

EXHIBIT "D"
KOERNER & KOERNER, P.A. REPORT, DATED DECEMBER 14, 2016

**ANALYSIS, EVALUATION AND
RECOMMENDATIONS ON THE
FINANCIAL CONDITION OF THE
BOARD OF COMMISSIONERS,
FIRE DISTRICT NO. 3,
TOWNSHIP OF VOORHEES**

 **KOERNER & KOERNER, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth Koerner, MBA, RICP®, CFP®, CPA
James K. Koerner, CFP®, CPA
Oliver S. Walling III, CPA
Marianne Krupa, CPA
Katherine M. Strack, CPA
Beth A. Meckel, CPA
Steven R. Burns, CPA
Sandra L. Connelly
Susan J. Brown
Vincent J. Omelio

10 Allen Street
Suite 3A
Toms River, NJ 08753
Phone: 732-244-2323
Fax: 732-244-1571
E-Mail: info@koernercpa.com
Website: www.koernercpa.com

December 14, 2016

The Honorable Mayor Michael R. Mignogna
And Committee Members
Township of Voorhees
2400 Voorhees Town Center
Voorhees, NJ 08043

Dear Mayor Mignogna and Committee Members:

You have retained us to participate in the Township's Public Safety Consolidation Transition Plan. We are charged with providing to the Mayor and Committee an analysis of Voorhees Fire District No. 3's (the VFD) current financial position and evaluate their ability to continue as a viable municipal entity. We are to provide you with an opinion of the cost or savings the Township will realize if the services are consolidated into the Township's Public Safety Department under the direction of the Township's Chief of Police, as acting director of fire and EMS operations.

The first part of our report will discuss and analyze the VFD's financial condition based upon the facts presented in the 2015 annual financial statements as prepared by the VFD and audited by Bowman & Company, LLP. We analyzed the 2016 Budget that was prepared by the VFD.

The next part of our report will evaluate the VFD's ability to continue as a viable municipal entity based upon our trend analysis and recommendations.

Finally, we will express our thoughts on whether the Township would experience a cost or a savings to the taxpayers should the Committee decide to consolidate. The analysis will be based strictly upon financial information, as we are not qualified to analyze firematic or personnel needs of the district. Any projections in this area must be incorporated into our financial projections.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we have informed you of any material errors that may have come to our attention and any fraud or illegal acts that came to our attention, unless they were clearly inconsequential. We have informed you of any deficiencies or material weaknesses in internal controls that we observed to the extent possible.

In the following pages, you will get the picture of a fire district that receives approximately \$6 million of tax dollars and approximately \$1.5 million of program revenue but, as of December 31, 2015, only had approximately \$139,700 of unrestricted surplus and \$137,700 of restricted surplus. There are numerous areas where the VFD has not complied with State and Federal regulations. Personnel overtime pay is out of control. In reading the minutes and looking at the financial documents you get the idea that the VFD Board is either unqualified to run a \$7.5 million operation, or they are unwilling. It is my opinion that the commissioners are overwhelmed and unqualified.

The Honorable Mayor Michael R. Mignogna
And Committee Members
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2400 Voorhees Town Center
Voorhees, NJ 08043

It appears that they have relegated their financial responsibilities to their Fire Chief and then their Deputy Chief. In the VFD minutes it is recorded that during a public session the VFD Board is questioned on the financial stability of the district. The VFD Board's response is that the Deputy Chief will resolve the financial questions. The Deputy Chief tells the VFD that he has higher priorities than the books and records of the VFD.

My opinion is that if the Township dissolves the VFD and consolidates the firematic and medical services as a department of the township this will benefit the residents of Voorhees, the fire and EMS personnel, and the taxpayers of Voorhees. If the Township consolidates the VFD into the Township, the Township will inherit all the assets and all the liabilities. The Township will also inherit the VFD's tax rate which will generate approximately \$6 million for the Township to utilize for firematic expenses. My opinion is that with the savings from economy of scale, and the improved management of personnel and other potential reorganization, the Township will actually realize a significant savings in emergency services.

Very truly yours,

KOERNER & KOERNER, P.A.


Oliver S. Walling III, CPA

**AN ANALYSIS OF THE FINANCIAL CONDITION OF
BOARD OF COMMISSIONERS,
FIRE DISTRICT NO. 3,
TOWNSHIP OF VOORHEES**

The books and records as prepared by the VFD for the year ended December 31, 2015, were audited by the VFD's independent auditor, Bowman & Company, LLP, who were appointed by resolution 3-4-2016. It should be noted that per N.J.S.A. 40A:5A-15 a fire district is required to have their annual audit completed within four months of the year end. The 2014 audit was completed in April 2015, but was not accepted by the VFD Board until January 21, 2016, by Resolution 1-4-2016. The auditor was not able to complete the 2015 audit report until June 14, 2016. The VFD resolution accepting the audit was not located.

Copies of audited financial statements and budgets of the VFD were obtained through the VFD's web site. It should be noted that as of the date of this report, the VFD is not in complete compliance with N.J.S.A. 40A:14-70.2 as it pertains to minutes and resolutions of the VFD, and most of those documents on the site are incomplete. The failure to maintain a proper web site denies the Committee and residents the transparency required by law.

There are a minimum of three sets of financial statements required for fire district financials: the Generally Accepted Auditing Principles (GAAP) statements; fund statements; and budgetary comparison schedule. The audited financial statements appear to be complete and appropriate for the VFD.

In 2014 the VFD had approximately \$2,046,000 of cash in bank, but approximately 77% of it was restricted for capital purchases, primarily a firehouse. In 2015 the cash in bank was approximately \$1,129,000, with approximately 14% being restricted for capital purchases. The remaining 86% of cash is almost entirely offset with current liabilities. The VFD had basically put themselves in an extremely unstable financial position.

The amount of the VFD's General Fund surplus is approximately \$139,700. This is a dangerously low balance for this fire district. Good fiscal management requires that fire districts maintain a surplus of approximately 20% of the amount to be raised by taxation. The Board would need approximately \$1,200,000 in surplus to fund the first quarter of the year. This is recommended because the districts do not receive the first tax payment from the township until April.¹ Prior to January 1 of each year fire districts are required to adopt a temporary budget not to exceed 14% of the prior year's operating budget. The temporary budget for 2017 should be approximately \$985,700.

¹ In the past, Voorhees Township has transferred the first quarter property tax payments to the VFD as early as January to prevent the district from defaulting on their obligations because they did not have the funds to operate.

