



City of Palo Alto

City Council Staff Report

(ID # 5670)

Report Type: Consent Calendar

Meeting Date: 4/6/2015

Summary Title: Assistant City Manager Appointment

Title: Confirmation of Appointment of Suzanne Mason as Assistant City Manager and Approval of Employment Agreement

From: City Manager

Lead Department: Human Resources

Recommendation

The City Manager recommends that the City Council confirm the appointment of Suzanne Mason as Assistant City Manager and approve her employment agreement.

Executive Summary

The Palo Alto Municipal Code requires that the Council approve the City Manager's appointment of Assistant City Manager. The Council must also approve any employment terms or benefits for the Assistant City Manager that are not already included in the Compensation Plan for Management and Professional Personnel.

Background

The City Manager makes appointments to the position of Assistant City Manager with the approval of the City Council. (Municipal Code section 2.08.020.)

The Assistant City Manager provides executive-level support and assistance to City Departments and may act on behalf of the City Manager at City Council meetings, with members of the public and in other venues. Filling the position at this time will promote effective operations of the City and provide strategic resources to advance Council priorities.

Discussion

The City Manager requests approval of the appointment of Suzanne Rosen Mason to the position of Assistant City Manager. Ms. Mason was selected as a result of an extensive search conducted by the executive recruitment firm of Teri Black Recruiting. The Assistant City Manager position has been vacant for a year. (Conversion of an Assistant to the City Manager position to a second Assistant City Manager was approved in the FY 2015 Budget. That position is still in recruitment.)

Ms. Mason has diverse experiences relevant to Palo Alto. She has served as the Director of Human Resources in Napa County since 2009. Prior to her work in Napa, she held a variety of key positions in the City of Long Beach including Director of Human Resources, Deputy City Manager, and Manager of Business Operations for both the Energy and Parks Departments. She has a Master's degree in Public Administration from the University of Southern California and attended the Senior Executives in State and Local Government Program at Harvard University's Kennedy School of Government.

Resource Impact

Ms. Mason will be an "at will" employee, which means she will serve at the pleasure of the City Manager and can be terminated or asked to resign at any time. Her annual salary will be \$220,000, which is within the Council-approved range for the Assistant City Manager position.

The employment agreement includes a taxable stipend of \$2,500 per month for rental housing within the City of Palo Alto. Rental housing assistance is not a customary benefit that the City has provided in recent years. The City is finding, however, that the high cost of housing in the region and specifically Palo Alto is creating barriers to attracting experienced, high-quality applicants, particularly at the executive level. The City Manager recommends approving the rental stipend for Ms. Mason. Ms. Mason will also be entitled severance equivalent to three months salary and benefits if she is terminated or asked to resign, which is appropriate for an executive-level employee who is leaving current employment and relocating to accept an at-will appointment. All of the other benefits Ms. Mason will receive are consistent with the Compensation Plan for Management and Professional Personnel.

Once confirmed, Ms. Mason will begin work on May 5, 2015.

Policy Implications

This recommendation is consistent with existing City Policies.

Attachments:

- **Attachment:** Assistant City Manager-Mason- Emp Agreement Final JRK (DOCX)

**EMPLOYMENT AGREEMENT
BETWEEN CITY OF PALO ALTO
AND
SUZANNE ROSEN MASON**

THIS AGREEMENT is between the City of Palo Alto, a municipal corporation and chartered city ("City") and Suzanne Rosen Mason ("Mason"). It is effective on the latest date next to the signatures on the last page.

This Agreement is entered into on the basis of the following facts:

A. City, acting by and through its City Manager, wishes to employ Mason as an Assistant City Manager, subject to the terms and conditions set forth in this Agreement, the Palo Alto Municipal Code and the Charter of the City of Palo Alto (the "Charter").

B. Under the Charter, the Assistant City Manager is appointed by the City Manager with the approval of the City Council. Notwithstanding any provision of the City of Palo Alto Merit System Rules and Regulations, the Assistant City Manager serves on an at-will basis, with no expectation of continued employment, and with no right to pre-or post-separation due process or appeal.

C. Mason desires to be employed by the City as an Assistant City Manager, subject to the terms and conditions in this Agreement, the Palo Alto Municipal Code, the Charter, the Palo Alto Merit System Rules and Regulations, and all other applicable laws, resolutions, and policies.

D. The City and Mason wish to establish specific terms and conditions relating to compensation and benefits and related matters.

BASED UPON THE FOREGOING, THE CITY AND MASON AGREE AS FOLLOWS:

1. Employment. The City appoints Mason as an Assistant City Manager for an indefinite term to begin on May 5, 2015. If Mason does not actually report for or start work on May 5, 2015, the employment start date will be the date, if any, that is mutually agreed by the parties. Except as otherwise provided herein, Mason's employment with the City shall be governed by the City Council-adopted Compensation Plan for Management and Professional Personnel and Council Appointees, as it currently exists and may be changed from time to time.

2. Duties of the Assistant City Manager. Mason will perform the duties established for the Assistant City Manager by the Palo Alto City Charter, by the Palo Alto Municipal Code, by direction given by the City Manager, and as otherwise provided by law, ordinance, or regulation. Mason agrees to comply with all federal, state and local laws, ordinances, rules and regulations applicable to or associated with these duties.

2.1. Full Energy and Skill. Mason will devote her full energy, skill, ability, and productive time to the performance of her duties.

