of the City prior to retirement.
 2. The total time period of these payments shall not exceed twenty-four (24) months.
- (b) Thereafter, the CalPERS retiree shall, as required by CalPERS, receive a City contribution for medical as required by the City's participation in the PERS Medical Unequal Contribution Method.
- (c) Said payment shall be extended to the surviving spouse or dependent of a deceased retiree, to the extent that said payments would have been made had the employee not died.

6.3.7. Health Insurance Plan Waiver Option. Employee shall be covered by a health insurance plan, either as offered by the City or from another source. If Employee is covered by a health insurance plan other than offered by the City, he has the option to waive the City's health insurance. Employee must complete a City provided Health Insurance Waiver Form and provide proof of alternative health insurance plan coverage.

6.3.8. Long-Term Disability. If Employee is regularly scheduled to work at least twenty (20) hours per week, the City shall provide for a long-term disability plan. Benefits are payable after sixty (60) days at the rate of two-third (2/3) of base salary up to the maximum as designated in the plan agreement. The monthly premium is paid by the City.

6.3.9. Term Life Insurance. The City shall provide a Fifty Thousand Dollars (\$50,000) term life insurance policy for Employee during the Term of his employment.

Section 6.4. Vacation Leave. Employee shall accrue one hundred and sixty (160) hours of vacation annually during the Term of this Agreement. Employee may cash out up to seventy-five percent (75%) of his unused accrued vacation once per fiscal year.

Section 6.5. Administrative Leave. In recognition of the extra hours required, Employee shall earn one hundred and twenty (120) hours of administrative leave every

July 1. This leave shall be used in the same manner as vacation. All administrative leave received by Employee pursuant to this Agreement must be used prior to July 1 of each year and any unused administrative leave time shall automatically expire. During the Term of this Agreement, Employee may cash-out up to ninety (90) hours of administrative leave each fiscal year. The City's fiscal year begins on July 1st and ends on June 30th of each year.

Section 6.6. Sick Leave. The purpose of sick leave is to provide income protection if Employee must be absent from work due to his injury or illness, or due to the illness or injury of a family member. A family member includes child, parent (including parent-in-law), spouse, registered domestic partner, grandparent, grandchild, or sibling.

6.6.1. Sick Leave Accrual. Employee shall accrue sick leave at the rate of eight (8) hours for each full month of service completed. There is no maximum accrual of sick leave credits.

6.6.2. Payment Upon Termination. A portion of Employee's accrued unused sick leave may be converted into cash upon separation from the City or retirement according to the following schedule:

Years of Service	Conversion Percentage
1-2	0%
3-5	20%
6-10	30%
11 +	30% + 2% for each year after ten (10) years to a maximum of 50%

Section 6.7. Bereavement Leave. In the event of a death in the immediate family, Employee will be granted up to three (3) working days of paid bereavement leave per incident.

Section 6.8. Car Allowance. In lieu of reimbursement for automobile expenses, Employee shall provide his own automobile for use in conducting normal City business and shall receive a car allowance of Six Hundred Dollars (\$600.00) per month.

Section 6.9. Cell Phone, Wireless Email. Employee will receive a monthly technology stipend to use towards the cost of, and in lieu of, a City-provided cell phone for use at work. This stipend will be in the amount of Ninety-Five Dollars (\$95.00) a month.

Section 6.10. Low Interest Down Payment Loan. Employee shall be eligible for a low interest loan from the City for the down payment for the purchase of a home in the City in an amount not exceed One Hundred and Fifty Thousand Dollars (\$150,000) ("City Loan"). Employee shall execute the necessary documentation, including a personal guarantee, substantially in the form of **Exhibit A** of this Agreement to secure the City Loan.

(CW064452.7)

Employment Agreement between City of Dixon and Jim Lindley . . .

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AGREEMENT NO. 18-036

6.10.1. Principal and Interest Payment. Interest for the City Loan shall be calculated based on apportionment rates of the Local Agency Investment Fund, administered by the California State Treasurer's Office ("LAIF") plus half of one percent (0.5%). The payment of the City Loan will be amortized over a thirty (30) year period, unless the Employee breaches this Agreement or leaves employment with the City, as outlined in sections 6.10.2-6.10.4 below.

6.10.2. City Loan Home Usage. Employee must use the City Loan to purchase a home within the City, which he will use and reside in as his primary residence. Employee shall not use the City Loan to purchase a home to rent or lease to other occupants, whether on a short-term or long-term basis. If Employee rents or leases the home purchased with the City Loan, he will be in breach of this Agreement, and will be required to pay back the City Loan immediately.