The VFD's fiduciary responsibility comes in the form of the Budgetary Comparison Schedule. Fire districts are funded through the striking of a fire tax on the property owners of the Township. In February, the VFD presents the legal voters of the Township a budget with an amount to be raised by taxation. The Board is bound by the legally adopted budget, by line item. Boards are not permitted to exceed the amount of each line. It is the function of the board treasurer to certify the availability of funds to pay for purchases. The law does provide to the boards the option to make line item transfers at the end of the year. Once the transfers are made the treasurer can certify the availability of funds and the purchases can be made.

The Board's 2015 Budgetary Comparison Schedule does not indicate the date the line item transfers were made. What is apparent is that the VFD overspent half of the line items before the transfers were made. Approximately half of those items were salary and fringe benefits items. The VFD was in default on their hydrant rental payments for water access in order to fight fires. The VFD was also in arrears with their pension payments to the State of New Jersey. These issues are the actions of an irresponsible board of commissioners.

According to the 2015 audited financial statements the VFD had a cash deficit of approximately \$181,400. The Board overspent their approved appropriations by approximately \$118,300 and had a shortfall in revenues of approximately \$63,100. This \$181,400 cash deficit has to be provided for in the 2017 Budget and is subject to the Levy Cap. If the VFD and the Treasurer were monitoring revenues and expenses monthly, they should have seen the shortages and adjusted expenses appropriately. Proper fiscal management would have accounted and provided for unexpected expenses, if any.

In the 2015 audited financial report, the auditors indicated that they became aware of four significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported. They are:

- The first finding states that there did not exist a functioning general ledger system. A functioning general ledger system is a fundamental requirement of every entity. It is impossible to provide proper fiscal management if there is not a proper accounting system. This indicates that the VFD as a whole lacked the knowledge to perform their fiduciary responsibility. It could also explain why there so many line items over budget. The finding also states that the bank accounts were not reconciled on a monthly basis. Not reconciling bank statements on a monthly basis is totally inexcusable. The Commissioners are recipients of tax dollars and by New Jersey State statutes are held to the highest degree of responsibility. This is a condition that could have been easily corrected at the very beginning. There are professionals who provide the exact services that were required in this situation. The Board's lack of oversight is responsible for the weaknesses in this audit.
- The next finding relates to the special nature of fire district accounting. State administrative law requires that the districts maintain a purchase order journal and encumber the budget as purchase orders are issued. Failure to control purchase orders are probably the main reason that the VFD has overspent the 2015 Budget. The auditors state that this failure resulted in an understatement of their balance sheet by

approximately \$651,700. This is a very significant understatement. The auditor does not explain further the nature of the understatement, but it can be assumed from the information provided, that it was a combination of the Treasurer's lack of knowledge and the VFD's failure of oversight.

- Finding number three relates to the overspending of the 2015 Budget. The budget was adjusted to reflect no shortages or overages in line items except for hydrant rentals. N.J.S.A. 40A:14-78.9 states that the VFD is legally permitted to expend funds only to the voter approved line item amount. The statute further provides that the VFD may make line item transfers in November, December, January, and February of each year. It appears that the VFD made line item transfers subsequent to the time permitted by law. It is the function of the VFD Treasurer to certify the availability of funds prior to the issuance of purchase orders or the payment of bills. It is clearly evident that the treasurer was not performing their statutory function with regards to expenditure of tax dollars.
- The final finding reports that the VFD was in violation of Internal Revenue Service, Department of Labor, and Division of Pensions and Benefits laws and requirements. This is another serious breach of the fiduciary responsibility of the VFD with regards to employees' and taxpayer funds. This negligence is subject to fines and penalties which is a non-budgeted and non-permitted use of taxpayer funds. This malfeasance must be attributed to the VFD as a whole and not shouldered by one individual. Proper internal controls would have prevented this oversight, or at least discovered it in a timely fashion.

These findings indicate that this board was unprepared and unqualified to assume their responsibilities as board members. Reading minutes of their meetings demonstrates a Board without sufficient knowledge to run a \$7.5 million budget. In the January 21, 2016 minutes it states that a member of the public asked if there is an expense report. He was told that there was no Treasurer's Report at this time. It appears that Deputy Chief Wharton has been given the bookkeeping task along with his firematic duties. He responds that they are still working on November, 2015. The minutes go on to state "Deputy Chief Wharton stated that he does not even know how to get the numbers and said that the Township has offered its full service to help out with the financials, etc." According to township officials the offer of assistance was not utilized by the VFD. In further discussion at the meeting regarding the adoption of the 2016 Budget, Commissioner Vandegrift stated that line item transfers were not presented as of the January meeting. He further asked how could the VFD know what their expenses were since the bank accounts were not reconciled since August, 2015. Chairman Hanney's statement in the minutes that "we know what is paid and what is not paid and we do know what is in our bank accounts" is contradicted by the 2015 audited financial statement and our subsequent findings.

At the January 21, 2016 Board meeting the VFD passed resolution 01-03-2016 which authorized a shared services agreement with the Township of Voorhees for administrative and financial assistance. The Deputy Chief was instructed to pursue the Township's assistance. According to the Township, this assistance was never requested.

The 2014 annual audit was accepted at this meeting by Resolution 01-04-2016. The annual audited is required to be completed and accepted by the VFD within 120 days of the calendar year end. This is another clear violation of state statute.

In further discussion at this meeting, Commissioner Vandegift asked the Deputy Chief when the books and records would be brought up to date. In the minutes "Deputy Chief Wharton stated that he would like to finish soon, however, he has other pressing matters to be completed first." Nothing is more pressing than the financial recording keeping of taxpayer dollars, yet the VFD fails to take definitive action.

The minutes state further that during the public section of the meeting a citizen stood up and "wondered why the Treasurer did not have any of the financial information." He asked "what role the Treasurer actually does on the VFD and Chairman Hanney indicated that he just reads the Treasurer's report." It appears that the VFD is unaware of N.J.S.A. 40A:14-89 that states "the treasurer of the fire district shall be the custodian and disbursing officer of the moneys of the said district." Further conversations indicated that much of the district's current financial difficulties were blamed on the actions of the prior chief. The truth is the VFD has failed the public by not performing their fiduciary responsibilities.

