



CPAs AND ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO CITY OF FULLERTON'S MUNICIPAL EMPLOYEES FEDERATION

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 Municipal Employees Federation (FMEF) worksheets, **Exhibit A**. These procedures, which were agreed to by the City of Fullerton, California, were performed solely to assist the City of Fullerton, California, in reviewing the City staff 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 of Fullerton'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 FMEF based on the proposal prepared by the City of Fullerton. The worksheets include a number of calculations based on proposed salary and benefit changes, described in detail on **Exhibit A**, which effect the City's labor costs.
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 FMEF.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the FMEF 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.

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, Soll & Loughard, LLP

Brea, California
November 14, 2019





CPA AND ADVISORS

FMEF

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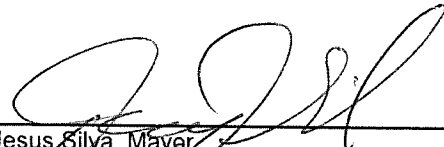
Lance, Soll & Loughard, LLP

Brea, California
November 14, 2019

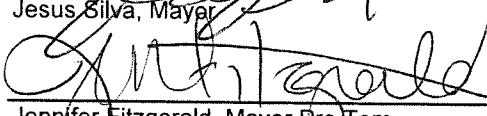
FULLERTON MUNICIPAL EMPLOYEES FEDERATION CONCEPT

| EXHIBIT A FULLERTON MISCELLANEOUS EMPLOYEE FEDERATION (FMEF) | Current 2019/20 | Current 2020/21 | PROPOSED 2019/20 | Variance to Current 2019/20 | PROPOSED 2020/21 | Variance to Current 2020/21 |
|--|--------------------|-------------------------------|--|--------------------------------|--|--------------------------------|
| Term 24 months July 1, 2019 thru June 30, 2021 | | | | | | |
| | | step increases factored in | | | step increases factored in | |
| Holiday Leave Benefits | | | 99 holiday hours per year (ongoing) | | 99 holiday hours per year (ongoing) | |
| Employee Costs: | | | | | | |
| Paid Holiday Leave | \$ 627,983 | \$ 642,794 | \$ 706,480 | \$ 78,497 | \$ 723,143 | \$ 80,349 |
| Paid Holiday Leave No Regard | 34,307 | 34,839 | 38,596 | 4,289 | 39,194 | 4,355 |
| Retirement | 9,710 | 9,854 | 10,924 | 1,214 | 11,086 | 1,232 |
| Medicare | 497 | 505 | 560 | 63 | 568 | 63 |
| Total Employee Costs | \$ 672,497 | \$ 687,992 | \$ 756,560 | \$ 84,063 | \$ 773,991 | \$ 85,999 |

Received and acknowledged:

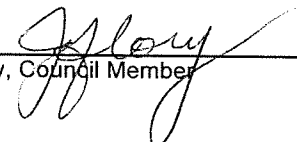

Jesus Silva, Mayor

Date: 11/13/19


Jennifer Fitzgerald, Mayor Pro Tem


Bruce Whitaker, Council Member

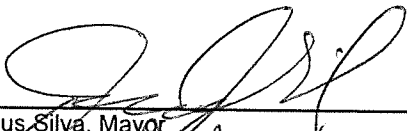

Ahmad Zahra, Council Member


Jan Flory, Council Member

FULLERTON MUNICIPAL EMPLOYEES FEDERATION CONCEPT

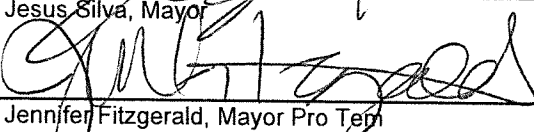
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|---|----------------------------|----------------------------|--|--|--|--|
| Term 24 months July 1, 2019 thru June 30, 2021 | | | | | | |
| | | | | | step increases factored in | |
| 1 Additional Winter Closure Paid Holiday | | | 1 additional paid holiday during holiday closure | | 1 additional paid holiday during holiday closure | |
| Employee Costs: | | | | | | |
| 1 Additional Paid Holiday | \$ - | \$ - | \$ 64,225 | \$ 64,225 | \$ 65,740 | \$ 65,740 |
| 1 Additional Paid Holiday <i>No Regard</i> | - | - | 3,509 | 3,509 | 3,563 | 3,563 |
| Retirement | - | - | 932 | 932 | 946 | 946 |
| Medicare | - | - | 51 | 51 | 52 | 52 |
| Total Employee Costs | \$ - | \$ - | \$ 68,717 | \$ 68,717 | \$ 70,301 | \$ 70,301 |

Received and acknowledged:




 Jesus Silva, Mayor

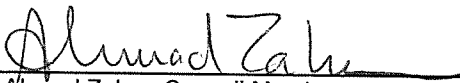
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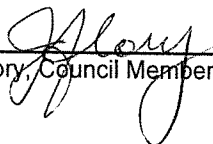
 Jennifer Fitzgerald, Mayor Pro Tem



