

2.16 VEBA Advisory Committee Appointment.

Recommendation:

As recommended by the Rules and Open Government Committee on January 3, 2024, approve the appointment of Sebastian Wisniewski, nominated by the Police Officers' Association (POA), as the POA's active employee member to the Voluntary Employees Beneficiary Association (VEBA) Advisory Committee for a partial term ending May 31, 2024.

CEQA: Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment. (Human Resources)
[Rules Committee referral 1/3/2024 - Item B.3]



COUNCIL AGENDA: 1/9/2024

ITEM: 2.16

FILE NO: 24-68181

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: January 9, 2024

SUBJECT: VEBA Advisory Committee Appointment

Recommendation

As recommended by the Rules and Open Government Committee on January 3, 2024, approve the appointment of Sebastian Wisniewski, nominated by the Police Officers' Association (POA), as the POA's active employee member to the Voluntary Employees Beneficiary Association (VEBA) Advisory Committee for a partial term ending May 31, 2024.

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[Rules Committee referral 1/3/2024 - Item B.3]



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Jennifer Schembri

SUBJECT: VEBA ADVISORY COMMITTEE
APPOINTMENT

DATE: December 6, 2023

Approved

Date

12/11/23

RECOMMENDATION

- (a) Approve the appointment of Sebastian Wisniewski, nominated by the Police Officers' Association (POA), as the POA's active employee member to the Voluntary Employees Beneficiary Association (VEBA) Advisory Committee for a partial term ending May 31, 2024.
- (b) Place the item on the January 9, 2024 City Council Agenda for action.

SUMMARY AND OUTCOME

Approval of this recommendation will allow the VEBA Advisory Committee to continue to do business and have a quorum at its next meeting on March 18, 2024.

BACKGROUND

Pursuant to the Alternative Pension Reform Frameworks and Measure F, the City has established the Police and Fire Voluntary Employees Beneficiary Association under Chapter 3.57 of the San José Municipal Code and the Federated Employees' Voluntary Employees Beneficiary Association under Chapter 3.58 of the San José Municipal Code. A VEBA is a tax-exempt trust instrument authorized by Internal Revenue Code 501(c)(9) through which eligible healthcare benefits can be reimbursed. The City's VEBAs are set up to reimburse eligible medical expenses in retirement for their respective members.

San José Municipal Code Sections 3.57.210 and 3.58.210 provide that the VEBA Plans shall be administered by the VEBA Advisory Committee. The VEBA Advisory Committee is to oversee all aspects of the City's VEBA Plans. As of September 30, 2023, the VEBA Plans currently have 5,361 participants and includes active employees, former employees, retirees, and contain approximately \$61.3 million in assets. All newly hired employees represented by a bargaining unit are placed into the VEBA plan and make contributions based on a percent of base pay. The VEBA Advisory Committee is responsible for administering the VEBA Plans, the trust account,

and is responsible for the operation of the Plans in accordance with their terms. The VEBA Advisory Committee is required to determine all questions arising out of the administration, interpretation, and application of the Plans, including evaluating and selecting investment options.

Resolution No. 78563, dated May 1, 2018, requires that the VEBA Advisory Committee be composed of five members: one active member of the San José Firefighters, IAFF Local 230; one active member of the San José Police Officers' Association; two active members of the Federated Unions; and one active member of unrepresented employees. The union members shall be nominated by the respective unions. The City Manager or City Manager's designee shall nominate the unrepresented employee member. As a Council-appointed committee, appointments to the VEBA Advisory Committee must first be approved by the Rules and Open Government Committee before being recommended to the City Council. The appointment of nominated employees to the VEBA Advisory Committee shall be routine business on the City Council agenda. The City Council shall approve the nomination unless the City Council finds cause for rejection.

Each member of the VEBA Advisory Committee shall be an active employee who is a participant in a VEBA Plan and shall serve a four-year term with the exception that the initial terms of the members were set to allow each member's term to end on subsequent years. In the event a vacancy should occur in the office of any member prior to the expiration of a term, a successor shall be nominated for the unexpired portion of the member's term pursuant to the process set forth above. There are no term limits for members.

ANALYSIS

Aidan Guy served as the POA's employee member for the remainder of the previous member's four-year term that commenced on May 1, 2021 and was set to end on May 31, 2024. Mr. Guy resigned from City service effective November 4, 2023. On November 28, 2023, the POA nominated Sebastian Wisniewski to serve the remainder of the four-year term, ending on May 31, 2024. Mr. Wisniewski is an active employee and a VEBA participant.

EVALUATION AND FOLLOW-UP

Aidan Guy served as the POA's employee member for the remainder of the previous member's four-year term that commenced on May 1, 2021 and was set to end on May 31, 2024. Mr. Guy resigned from City service effective November 4, 2023. On November 28, 2023, the POA nominated Sebastian Wisniewski to serve the remainder of the four-year term, ending on May 31, 2024. Mr. Wisniewski is an active employee and a VEBA participant.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Clerk's Office.

PUBLIC OUTREACH

The key stakeholders were invited to nominate a candidate for appointment to the VEBA Advisory Committee.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.


JENNIFER SCHEMBRI
Director, Office of Employee Relations
Director, Human Resources

For questions, please contact Amy Morton, Senior Analyst in Human Resources, at (408) 535-1245.