In summary, when reading the 2015 audit and the available minutes, one gets the picture of a Board who continues to delegate their responsibilities to the Fire Chief, and then to the Deputy Chief. It would appear that even though they seem to blame the Chief for their financial difficulties, they still refuse to exert proper controls over their employees. The VFD is responsible to the residents and taxpayers to accommodate their spending within the limits of the voter approved budgets. Yet, they have exhausted their surplus funds down to almost zero, costs continue to escalate, and they have allowed a cash deficit which will only add stress to their stressed finances. In the last five years the tax rate has increased every year. The amount to be raised by taxation has increased by approximately 26% over the last five years. A five million dollar firehouse was an irresponsible decision considering the VFD's financial condition. The outlook is not good and that is why S&P Global Ratings downgraded their rating and gave them a negative outlook.

The Board is currently operating under their 2016 Budget. The amount to be raised by taxation increased by approximately \$229,600, this is a 3.9% increase. This increase resulted in an increase in the tax rate per \$100 of assessed value by \$.007. There was no fund balance utilized this year because the VFD has depleted its surplus to almost a zero balance.

The Board increased administrative costs by approximately \$85,500. \$40,000 of the increase was an increase to the Chief's salary. The operating salaries were reduced by approximately \$102,400. This appears to have been accomplished by reducing the budget for overtime and the hiring of another fulltime firefighter. Benefits per man range from approximately \$22,000 to \$44,000. The total of the benefits has been increased by \$277,000. Benefits are a significant portion of the budget at 29%. Retiree benefits will continue to grow with the passage of time and the increase in retirees. This will be an issue, in future union contracts.

An error was noted on Page F-8 of the budget. The fund balances reported on this page do not agree with the amounts reported in the 2015 audited financial statements. The amounts in the

budget are higher than the audit, especially the restricted funds. The significance here is that the VFD was not aware of the significant discrepancy between the audit and their budget. The Board did not monitor and exercise control here either.

The VFD supplements their career paid firefighters with volunteer firefighters who receive per diem compensation for supporting shifts. The VFD does not have a limit on the compensation paid to the volunteers and some of the volunteers receive significant compensation. There is a problem with the reporting method that the VFD uses for these paid firefighters. The VFD treats the volunteers as subcontractors and issues them Form 1099. According to our research and experience they are considered compensated employees of the VFD. As such, they are subject to payroll taxes, workers compensation, and possibly some of the higher paid volunteers may qualify for benefits.

The financial exposure to the VFD is significant if they are audited by the New Jersey Department of Labor. Not only will the penalty, interest, and tax be material, NJDOL has an agreement with the Internal Revenue Service to share information. The IRS will come in next and do an audit that will result in even greater fines, penalties, and taxes.

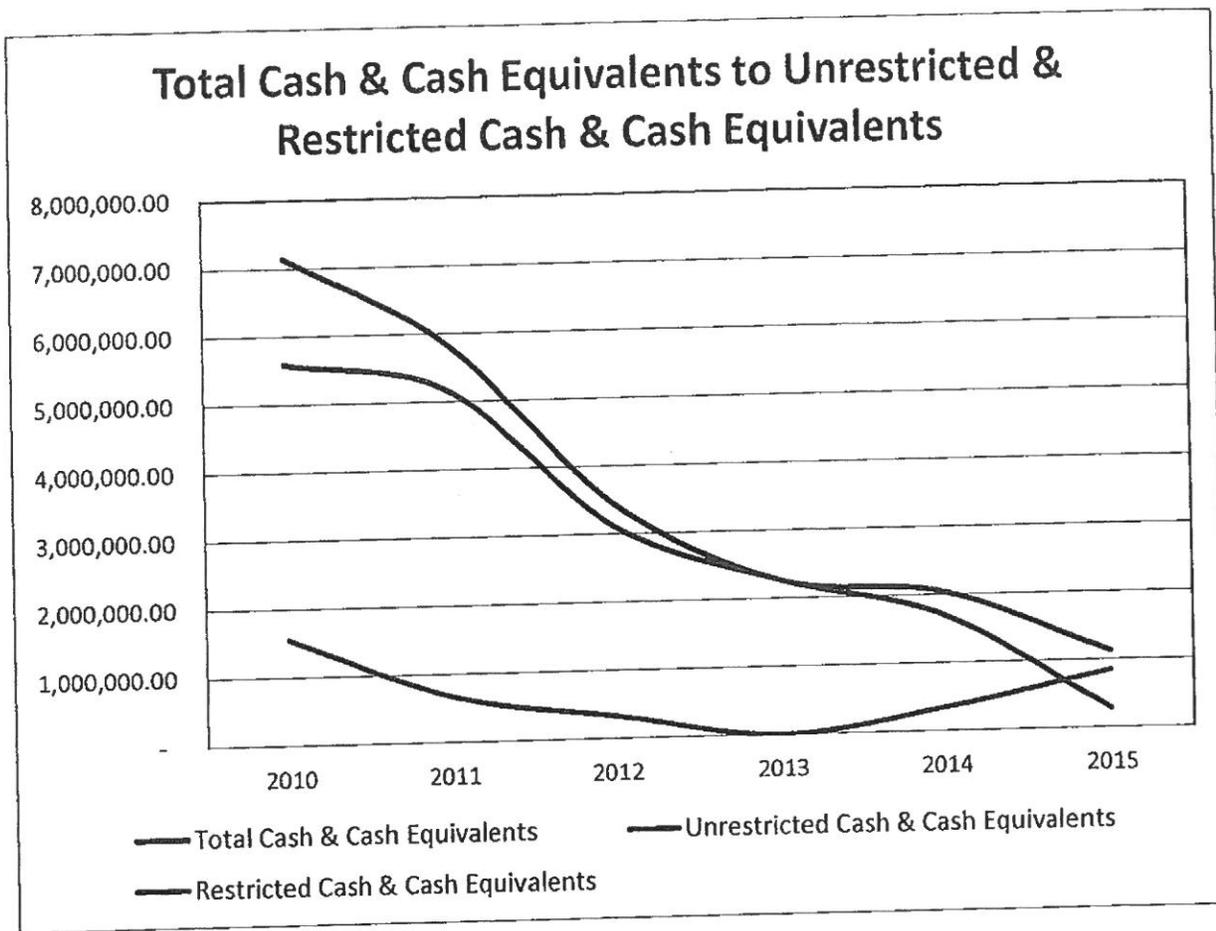
In summary, based upon the available public records, the VFD has exhibited a lack of fiduciary responsibility in the handling of funds received from the taxpayers of the Township of Voorhees. The commissioners have not taken charge of the district's finances and delegate whenever possible. They are not permitted to delegate away their responsibility and therefore, must be held accountable for the current financial instability of the VFD.

