



INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO CITY OF FULLERTON'S FULLERTON MANAGEMENT ASSOCIATION

To the Honorable Mayor and Members of the City Council
City of Fullerton, California

We have performed the procedures enumerated below to the accompanying Fullerton Fire Management Association (FFMA) worksheet, **Exhibit A**. These procedures, which were agreed to by the City of Fullerton, California, were performed solely to assist the City, in reviewing the City staff's calculation of the projected costs to the City of changes in employee compensation as proposed by the City during the labor negotiation process. The City's management is responsible for the negotiations with the labor bargaining units and the calculations of the projected costs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed were as follows:

1. We obtained the completed worksheets for the FFMA based on the proposal prepared by the City of Fullerton. The proposal includes changes to overtime rates, retirement contributions, salary increases, and vacation accruals. The table below summarizes the effect of these changes on employee costs:

	2018/19	2019/20	2020/21
Salaries	0%	2%	2%
OT	14%	10%	5%
Leave Benefits	0%	3%	3%
Medicare	1%	3%	3%
Retirement	0%	-3%	-3%
Health Benefits	0%	-5%	-5%
Annual Vacation Accrual Value	12%	15%	15%

2. Based on the proposal, we sampled the underlying payroll records to ensure the accuracy of the calculation, recalculated the current total costs, and then recalculated the value for the proposed changes to the City for Fullerton's Fullerton Management Association.

Based on the worksheet analysis the labor costs for the City are projected to increase by \$13,382 for the fiscal year ended June 30, 2019; \$15,143 for the fiscal year ended June 30, 2020; and \$32,386 for the fiscal year ended June 30, 2021.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the City's FFMA labor costing worksheets. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.





LANCE, SOLT & LUYTHARD

To the Honorable Mayor and Members of the City Council
City of Fullerton, California

This report is intended solely for the use of the City of Fullerton and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

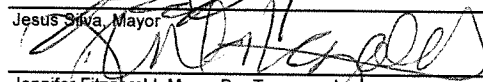
Lance, Solt & Luythard, LLP

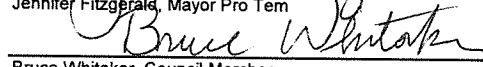
Brea, California
October 16, 2019

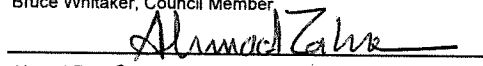
FULLERTON FIRE MANAGEMENT ASSOCIATION PROPOSAL 2% EPMC REDUCTION + 2.5% Salary Increase

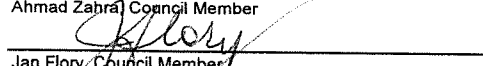
FULLERTON FIRE MANAGEMENT ASSOCIATION (FFMA)	Current 2018/19	Current 2019/20	Current 2020/21	Proposed 2018/19	Variance to Current 2018/19	Proposed 2019/20	Variance to Current 2019/20	Proposed 2020/21	Variance to Current
Salary						2.5%			
Overtime				Overtime for BC OT from straight time to 1.5 time. Assumes 950 total hours (BC OT - 650hrs and BC leave coverage - 300hrs) at top step BC (56 hr) rate		Overtime for BC OT from straight time to 1.5 time. Assumes 950 total hours (BC OT - 650hrs and BC leave coverage - 300hrs) at top step BC (56 hr) rate		Overtime for BC OT from straight time to 1.5 time. Assumes 950 total hours (BC OT - 650hrs and BC leave coverage - 300hrs) at top step BC (56 hr) rate	
Retirement						Reduce EPMC by 2%		Reduce EPMC by 2%	
Annual Vacation Accrual Value				Adjust accrual rates for new employees with service outside the City		Adjust accrual rates for new employees with service outside the City		Adjust accrual rates for new employees with service outside the City	
Employee Costs:									
Salaries	\$ 557,105	\$ 576,205	\$ 596,262	\$ 557,105	\$ -	\$ 590,538	\$ 14,333	\$ 611,096	\$ 14,834
OT	61,770	64,859	68,102	70,346	8,576	71,391	6,532	71,391	3,289
Leave Benefits	59,555	61,658	63,867	59,555	-	63,200	1,542	65,464	1,597
Medicare	9,837	10,189	10,559	9,962	125	10,514	325	10,845	286
Retirement	359,372	409,306	423,537	359,372	-	398,454	(10,852)	412,309	(11,228)
Health Benefits	61,141	61,166	61,192	61,141	-	58,353	(2,813)	58,380	(2,812)
Annual Vacation Accrual Value	40,206	41,521	42,901	44,887	4,681	47,597	6,076	49,264	6,363
Total Employee Costs - FFMA :	\$ 1,148,986	\$ 1,224,904	\$ 1,266,420	\$ 1,162,368	\$ 13,382	\$ 1,240,047	\$ 15,143	\$ 1,278,749	\$ 12,329

Received and acknowledged:


 Jesus Silva, Mayor
Date: 11/5/19

 Jennifer Fitzgerald, Mayor Pro Tem


 Bruce Whitaker, Council Member


 Ahmad Zahra, Council Member


 Jan Flory, Council Member