



**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> <b>Human Resources</b>	<b>CEQA:</b> Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.	<b>Coordination:</b> City Attorney's Office	<b>Dept. Approval:</b> Jennifer Schembri 
<b>Council District(s):</b> Citywide			<b>CMO Approval:</b>  6/20/23

**SUBJECT: VEBA ADVISORY COMMITTEE APPOINTMENT**

**RECOMMENDATION:**

Approve the appointment of Nicholas (Nick) Rovetto, nominated by the group of employees representing the Federated Unions as the active employee member of the VEBA Advisory Committee (VAC) to fill a vacant seat for the remainder of the term, ending May 31, 2026.

**BASIS FOR RECOMMENDATION:**

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 (VEBA) 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. San José Municipal Code Sections 3.57.210 and 3.58.210 provide that the VEBA Plans shall be administered by the VAC; the VAC oversees all aspects of the City's VEBA Plans.

Resolution No. 78563, requires that the VAC be composed of five (5) members including two (2) active members of the Federated unions. The union members shall be nominated by the respective unions. As a Council-appointed committee, appointments to the VAC must first be approved by the Rules Committee before being recommended to the City Council. The appointment of nominated employees to the VEBA Committee shall be routine business on the City Council agenda and the City Council shall approve the nomination unless the City Council finds cause for rejection. Due to an unexpected absence of one member and a recent vacancy on the VAC, the VAC is unable to conduct critical business at their next scheduled meeting on June 29, 2023. This critical business includes the approval of the Fiduciary Liability insurance policy that expires on June 30, 2023 and therefore, this is being brought forward directly to the City Council in order to meet the timeframe necessary.

Each member of the VAC 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. Laura Almageur served as a member for an initial term that began on June 1, 2022 and was scheduled to end on May 31, 2026. However, Ms. Almageur resigned from her role on the VAC effective April 25, 2023, and Mr. Rovetto was nominated to serve the remainder of the term.

Each member of the VEBA Advisory Committee shall be an active employee who is a participant in a VEBA Plan. Mr. Rovetto is an active employee and a VEBA participant.

This memorandum was coordinated with the City Attorney's Office.

**COST AND FUNDING SOURCE:** There is no cost associated with this recommendation

**FOR QUESTIONS CONTACT:** Damiana Garcia, Sr. Analyst, (408) 535-1285