**AN ANALYSIS OF THE DISTRICT'S VIABILITY
BOARD OF COMMISSIONERS,
FIRE DISTRICT NO. 3,
TOWNSHIP OF VOORHEES**

When considering the viability of an entity, it is usually informative to study where the problem came from, if possible, and how long it has been an issue or trend. Is the current situation just a hiccup in a history of responsible fiscal management, or is it a long term slide where fiscal management has spiraled out of control. The current Commissioners have been on the VFD for four to seven years, except for the current treasurer who was appointed to the VFD in 2016. The Board membership appears to be relatively stable over the period under study. A term is three years and all the commissioners during this period had at least three years of experience on the Board of Commissioners.

Over the next few pages we will present in graphic form various financial factors that indicate to us that the current financial situation was not the result of some single event, but rather was the result of the VFD to properly manage its finances and its personnel. While it is relatively easy for us to look at a six year graphic analysis of revenues and expenses and see the downward spiral, the Board should have been knowledgeable enough to determine that they could not continue to the tax rate and overspend the budget. In the minutes there were comments from the public that indicated a greater concern for the financial issues than the VFD appeared to of had.

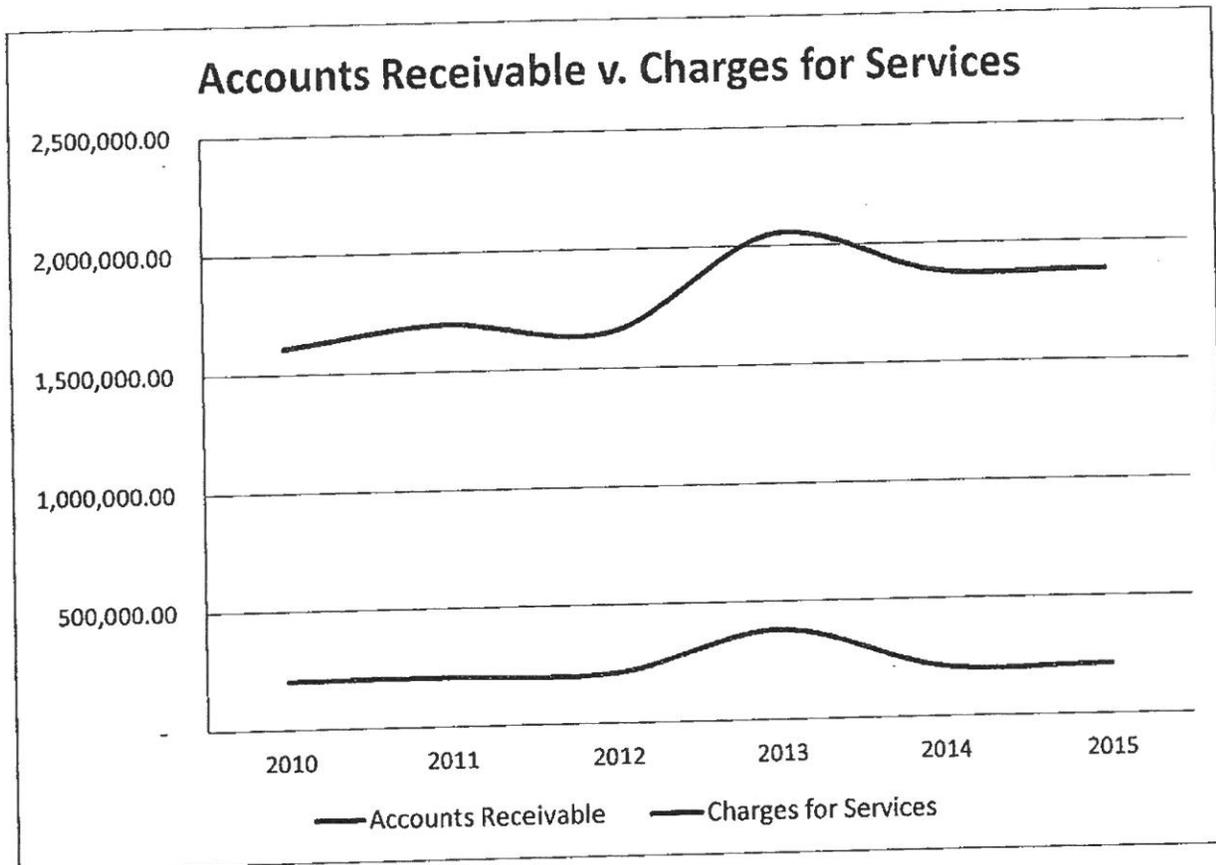
We look at different factors over the next few pages. Some are broad based factors that display the overall trend. Others are narrow factors that we feel are significant indicators in our analysis of the VFD's financial operations and viability.



