



# City of Palo Alto

## City Council Staff Report

(ID # 5833)

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**Report Type: Consent Calendar**

**Meeting Date: 6/15/2015**

**Summary Title: Appointment of Edward Shikada as Assistant City Manager**

**Title: Confirmation of Appointment of Edward Shikada 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 Edward Shikada as Assistant City Manager and approve his 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 an employment agreement for salary 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 Edward Shikada to the position of Assistant City Manager. Mr. Shikada has been serving as an Interim Assistant City Manager since April 8, 2015. Two Assistant City Manager positions are budgeted. Suzanne Mason was appointed Assistant City Manager starting on May 5, 2015.

Mr. Shikada has diverse experiences relevant to Palo Alto. He has served as the City

Manager of San Jose and prior to that served in San Jose as the Assistant City Manager, Sr. Deputy City Manager and Deputy City Manager. Mr. Shikada also held a variety of key positions in the City of Long Beach including Director of Public Works. He has a Bachelor of Science degree in Civil Engineering from University of Hawaii, a Master's degree in Public Administration from the University of California, Los Angeles and he attended the Senior Executives in State and Local Government Program at Harvard University's Kennedy School of Government.

### **Resource Impact**

Mr. Shikada will be an "at will" employee, which means he will serve at the pleasure of the City Manager and can be terminated or asked to resign at any time. His annual salary will be \$232,668, which is within the Council-approved range for the Assistant City Manager position.

Mr. Shikada will be entitled to severance equivalent to three months salary and benefits if he is terminated or asked to resign, which is appropriate for an executive-level employee. Consistent with other lateral executive hires and in recognition of extensive prior public service, Shikada will accrue vacation at the longterm employee rate. All of the other benefits Mr. Shikada will receive are consistent with the Compensation Plan for Management and Professional Personnel.

Once confirmed, Mr. Shikada will begin work as a regular – not interim – Assistant City Manager on June 15, 2015.

### **Policy Implications**

This recommendation is consistent with existing City Policies.

#### **Attachments:**

- Employment Agreement - Assistant City Manager-Shikada (DOCX)

**EMPLOYMENT AGREEMENT  
BETWEEN CITY OF PALO ALTO  
AND  
EDWARD SHIKADA**

THIS AGREEMENT is between the City of Palo Alto, a municipal corporation and chartered city ("City") and Edward Shikada ("Shikada"). 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 Shikada as its 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. Shikada desires to be employed by the City as its 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 Shikada wish to establish specific terms and conditions relating to compensation and benefits and related matters.

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

1. Employment. Shikada has been serving as an Interim Assistant City Manager since April 8, 2015. The City appoints Shikada as its Assistant City Manager for an indefinite term to begin on June 15, 2015 ("Employment Start Date"). Except as otherwise provided herein, Shikada'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. Shikada 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. Shikada 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. Shikada will devote his full energy, skill, ability, and productive time to the performance of his duties.

2.2. No Conflict. Shikada 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 his duties. Shikada acknowledges that he 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. Shikada 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, Shikada 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. Shikada will receive an initial gross base annual salary of two hundred thirty-two thousand, six hundred sixty-eight dollars (\$232,668), 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. Shikada is an exempt employee under applicable wage and hour law and his base salary shall be compensation for all hours worked. The City agrees that the amount of Shikada'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. Shikada 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, Shikada will receive the following additional benefits and allowances:

5.1. Vacation Accrual. In recognition of his prior public service, Shikada will be credited with vacation leave at a rate of 200 hours annually, prorated and credited according to City's normal procedures. Effective at the start of Shikada's second year of service and thereafter, Shikada will be credited with vacation leave at the rate applicable to an employee with nineteen or more years of continuous service, currently a rate of 200 hours per year, prorated and credited according to City's normal procedures. The maximum vacation leave balance allowed for Shikada is six hundred (600) hours.

5.2. Severance. If Shikada is terminated or asked to resign he 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. No severance shall be paid if Shikada is terminated for serious misconduct involving abuse of his 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 Shikada is later convicted of a crime involving such

abuse of his position he 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. Shikada understands and agrees that he has no constitutionally protected property or other interest in his employment as Assistant City Manager. Shikada 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. Shikada understands and agrees that he works at the will and pleasure of the City Manager and that he may be terminated or asked to resign at any time, with or without cause. Shikada 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

SHIKADA: Edward Shikada  
250 Hamilton Avenue Palo Alto, CA 94301  
Phone: (650) 329-2146  
Fax: (650) 328 -3631

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. Shikada 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.

SHIKADA

CITY OF PALO ALTO

\_\_\_\_\_  
Edward Shikada

\_\_\_\_\_  
City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy City Attorney