



City of Westminster

8200 Westminster Boulevard, Westminster, CA 92683 714.898.3311
www.westminster-ca.gov

June 4, 2018

The Honorable Judge Charles Margines
Presiding Judge of the Orange County Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Subject: Response to letter dated May 9, 2018

Dear Judge Margines;

The 2014-2015 Grand Jury Report, published on June 29, 2015, and entitled "Unfunded Retiree Healthcare Obligations-A Problem for Public Agencies?" included recommendations for the City of Westminster. We responded to the court on November 30, 2015. A recent letter, dated May 9, 2018 is requesting an update to our response on Recommendation #2:

Recommendation #2 – “The 21 agencies that have not contributed into an irrevocable trust fund to finance their health obligations should begin to put aside monies to fund this obligation and reduce their unfunded public liabilities (F.2.)”

City Response – This recommendation requires further analysis. The City will evaluate the priority of funding this obligation for the next annual budget cycle.

Please see the revised response below:

The City has taken action to address this obligation. As part of the City's 2017-2019 Bi-annual Budget, an amount of \$2.6 million was approved to be deposited into a Section 115 Trust Account held with CalPERS. The deposit was made on November 2, 2017. An additional small amount derived from budget savings is being requested on the revised 2018-2019 Budget. The City of Westminster will continue to look for ways to contribute to this Section 115 Trust Account with every budget adoption moving forward as funds allow.

TRI TA
Mayor

TYLER DIEP
Vice Mayor

SERGIO CONTRERAS
Council Member

KIMBERLY HO
Council Member

MARGIE L. RICE
Council Member

EDDIE MANFRO
City Manager

Should the Grand Jury have additional questions or comments, please feel free to contact me at 714-548-3189 or sjohnson@westminster-ca.gov.

Sincerely,

A handwritten signature in cursive script that reads "Sherry Johnson".

Sherry Johnson
Finance Director

Cc: Eddie Manfro
City Council