



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 Police Management Association (FPMA) worksheets, **Exhibits A** through **C**. 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 FPMA based on the proposals prepared by the City of Fullerton. The proposals include several changes, depending on the Option, which impact salaries, other pays/increment pays, Medicare costs, retirement costs, and medical costs. Please refer to **Exhibit A** for the detail of the changes specific to Option 1, **Exhibit B** for Option 2, and **Exhibit C** for Option 3.
2. Based on the proposal, we recalculated the current total costs, and then recalculated the value for the proposed changes to the City for Fullerton's FPMA.

Based on the worksheet analysis, if Option 1 is selected, the labor costs for the City are projected to increase by \$55,891 for the fiscal year ended June 30, 2020 and increase by \$55,784 for the fiscal year ended June 30, 2021. If Option 2 is selected, labor costs are projected to increase by \$49,115 for the fiscal year ended June 30, 2020 and increase by \$52,481 for the fiscal year ended June 30, 2021. If Option 3 is selected, labor costs are projected to increase by \$106,407 for the fiscal year ended June 30, 2020 and increase by \$52,481 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 FPMA 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 & Lunghard, LLP

Brea, California
January 17, 2020

<u>FULLERTON POLICE MANAGEMENT ASSOCIATION</u>	Current 2019/20	Current 2020/21	Proposed 2019/20	Variance to Current Cost*	Proposed 2020/21	Variance to Current Cost*
Term 24 Months 7/01/19 - 6/30/21 FPMA Proposal as of 1/8/20 - Option #2						
Salary			Pay Increase to Step 5 effective 1st full Pay Period in January 2020 (12 Pay Periods)		No additional pay increase	
Leave Benefits						
Other Pays						
Retirement (PERS)						
Medical						
Employee Costs:						
Salaries	1,036,171	1,070,527	1,065,217	29,046	1,099,098	28,571
Leave Benefits	-	-	-	-	-	-
Other Pays/Increment Pays	-	-	-	-	-	-
Medicare	16,779	17,298	17,200	421	17,730	432
Retirement	780,332	937,696	799,980	19,648	961,174	23,478
Medical	-	-	-	-	-	-
Total Employee Costs	1,833,282	2,025,521	1,882,397	49,115	2,078,002	52,481

Received and acknowledged:

Jennifer Fitzgerald, Mayor

Jan Flory, Mayor Pro Tem

Jesus Silva, Council Member

Bruce Whitaker, Council Member

Ahmad Zahra, Council Member

Date: _____

1/21/2021

1-21-2020

1-21-20