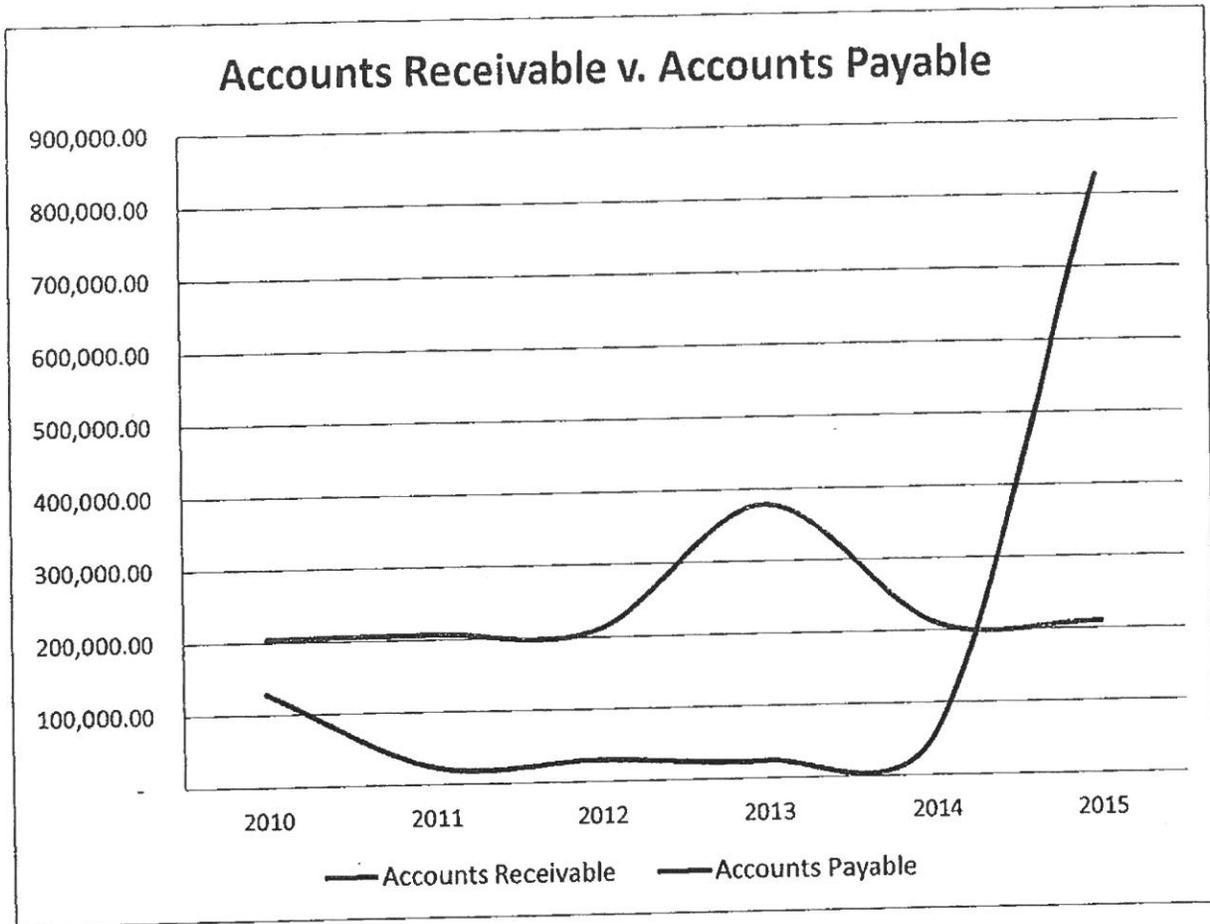
The first factor to be analyzed should be the VFD's cash funds. Cash funds are necessary to pay the firefighters and all the supporting bills. Without cash, no entity can survive. Cash is the easiest to manage and the easiest to mismanage or divert. In 2010 the VFD had approximately \$7.1 million in the bank as restricted and unrestricted cash funds. Approximately \$5.4 million of that was restricted for the construction of a firehouse. As construction progressed those funds were withdrawn from the bank account. In 2013 the VFD was overdrawn in the bank account. This is not permissible and indicates a lack of internal control over cash funds. Bank reconciliations were not timely prepared as reported in the 2015 audit findings.

In the above graph, the top line represents the total cash and cash equivalents during the period under study. The middle line is primarily the bond funds used to build the firehouse. The bottom line is the unrestricted cash and cash equivalents that have been decreasing through 2014 where it moves up. The uptick in 2014 through 2015 is due to the VFD's decision to pay a substantial accounts payable balance in the subsequent year.

Another important factor is the accounts receivable balance. Receivables need to be monitored because it is an asset that will be converted to cash in the near future. It is important to monitor it along with the charges for services. If charges are decreasing and receivables increasing this indicates that the VFD needs to start asking questions to determine the problem. The Board's accounts receivable appears to be fairly steady from year to year. There is no indication as to whether it is being managed or mismanaged.