6.10.3. City Loan Repayment Upon Separation from City. If Employee is terminated, resigns, retires from his employment as City Manager with the City, or the Term of this Agreement lapses, Employee shall pay the outstanding balance of the City Loan within eighteen (18) months of his separation from the City.

6.10.4. City Loan Repayment Upon Transfer of Deed. In the event Employee sells the property purchased with the City Loan or otherwise transfers ownership, the City Loan will be due and payable immediately.

Section 7. Termination of Employment and Severance.

Section 7.1. Voluntary Resignation. Employee may resign at any time and agrees to give the City at least sixty (60) days advance written notice of the effective date of the Employee's resignation unless the Parties otherwise agree in writing. If the Employee retires from full-time public service with the City, the Employee shall provide three (3) months advance written notice. The Employee's actual retirement date will be mutually established between the Parties. During the notice period, all rights and obligations of the Parties under this Agreement shall remain in full force and effect. Promptly after the effective date of resignation, the City shall pay to Employee all salary and benefit amounts both accrued and owing under this Agreement. In the event of voluntary resignation, Employee shall not be entitled to a Severance as set forth in this Agreement.

Section 7.2 Termination by City Council. The City Council may terminate this Agreement and remove Employee from his position as City Manager at any time with or without cause and with or without notice, by a three-member vote of the whole City Council as then constituted, convened in a regular City Council meeting, as outlined in the Municipal Code section 2.09.020. If Employee's termination is based on charges of misconduct that publicly stigmatizes Employee's reputation or impairs his ability to earn a living, or might damage his standing in a community, Employee may, within five (5) business days of the City Council's notice to Employee of their intent to terminate

Employee's employment, make a written request for a "name-clearing" hearing (as described in *Lubey v. City and County of San Francisco* (1979) 98 Cal.App.3d 340, and its progeny) before the City Council in closed session. The "name-clearing" hearing is solely to provide Employee the opportunity to clear his name. The City Council may determine whether the allegations contained in the notice of termination are supported. If the City Council determines that the allegations are not supported, a decision shall be issued to reflect that Employee's termination was without fault. This decision will not, however, require that Employee be reinstated to his position. In the event Employee does not request a "name-clearing" hearing before the City Council, the City Council's decision to terminate will be effective by the close of business on the fifth (5th) day after the notice was provided to Employee of their intent to terminate his employment.

Section 7.3. Termination Without Good Cause. In the event City terminates this Agreement without cause, as defined below, the City shall pay Employee a sum equal to twelve (12) months Base Salary and shall pay Employee twelve (12) months of continued healthcare benefits under the provisions of the Federal Consolidated Omnibus Budget Reconciliation Act (collectively, "Severance"). If Employee has not retained other employment by the thirteenth (13th) month following termination, he shall continue to receive Severance on a monthly basis, not to exceed a total of eighteen (18) months. If Employee obtains employment between the 13th and 18th month, he must notify the City within ten (10) days of accepting an employment offer, or he will be in breach of this Agreement. Severance will cease the month following notice of new employment.

This Severance is subject to the restrictions of Government Code section 53260, including without limitation, that the maximum amount of Severance pay that Employee may receive shall be the lesser of (i) twelve (12) months base salary; or (ii) base salary for the number of months remaining on the term of this Agreement. Any cash settlement related to the termination of this Agreement received by Employee from City shall be fully reimbursed to the City if Employee is convicted of a crime involving an abuse of his office or position while employed with City, pursuant to Government Code section 53243.2. This Severance shall be paid in the same manner as other employees unless otherwise agreed to by the City and Employee. The City agrees to make a contribution to the Employee's deferred compensation account on the value of this compensation, calculated using the rate ordinarily contributed on regular compensation.

Section 7.4. Termination for Good Cause. The City may at any time immediately terminate this Agreement for good cause as defined in this section 7.4. If Employee is terminated for good cause, the City shall not be required to pay any Severance under this Agreement, and the City shall have no obligation to Employee beyond those benefits accrued as of Employee's last day of employment and those the City is obligated to provide under federal or state law.

