



City of Palo Alto

City Council Staff Report

(ID # 10290)

Report Type: Consent Calendar

Meeting Date: 5/6/2019

Summary Title: Employment Agreement Amendment

Title: Approval of Amendment Number 1 to the Employment Agreement Between the City of Palo Alto and Police Chief Robert Jonsen

From: City Manager

Lead Department: Human Resources

Recommendation

The City Manager recommends that Council approve Amendment One to the Employment Agreement by and between the City of Palo Alto and Police Chief Robert Jonsen.

Discussion

The City's Police Chief was hired in January 2018 under an employment agreement that includes an 18-month housing stipend of \$3,000 per month. The Police Chief applies the housing stipend toward a rental apartment within Palo Alto city limits. The City Manager included the housing stipend for Chief Jonsen to live and fully immerse himself in the city of Palo Alto. This residency allows the Police Chief to attend late meetings, be more available to his staff, participate in community events and to be accessible in the event of an emergency. The housing stipend is due to end in June 2019. Upon evaluation of this arrangement, the City Manager requests to continue the housing stipend, as there is benefit to the organization and community to have the Police Chief live in Palo Alto.

The housing stipend is a taxable benefit. The Chief is responsible to pay the taxes on the stipend and to cover the remaining balance of the apartment rental, plus utilities and related expenses. Chief Jonsen is agreeable to maintaining residency in Palo Alto and he has not requested an increase in the stipend. The housing stipend will continue at a flat rate of \$3,000 per month as a taxable amount.

Fiscal Implications

The housing stipend of \$3,000 per month (\$36,000 per year) is not included in current financial planning for FY 2020 or beyond. It is recommended that the Police Department absorb these costs in FY 2020 operating budget and future financial planning such as the FY 2021-2030 Long Range Financial Forecast will factor in an annual expense of \$36,000.

Attachments:

- Attachment A: Jonsen Employment Agreement Amendment One

**AMENDMENT NO. ONE TO EMPLOYMENT AGREEMENT
BETWEEN CITY OF PALO ALTO
AND
ROBERT JONSEN**

THIS AMENDMENT NO. ONE TO THE EMPLOYMENT AGREEMENT is entered into on May 7, 2019 by and between the City of Palo Alto, a municipal corporation and chartered city ("City") and Robert Jonsen ("Jonsen").

RECITALS

WHEREAS, the original EMPLOYMENT AGREEMENT between the City of Palo Alto and Robert Johnson, attached hereto and incorporated as Exhibit "A" was entered into between the parties for the services of Police Chief on or about 1, 09, 2018.

WHEREAS, the parties wish to amend the Agreement by removing the end date of the Housing Stipend, so that the Housing Stipend continues through the term of the Agreement.

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

SECTION 1: Section 5.2 of the Agreement, Housing Stipend, is hereby amended to read as follows:

5.2. Housing Stipend. So long as Jonsen resides in Palo Alto, the City will provide Jonsen with a total amount of three thousand dollars (\$3,000.00) per month ~~for eighteen (18) months~~, subject to authorized or required deductions and withholding, as a housing stipend.

JONSEN

CITY OF PALO ALTO

Robert Jonsen

City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

Chief Assistant City Attorney