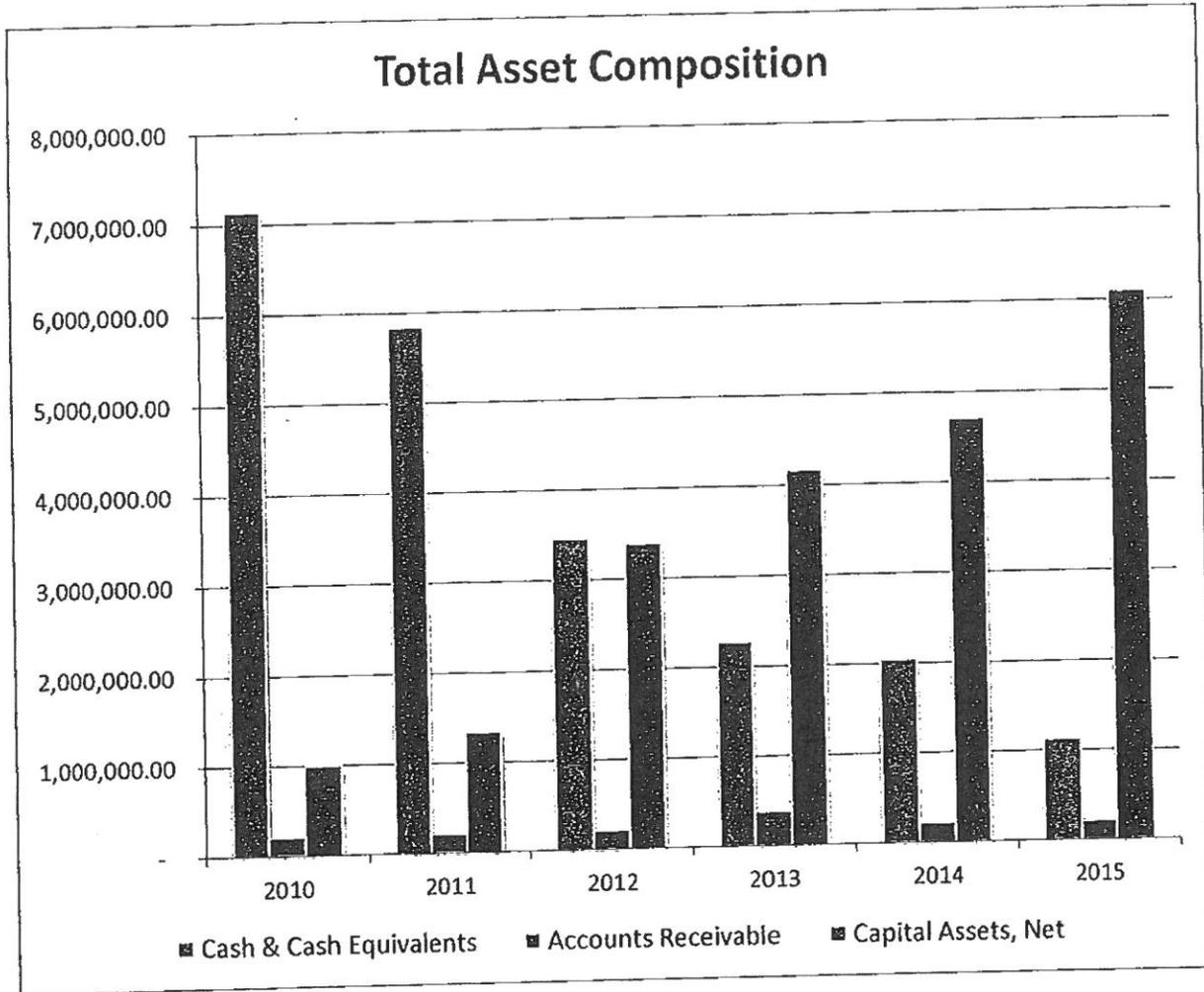


This chart displays the relationship between the fees charged for services and the collections of these fees. The top line displays the amount that was charged for the services and the bottom line displays the fees due. The relationship between the two lines are fairly constant where as the fees charged moves up, so does the line for fees receivable. In 2013 there is an uptick with the amount charged increasing greater than the receivable indicating that collections had improved, though not in the same proportion. Where the receivable line returns to its original trend, the fees charged line remains at a higher level indicating collections had improved, but not as improved as they needed to be.



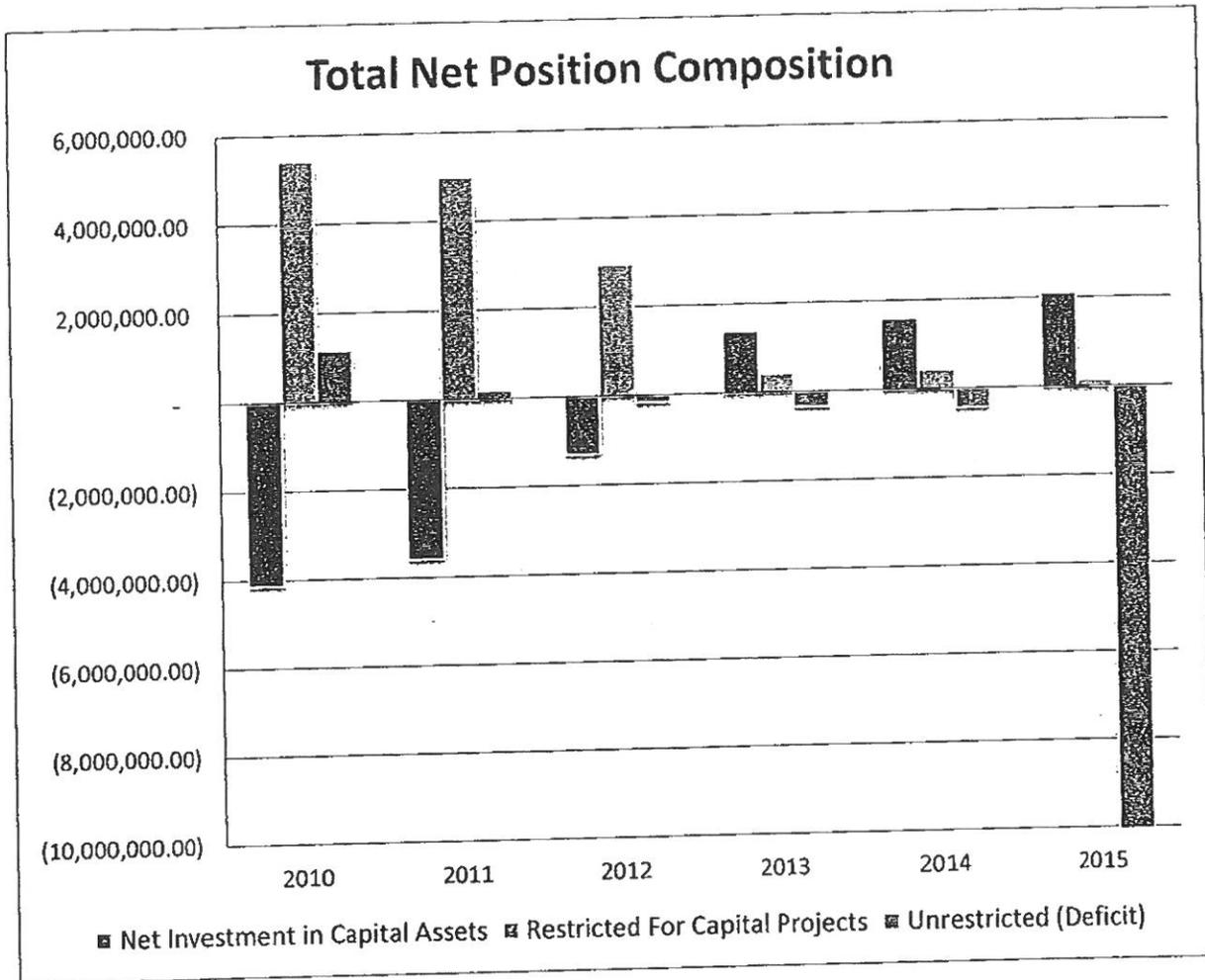
This chart displays the relationship between accounts receivable and accounts payable. Generally, collections of accounts receivable are utilized to reduce accounts payable. The accounts receivable is a relatively straight line. There is a bump in 2013 that represents a grant that was charged to 2013 but not received until 2014 when the line continues in the \$200,000 range. Whereas, the accounts payable takes a dip in 2013 and resumes low through 2014. In 2011 the VFD used cash to pay down their payables. In the 2014 – 2015 period the VFD held on to the cash and went into 2016 with a large accounts payable due.

The VFD's cash management process is reactive without significant planning for future cash funds needs. It is the treasurer's statutory responsibility to advise the Board that status of the financial condition of the district, and to manage the cash funds responsibly.