 Bruce Whitaker, Council Member



 Ahmad Zahra, Council Member




 Jan Flory, Council Member


FULLERTON MUNICIPAL EMPLOYEES FEDERATION CONCEPT

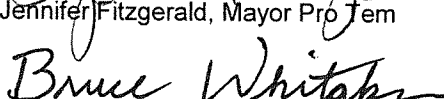
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|--|--------------------|--------------------|--------------------------------|--------------------------------|---------------------|--------------------------------|
| Term 24 months July 1, 2019 thru June 30, 2021 | | | | | | |
| Lump Sum Payment (not included in retirement) | | | Lump sum payment of \$3,000 | | N/A | |
| Employee Costs: | | | | | | |
| Lump Sum Payment | \$ - | \$ - | \$ 903,000 | \$ 903,000 | \$ - | \$ - |
| Medicare | - | - | 13,094 | 13,094 | - | - |
| Total Employee Costs | \$ - | \$ - | \$ 916,094 | \$ 916,094 | \$ - | \$ - |

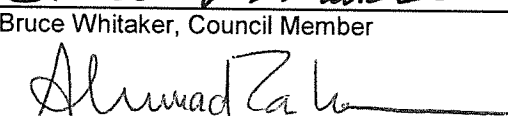
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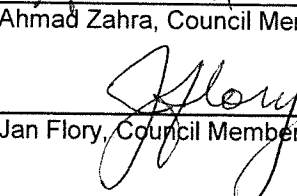

 Jesus Silva, Mayor

Date: 11/18/19


 Jennifer Fitzgerald, Mayor Pro Tem


 Bruce Whitaker, Council Member



 Ahmad Zahra, Council Member


 Jan Flory, Council Member

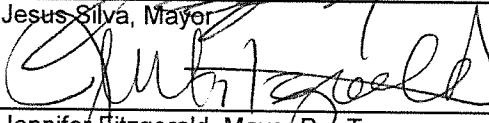
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|--|--------------------|--------------------|---------------------|--------------------------------|---|--------------------------------|
| Term 24 months July 1, 2019 thru June 30, 2021 | | | | | | |
| Section 125 Contribution (6 Mos.) | | | N/A | | \$50/mo. (Jan-Jun) contributed to each employee | |
| Employee Costs: | | | | | | |
| Section 125 Contribution (6 mos.) | \$ - | \$ - | \$ - | \$ - | \$ 90,300 | \$ 90,300 |
| Total Employee Costs | \$ - | \$ - | \$ - | \$ - | \$ 90,300 | \$ 90,300 |

Received and acknowledged:


Jesus Silva, Mayor

Date: 11/18/19


Jennifer Fitzgerald, Mayor Pro Tem


Bruce Whitaker, Council Member


Ahmad Zahra, Council Member



Jan Flory, Council Member

FULLERTON MUNICIPAL EMPLOYEES FEDERATION CONCEPT

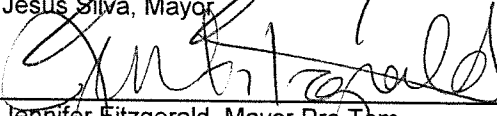
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|--|--------------------|--------------------|---|--------------------------------|---|--------------------------------|
| Term 24 months July 1, 2019 thru June 30, 2021 | | | | | | |
| VSP (Vision Insurance) for Kaiser HMO Members | | | Vision insurance offered to Kaiser HMO covered employees | | Vision insurance offered to Kaiser HMO covered employees | |
| Employee Costs: | | | | | | |
| VSP for Kaiser HMO Members | \$ 10,384 | \$ 10,384 | \$ 26,488 | \$ 16,104 | \$ 26,488 | \$ 16,104 |
| Total Employee Costs | \$ 10,384 | \$ 10,384 | \$ 26,488 | \$ 16,104 | \$ 26,488 | \$ 16,104 |

Received and acknowledged:

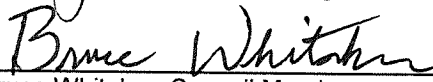
Date: 11/12/19




 Jesus Silva, Mayor




 Jennifer Fitzgerald, Mayor Pro Tem



 Bruce Whitaker, Council Member



 Ahmad Zahra, Council Member




 Jan Flory, Council Member

FULLERTON MUNICIPAL EMPLOYEES FEDERATION CONCEPT

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|---|----------------------------|----------------------------|--|--|-----------------------------|--|
| Term 24 months July 1, 2019 thru June 30, 2021 | | | | | | |
| Wellness Fund Distribution <i>(not included in retirement)</i> | | N/A | \$60,000 Wellness Fund distributed evenly across all active employees | | N/A | |
| Employee Costs: | | | | | | |
| Wellness Fund Distribution | \$ 60,000 | \$ - | \$ 60,000 | \$ - | \$ - | \$ - |
| Medicare | - | - | 870 | 870 | - | - |
| Total Employee Costs | \$ 60,000 | \$ - | \$ 60,870 | \$ 870 | \$ - | \$ - |

Received and acknowledged:



Jesus Silva, Mayor

Date: 11/19/19



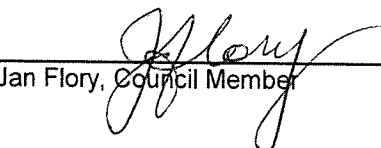
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