2.2. No Conflict. Mason will not engage in any employment, activity, consulting service, or other enterprise, for compensation or otherwise, which is actually or potentially in conflict with or which interferes with the performance of her duties. Mason acknowledges that she is subject to the various conflict of interest requirements found in the California Government Code and state and local policies and regulations.

2.3 Permission Required For Outside Activities. Mason will not engage in any employment, activity, consulting service, or other enterprise, for compensation or not, without written permission of the City Manager.

3. Salary. While performing the duties of Assistant City Manager, Mason will receive a base salary within the range provided in the City Council-approved Compensation Plan for Management and Professional Personnel and Council Appointees, as it currently exists and may be changed from time to time. Mason will receive an initial gross base annual salary of two hundred twenty thousand (\$220,000), beginning on the Employment Start Date. This amount is subject to authorized or required deductions and withholding, prorated and paid on City's regular paydays. Mason is an exempt employee under applicable wage and hour law and her base salary shall be compensation for all hours worked. The City agrees that the amount of Mason's base annual salary will not decrease, except as part of a permanent decrease that is consistent with the Fair Labor Standards Act.

4. Benefits and Allowances. Mason will be eligible for, and shall receive, all regular benefits (i.e., health insurance, PERS contributions to the extent paid by the City, etc.) and vacation, sick leave, and management leave, as are generally provided to management employees under the City Council-approved Compensation Plan for Management and Professional Personnel and Council Appointees, as it currently exists and may be changed from time to time.

5. Additional Benefits and Allowances. In addition to the benefits specified in section 4, Mason will receive the following additional benefits and allowances:

5.1. Vacation Accrual. Notwithstanding the Management and Professional Personnel and Council Appointees Compensation Plan and based on service with prior public agency employers, Mason's vacation accrual rate will be calculated at the rate of two hundred (200) hours annually, prorated and credited each pay period. The maximum vacation leave balance allowed for Mason is six hundred (600) hours.

5.2. Rental Housing Stipend. So long as Mason resides in Palo Alto as Assistant City Manager, the City will provide Mason with a total amount of two thousand five hundred dollars (\$2,500.00) per month, subject to authorized or required deductions and withholding, as a rental housing stipend.

5.3. Severance. If Mason is terminated or asked to resign she shall, upon execution of a release of all claims against the City, be eligible for a severance payment equivalent to twelve (12) weeks of salary and benefits, excluding the amount of the housing stipend described in paragraph 5.2 of this agreement. No severance shall be paid if Mason is terminated for serious misconduct involving abuse of her office or position, including but not limited to waste, fraud, violation of the law under color of authority, misappropriation of public resources, violence, harassment or discrimination. If Mason is later convicted of a crime involving such abuse of her position she shall fully reimburse the City as set forth in Government Code section 53243.3.

6. Additional Expenses of Employment. The City shall pay the cost of any fidelity or other bonds required by law for the Assistant City Manager.

7. Duration of Employment. Mason understands and agrees that she has no constitutionally protected property or other interest in her employment as Assistant City Manager. Mason waives any and all rights, if any, under the Merit System Rules and Regulations, including without limitation, the right to pre-or post-disciplinary due process. Mason understands and agrees that she works at the will and pleasure of the City Manager and that she may be terminated or asked to resign at any time, with or without cause. Mason may terminate this agreement (terminating all employment) upon 30 days written notice to the City Manager.

8. Miscellaneous.

8.1. Notices. Notices given under this Agreement shall be in writing and shall be either: a) served personally; or b) sent by facsimile (provided a hard copy is mailed within one (1) business day); or c) delivered by first-class United States mail, certified, with postage prepaid and a return receipt requested; or d) sent by Federal Express, or some equivalent private mail delivery service. Notices shall be deemed received at the earlier of actual receipt or three (3) days following deposit in the United States mail, postage prepaid. Notices shall be directed to the addresses shown below, provided that a party may change such party's address for notice by giving written notice to the other party in accordance with this subsection.

CITY: Attn: City Manager
250 Hamilton Avenue Palo Alto, CA 94301
Phone: (650) 329-2226
Fax: (650) 328-3631

MASON: Suzanne Rosen Mason
250 Hamilton Avenue Palo Alto, CA 94301

8.2. Entire Agreement/ Amendment. This Agreement constitutes the entire understanding and agreement between the parties as to those matters contained in it, and supersedes any and all prior or contemporaneous agreements, representations and

understandings of the parties. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by the parties and attached hereto.

8.3. Applicable Law and Venue. This Agreement shall be interpreted according to the laws of the State of California. Venue of any action regarding this Agreement shall be in the proper court in Santa Clara County.

8.4. Severability. In the event any portion of this Agreement is declared void, such portion shall be severed from this Agreement and the remaining provisions shall remain in effect, unless the result of such severance would be to substantially alter this Agreement or the obligations of the parties, in which case this Agreement shall be immediately terminated.

8.5. Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, signed and dated by the parties.

8.6. Representation by Counsel. Mason and the City acknowledge that they each did, or had the opportunity to, consult with legal counsel of their respective choices with respect to the matters that are the subject of this Agreement prior to executing it.

8.7. Section Headings. The headings on each of the sections and subsections of this Agreement are for the convenience of the parties only and do not limit or expand the contents of any such section or subsection.

MASON

CITY OF PALO ALTO

Suzanne Rosen Mason

City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

Deputy City Attorney