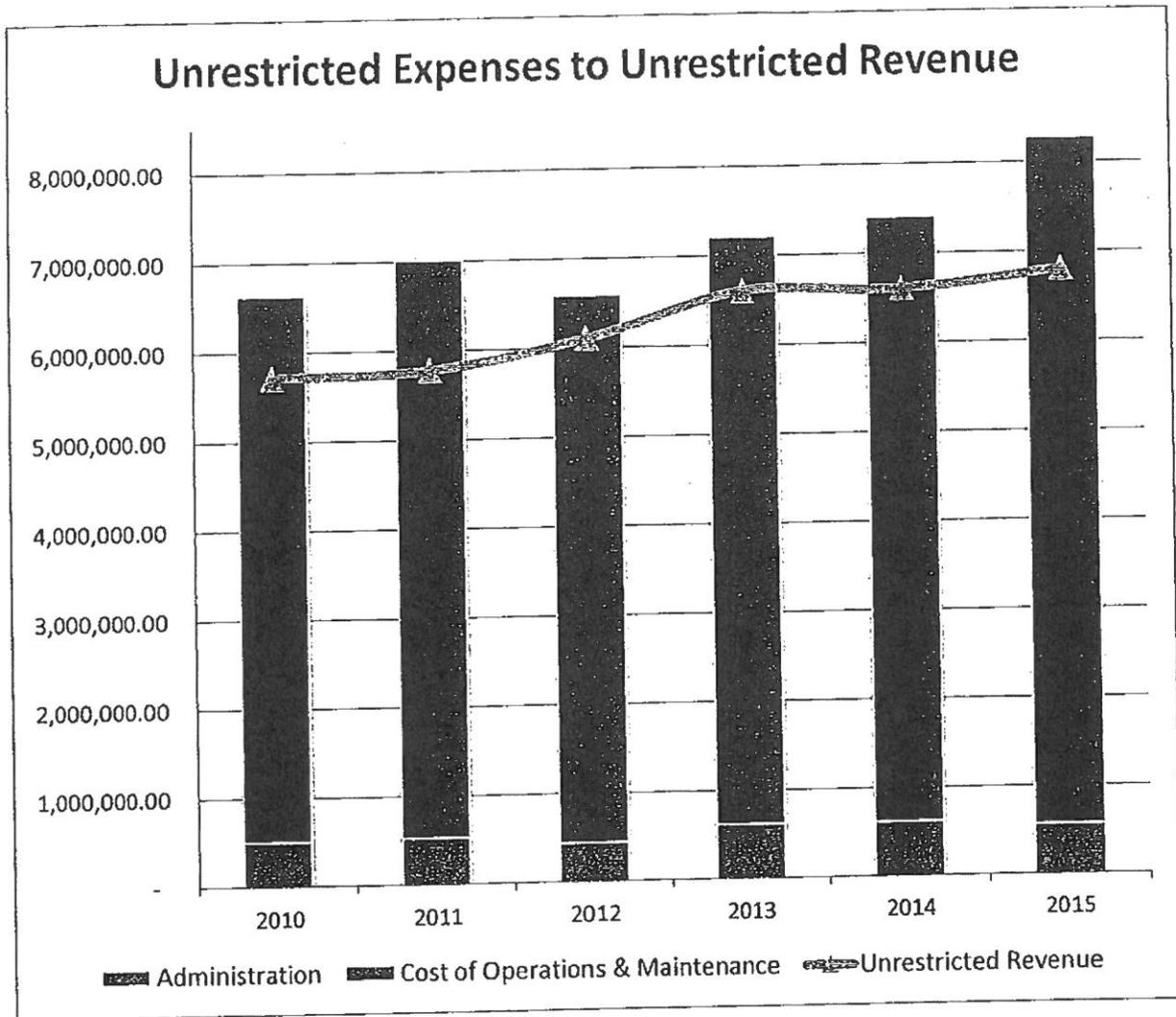


The VFD has two major categories of assets, cash and fixed assets. As stated above cash is necessary to pay the VFD's bills and personnel costs. Another important function of cash is to purchase plant, property, and equipment. A prime example of the conversion of cash into plant, property, and equipment is displayed above. The VFD received the proceeds of the issuance of bonds and in 2010 it sits in restricted cash funds. As construction progresses the cash goes down and the capital assets increase. The capital asset bar does not reach the level of the original bar because the cash is also used to reduce accounts payable as we saw on the previous chart.

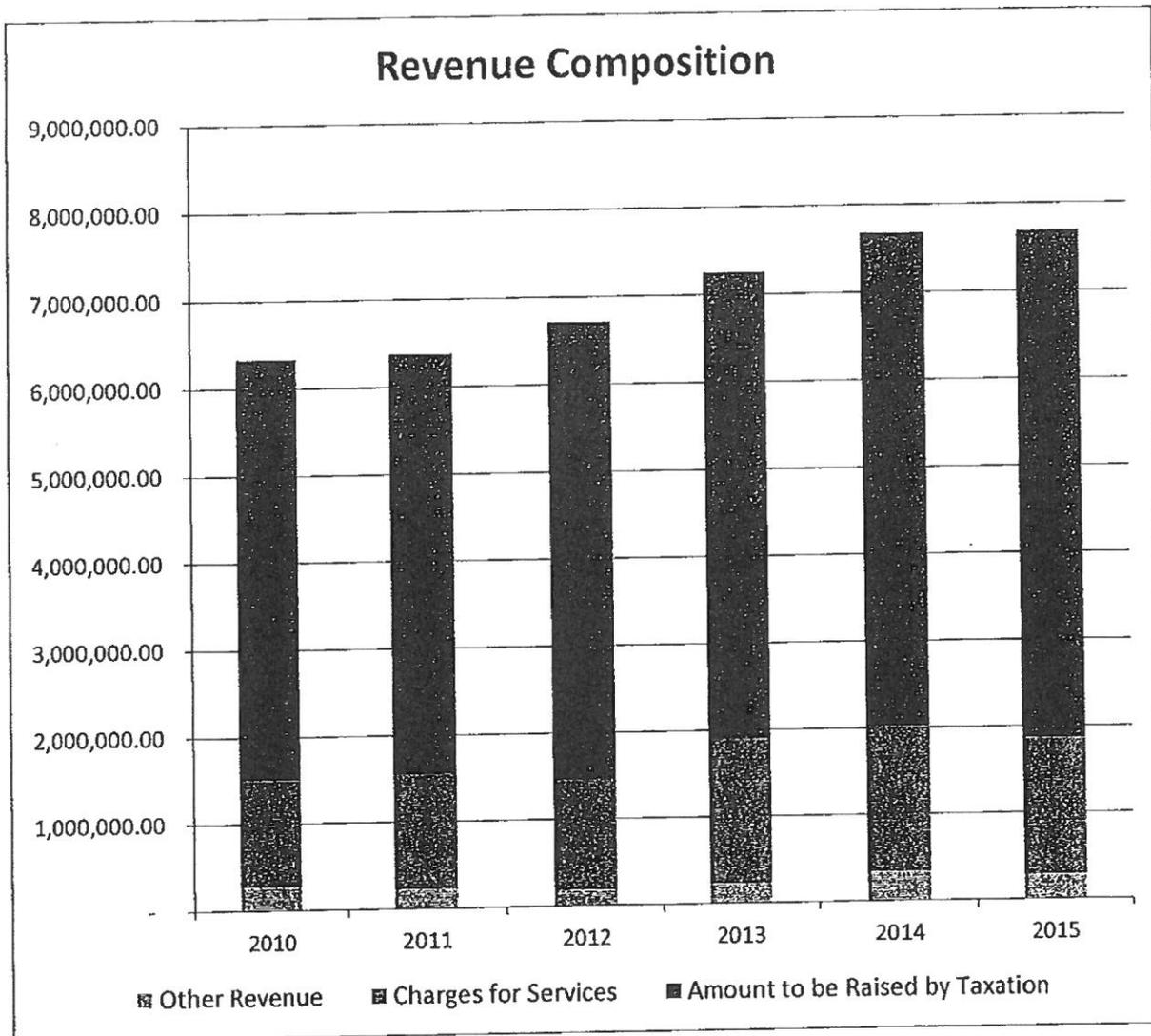
It is evident from this graph that the decrease in cash did not move in conjuncture with the increase in capital assets. If you compare the changes in years 2013 through 2015 you see that the cash is decreasing faster than the assets are increasing. A further indication that the VFD was spending more than it could afford.



