



# Memorandum

**TO:** RULES AND OPEN  
GOVERNMENT COMMITTEE

**SUBJECT: VEBA ADVISORY COMMITTEE  
APPOINTMENTS**

**FROM:** Jennifer Schembri

**DATE:** April 9, 2024

Approved

Date

4/9/2024

## **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 term beginning June 1, 2024 and ending May 31, 2028.
- b) Approve the appointment of Elsa Cordova, nominated by the City Manager as the unrepresented employee member, to the VEBA Advisory Committee for a term beginning June 1, 2024 and ending May 31, 2028.
- c) Place the item on the April 23, 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 June 17, 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 December 31, 2023, the VEBA Plans currently have 5,396 participants and include active employees, former employees, retirees, and contain

approximately \$66.6 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**

On November 28, 2023, the POA nominated Sebastian Wisniewski as the POA's active employee member to serve the remainder of a four-year term on the VEBA Advisory Committee due to a vacancy, ending on May 31, 2024. The City Council approved and appointed Mr. Wisniewski on January 9, 2024.

The POA was asked for a nomination for the City Council's approval and appointment to serve on the VEBA Advisory Committee upon the expiration of Mr. Wisniewski's term. Mr. Wisniewski was nominated by the POA to serve the next full term on March 22, 2024. Pursuant to Resolution No. 78563, Mr. Wisniewski is an active employee and a VEBA participant.

Elsa Cordova has served as the unrepresented employee member on the VEBA Advisory Committee since June 4, 2019, and her current term is expiring on May 31, 2024. The City Manager was asked for a nomination for the City Council's approval and appointment to serve on the VEBA Advisory Committee. Elsa Cordova's nomination by the City Manager was

received on March 22, 2024. Pursuant to Resolution No. 78563, Ms. Cordova is an active employee and VEBA participant. There are no term limits for members.

It is recommended that the City Council approve the appointment of Sebastian Wisniewski as the POA's active employee member to the VEBA Advisory Committee for a term beginning June 1, 2024 and ending May 31, 2028.

It is also recommended that the City Council approve the appointment of Elsa Cordova as the unrepresented employee member to the VEBA Advisory Committee for a term beginning June 1, 2024 and ending May 31, 2028.

### **EVALUATION AND FOLLOW-UP**

Whenever terms of the members are due to expire or a seat becomes vacant, a recommendation will be presented to the City Council to appoint nominees to fill those seats on the VEBA Advisory Committee.

### **PUBLIC OUTREACH**

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

### **COORDINATION**

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

### **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.

April 9, 2024

**Subject: VEBA Advisory Committee Appointment**

Page 4

**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, City Manager's Office of  
Employee Relations  
Director, Human Resources

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