



INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO CITY OF FULLERTON'S CONFIDENTIAL/UNREPRESENTED UNIT

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

We have performed the procedures enumerated below to the accompanying Confidential/Unrepresented Unit worksheets, **Exhibits A through E**. 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 Confidential/Unrepresented Unit based on the proposals prepared by the City of Fullerton. The proposals contain a number of changes affecting the holiday pay program, holiday pay closures, lump sum payouts, Medicare costs, vision insurance costs, and Section 125 Plan costs. These changes are detailed on **Exhibits A through E**.
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 Confidential/Unrepresented Unit.

Projected changes to labor costs are calculated on **Exhibits A through E** for each of the changes proposed.

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 Confidential/Unrepresented Unit 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
February 11, 2020



<u>CONFIDENTIAL- UNREPRESENTED UNIT</u>	Current 2019/20	Current 2020/21	Proposed 2019/20	Variance to Current Cost*	Proposed 2020/21	Variance to Current Cost*
<p style="text-align: center;">Term 24 Months 7/01/19 - 6/30/21 Confidential Unit Proposal as of 1/28/20 - Holiday Pay Program</p>						
Holiday Leave Benefits	11 Days at 8 Hours Per Day = 88 Annual Holiday Hours		11 Days at 8 Hours Per Day = 88 Annual Holiday Hours		11 Days at 9 Hours Per Day = 99 Annual Holiday Hours Step Increases Factored In	
Employee Costs:						
Holiday Leave Benefits	\$ 38,598	\$ 42,639	\$ 42,217	\$ 3,619	\$ 47,968	\$ 5,329
Total Employee Costs	\$ 38,598	\$ 42,639	\$ 42,217	\$ 3,619	\$ 47,968	\$ 5,329

Received and acknowledged:

Date: _____

Jennifer Fitzgerald, Mayor_____
Jan Flory, Mayor Pro Tem_____
Jesus Silva, Council Member_____
Bruce Whitaker, Council Member_____
Ahmad Zahra, Council Member

<u>CONFIDENTIAL- UNREPRESENTED UNIT</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 Confidential Unit Proposal as of 1/28/20 - 1 Add'l Holiday Day for Holiday Closure						
Holiday Leave Benefits			1 Additional Holiday Paid for Holiday Closure			
Employee Costs:						
Holiday Leave Benefits	\$ -	\$ -	\$ 4,318	\$ 4,318	\$ -	\$ -
Total Employee Costs	\$ -	\$ -	\$ 4,318	\$ 4,318	\$ -	\$ -

Received and acknowledged:

 Jennifer Fitzgerald, Mayor

Date: _____

 Jan Flory, Mayor Pro Tem

 Jesus Silva, Council Member

 Bruce Whitaker, Council Member

 Ahmad Zahra, Council Member

<u>CONFIDENTIAL- UNREPRESENTED UNIT</u>	Current 2019/20	Current 2020/21	Proposed 2019/20	Variance to Current Cost*	Proposed 2020/21	Variance to Current Cost*
<p style="text-align: center;">Term 24 Months 7/01/19 - 6/30/21 Confidential Unit Proposal as of 1/28/20 - Lump Sum Payment of \$3,000</p>						
Lump Sum Payment			One-Time Lump Sum Payment in the amount of \$3,000		None	
Employee Costs:						
Lump Sum Payment	\$ -	\$ -	\$ 22,343	\$ 22,343	\$ -	\$ -
Medicare	-	-	324	324	-	-
Total Employee Costs	\$ -	\$ -	\$ 22,667	\$ 22,667	\$ -	\$ -

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<u>CONFIDENTIAL- UNREPRESENTED UNIT</u>	Current 2019/20	Current 2020/21	Proposed 2019/20	Variance to Current Cost*	Proposed 2020/21	Variance to Current Cost*
<p style="text-align: center;">Term 24 Months 7/01/19 - 6/30/21 Confidential Unit Proposal as of 1/28/20 - VSP for Kaiser Members</p>						
Health Benefits			VSP (Vision Insurance) provided to all Kaiser HMO covered employees		VSP (Vision Insurance) provided to all Kaiser HMO covered employees	
Employee Costs:						
VSP Vision Insurance	\$ 1,607	\$ 1,607	\$ 1,825	\$ 218	\$ 1,825	\$ 218
Total Employee Costs	\$ 1,607	\$ 1,607	\$ 1,825	\$ 218	\$ 1,825	\$ 218

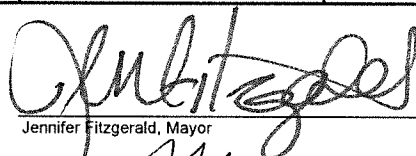
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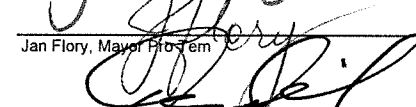
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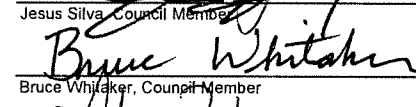
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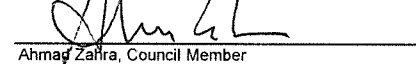
CONFIDENTIAL- UNREPRESENTED UNIT	Current 2019/20	Current 2020/21	Proposed 2019/20	Variance to Current Cost*	Proposed 2020/21	Variance to Current Cost*
Term 24 Months 7/01/19 - 6/30/21 Confidential Unit Proposal as of 1/28/20 - Section 125 Cafeteria Plan Jan 2021 thru June 2021 - 6 Months						
Health Benefits			N/A		New Section 125 Plan offered to all employees; \$50/Month from Jan 2021 thru June 2021	
Employee Costs:						
Section 125 Plan	\$ -	\$ -	\$ -	\$ -	\$ 3,600	\$ 3,600
Total Employee Costs	\$ -	\$ -	\$ -	\$ -	\$ 3,600	\$ 3,600


Received and acknowledged:


 Jennifer Fitzgerald, Mayor


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 Jesus Silva, Council Member


 Bruce Whitaker, Council Member


 Ahmag Zahra, Council Member

Date: 2/18/2020