

**AMENDMENT TWO TO EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF PALO ALTO AND
EDWARD SHIKADA**

This AMENDMENT NO. TWO to the EMPLOYMENT AGREEMENT (“Agreement”) is entered into on June 22, 2020 by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“City”), and Edward Shikada (“Shikada”), an individual, located at 250 Hamilton Avenue 8th Floor, Palo Alto, CA.

RECITALS:

WHEREAS, the original EMPLOYMENT AGREEMENT between the City of Palo Alto and Edward Shikada., attached hereto and incorporated herein as Exhibit “A” was entered between the parties for the services of City Manager on or about September 18, 2018; and

WHEREAS, AMENDMENT NO. ONE to the Agreement, attached hereto and incorporated herein as Exhibit “B” was entered between the parties on or about December 16, 2019; and

WHEREAS, the parties wish to amend the Agreement;

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Section 4.1 of the Agreement, Initial Compensation, is hereby amended to read as follows:

4.1. Compensation. Commencing on and continuing from the Employment Start Date, Shikada will receive an initial base annual salary of Three Hundred Fifty-Six Thousand Dollars (\$356,000), prorated and paid on City's normal paydays.

For the purposes of addressing the City’s financial hardships related to the global pandemic of COVID-19, the City Manager has agreed to take a 10% salary reduction in the form of unpaid furlough days (26 days, 208 hours) between July 1, 2020 and June 30, 2021. Up to 5% of the salary reduction (up to 13 furlough days, 104 hours) may be offset using paid leave such as vacation or management annual leave. Shikada has also agreed not to seek nor accept any performance or cost of living increase through June 30, 2021. The City Manager is further authorized to establish and administer a leave sharing program, within which Shikada shall donate up to 5% of his salary (100 hours) to the extent usable to lessen the burden of compensation reductions on the City’s lowest paid employees.

SECTION 2. Section 5 of the agreement, Regular Benefits and Allowances is hereby amended to read as follows:

5. Regular Benefits and Allowances. Except as otherwise provided in this Agreement, Shikada will be eligible for, and shall receive, all regular benefits (e.g., health insurance, CalPERS contributions paid by City) and vacation, sick leave, and management leave as are generally set forth in the Compensation Plan for Management and Professional Personnel and Council Appointees, as it may be amended or updated from time-to-time by the City Council. Shikada shall comply with all rules and procedures and shall make all employee contributions (such as employee contributions towards the City's CalPERS contribution) set forth in the Compensation Plan for Management and Professional Personnel and Council Appointees.

For the purposes of addressing the City's financial hardships related to the global pandemic of COVID-19, the City Manager has agreed to reduce his excess management benefit of \$2,500 as outlined in the Management and Professional compensation plan to \$1,250 for the 2021 calendar year.

SECTION 3. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Amendment on the date first above written.

Attest:

DocuSigned by:
Beth Minor
7/14/2020
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City of Palo Alto

DocuSigned by:
Adrian Fine
7/14/2020
289F2F8A691E446...

Approved as to form:

DocuSigned by:
Molly Stump
7/7/2020
39A473B653574A9...

Edward Shikada

DocuSigned by:
Ed Shikada
7/7/2020
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Attachments:

- EXHIBIT A:EMPLOYMENT AGREEMENT BETWEEN THE CITY OF PALO ALTO AND EDWARD SHIKADA
- EXHIBIT B:AMENDMENT NO. ONE TO EMPLOYMENT AGREEMENT BETWEEN THE CITY OF PALO ALTO AND EDWARD SHIKADA