



City of Palo Alto

City Council Staff Report

(ID # 6431)

Report Type: Consent Calendar

Meeting Date: 12/14/2015

Summary Title: Director of Human Resources Appointment

Title: Confirmation of Appointment of Rumi Portillo as Director of Human Resources (Chief People Officer) and Approval of Employment Agreement

From: City Manager

Lead Department: City Manager

Recommendation

The City Manager recommends that the City Council confirm the appointment of Rumi Portillo as Director of Human Resources and approve her employment agreement.

Executive Summary

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

Background

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

The Director of Human Resources provides executive-level leadership for recruitment and hiring of City employees, provision of employee benefits, labor and employee relations, risk management and safety functions and training and development of the City workforce. Filling the position at this time will promote effective management of human resource functions within the City and provide critical resources needed to attract and retain an outstanding workforce.

Discussion

The City Manager requests approval of the appointment of Rumi Portillo to the position of Director of Human Resources. Ms. Portillo was selected as a result of an executive recruitment conducted by the firm of Teri Black Recruiting.

With over 25 years of experience as a human resource professional, Ms. Portillo has

diverse experiences relevant to Palo Alto. She has served as the Director of Human Resources in the Town of Los Gatos for the past ten years. Prior to her work in Los Gatos, she held a variety of progressively responsible human resources management positions in the cities of San Jose and Sunnyvale. In addition, Ms. Portillo serves as an instructor on various human resources and employment topics for a number of professional organizations and universities.

Resource Impact

Ms. Portillo 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 \$204,000, which is within the Council-approved range for the Director of Human Resources position. Ms. Portillo 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 to accept an at-will appointment. Additionally, Ms. Portillo will also be entitled to vacation accruals based upon her over 20 years of public service. All of the other benefits Ms. Portillo will receive are consistent with the Compensation Plan for Management and Professional Personnel.

Once confirmed, Ms. Portillo will begin work on January 19, 2016.

Policy Implications

This recommendation is consistent with existing City Policies.

Attachments:

- ATTACHMENT A: Portillo Employment Agreement 2015 (DOCX)

**EMPLOYMENT AGREEMENT
BETWEEN CITY OF PALO ALTO
AND
Rumi Portillo**

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

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

1. Employment. The City appoints Portillo as Director of Human Resources for an indefinite term to begin on January 19, 2016. If Portillo does not actually report for or start work on January 19, 2016, the employment start date will be the date, if any, that is mutually agreed by the parties. Except as otherwise provided herein, Portillo'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 Director of Human Resources. Portillo will perform the duties established for the Director of Human Resources 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. Portillo 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. Portillo will devote her full energy, skill, ability, and productive time to the performance of her duties.

2.2. No Conflict. Portillo 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. Portillo 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. Portillo 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 Director of Human Resources, Portillo 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. Portillo will receive an initial gross base annual salary of two hundred four thousand (\$204,000), 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. Portillo 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 Portillo'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. Portillo 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, Portillo 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, Portillo'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 Portillo is six hundred (600) hours.

5.2. Severance. If Portillo 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. No severance shall be paid if Portillo 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 Portillo 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 Director of Human Resources.

7. Duration of Employment. Portillo understands and agrees that she has no constitutionally protected property or other interest in her employment as Director of Human Resources. Portillo 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. Portillo 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. Portillo 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

PORTILLO: Rumi Portillo
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. Portillo 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.

PORTILLO

CITY OF PALO ALTO

Rumi Portillo

City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

Deputy City Attorney