"Good Cause," for purposes of this Agreement, means a fair and honest cause or reason for termination. These reasons include, but are not limited to:

1. Conviction of a felony;

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2. Disclosing confidential information of City;
3. Gross carelessness or misconduct;
4. Unjustifiable and willful neglect of the duties described in this Agreement;
5. Mismanagement;
6. Non-performance of duties;
7. Any conduct which violates the City's Personnel Rules and for which a City employee may be terminated;
8. Repeated and protracted unexcused absences from the City Manager's office and duties;
9. Willful destruction or misuse of City property;
10. Willful political activity involving the support of candidates for City Council;
11. Conduct that in any way has a direct, substantial, and adverse effect on the City's reputation;
12. Willful violation of federal, state, or City discrimination laws;
13. Continued substance abuse which adversely affects performance of Employee's duties as City Manager;
14. Refusal to take or subscribe any oath or affirmation which is required by law; or
15. Permanent disability of Employee, or Employee becoming otherwise unable to perform the duties of City Manager, by reason of sickness, accident, illness, injury, mental incapacity, or health for a period of six (6) weeks following the exhaustion of all available leave balances and any applicable Family Medical Leave Act or California Medical Leave Act leaves, or where the same occurs for forty (40) working days over a sixty (60) working day period, following exhaustion of such leaves.

Notwithstanding any provision in this Agreement to the contrary, the City Manager may suspend Employee with full pay and benefits at any time during the Term of this Agreement.

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Section 8. Indemnification. The City shall defend, hold harmless, and indemnify Employee against any tort, personnel, civil rights, or professional liability claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Manager in accordance with the California Government Claims Act (Government Code, § 810, *et seq.*) and shall provide a defense to Employee in accordance with Government Code sections 995-996.6. The City may decline to defend or indemnify Employee only as permitted by the Government Code. The City may compromise and settle any such claim or suit and pay the amount of any resulting settlement or judgment; provided, however, the City's duty to defend and indemnify Employee shall be contingent upon Employee's good faith cooperation with such defense. In the event the City provides paid leave to Employee pending an investigation, or provides funds for a legal criminal defense pursuant to this section, Employee shall reimburse the City for the amount of such paid leave or cost of the legal criminal defense, if Employee is convicted of a crime involving an abuse of office or position, as provided by Government Code sections 53243-53243.1. Also, if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from the City shall be fully reimbursed to the City if Employee is convicted of a crime involving an abuse of his or her office or position as provided in Government Code section 53243.2-53243.4.

Section 9. Bonding. City shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 10. Notices. Any notice or communication required hereunder between the City and Employee must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday, or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent; or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Dixon
ATTN: City Clerk
600 East A Street
Dixon, California 95620

and Churchwell White, LLP
ATTN: Douglas L. White
1201 K Street, Suite 710
Sacramento, CA 95814

If to Employee: City of Dixon
ATTN: Jim Lindley
600 East A Street
Dixon, California 95620
w/cc: home address on file

Section 11. General Provisions.

11.1. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by written agreement signed by the City and Employee.

11.2. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the Agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. This Agreement replaces any other employment agreements and amendments to those agreements that the Parties previously agreed to, beginning in March 12, 2012.

No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

11.3. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

11.4. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by the state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

{CW064452.7}

11.5. Headings. The headings in this Agreement are included for convenience only and neither affect the construction or interpretation of any section in this Agreement, nor affect any of the rights or obligations of the Parties to this Agreement.

11.6. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

11.7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

11.8. Waiver. No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

11.9. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

11.10. Venue. Venue for all legal proceedings shall be in the Superior Court of California, in and for the County of Solano.

11.11. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Agreement has been entered into by and between Employee and the City as of the date of the Agreement set forth above.

CITY:

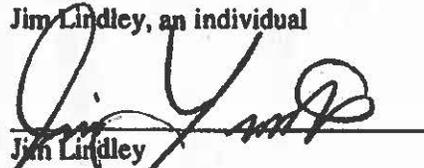
City of Dixon, a California municipal corporation

By: 
Thom Bogue, Mayor

Date Signed: 9-10-2018

EMPLOYEE

Jim Lindley, an individual


Jim Lindley

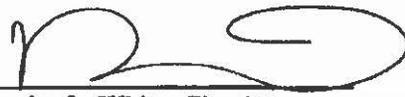
Date Signed: 9-10-18

Attest:

By: 
Leticia I. Miguel, City Clerk

Dated: 09-10-18

Approved as to Form:

By: 
Douglas L. White, City Attorney

Dated: 9-10-18