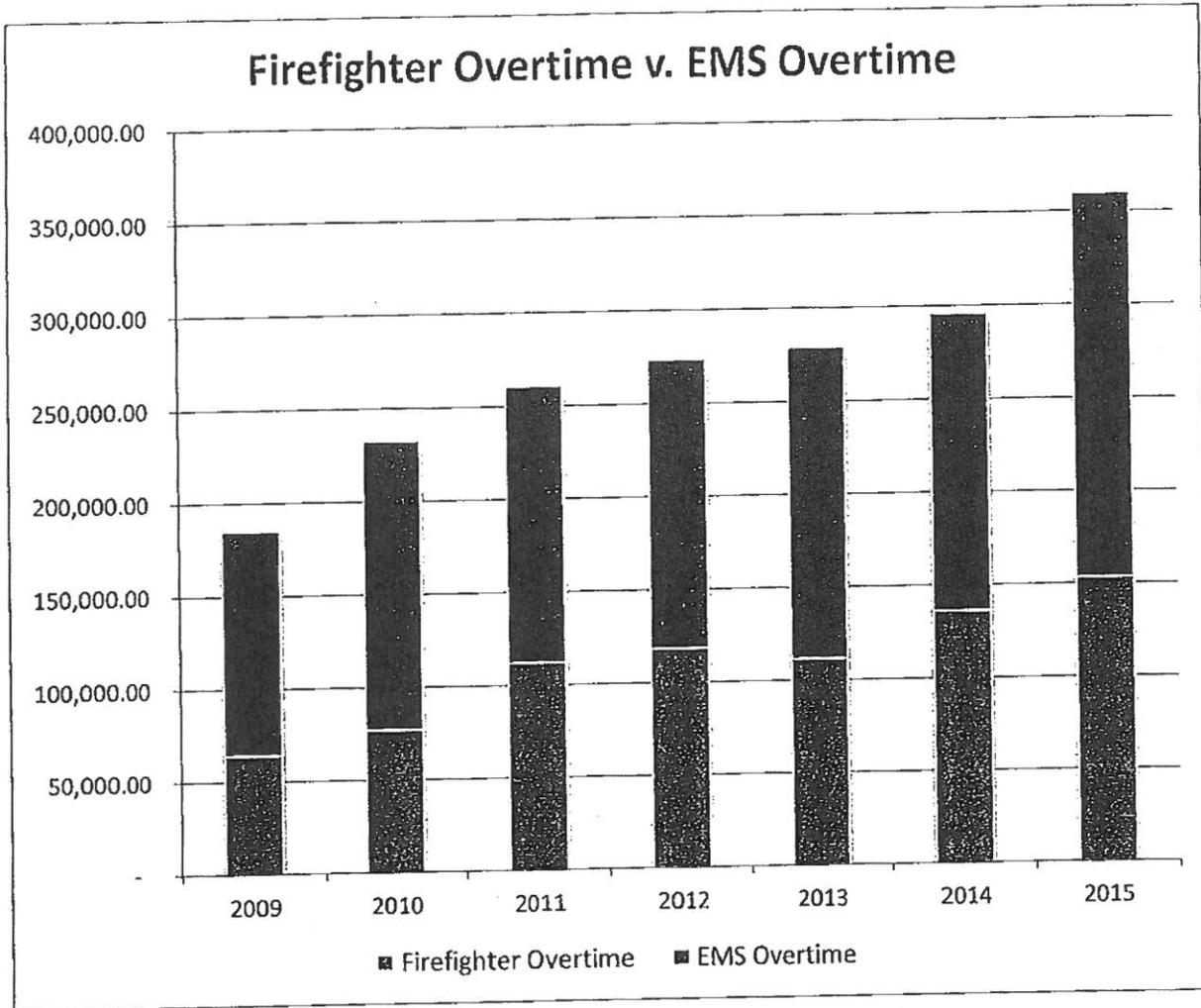
Net position in the VFD is the net impact of its liabilities against its assets. The first bar to the left is the investment in fixed assets. This is a negative because the debt service is netted against the capital assets. The second bar is the restricted fund balance. As the fund balance is converted into the firehouse, that bar is reduced and the negative investment in fixed assets moves up into positive territory. The alarming part of the graph is the unrestricted fund balance 2012 bar drops to a deficit and constantly decreases through the balance of the study period. NJDCA recommends that the unrestricted fund balance be approximately 20% of the amount to be raised by taxation. The first tax check is not required to be distributed to the district until April each year. The VFD needs the 20% of the amount to be raised by taxation in their cash balance to pay their expenses in the first quarter of the year. The last bar to the far right is the unrestricted fund balance at December 31, 2015. The huge increase in the deficit is due to implementing GASB 68 which relates to the reporting of all future pension liability.



This graph shows the relationship between operating expenses and revenues. The bars indicate the operating expenses with administrative expense on the bottom and operations on top. Administrative expenses are basically constant. The operating expenses have, more or less, been increasing each year. This is understandable since personnel costs are subject to union contract increases each year. The line graph above represents the operating revenues. They too have been increasing each year. The problem is that the expenses continued to outpace the revenues and that has resulted in the decrease in the unrestricted funds. The VFD should have seen this trend earlier and taken action to get their finances in order before it became dangerously low.



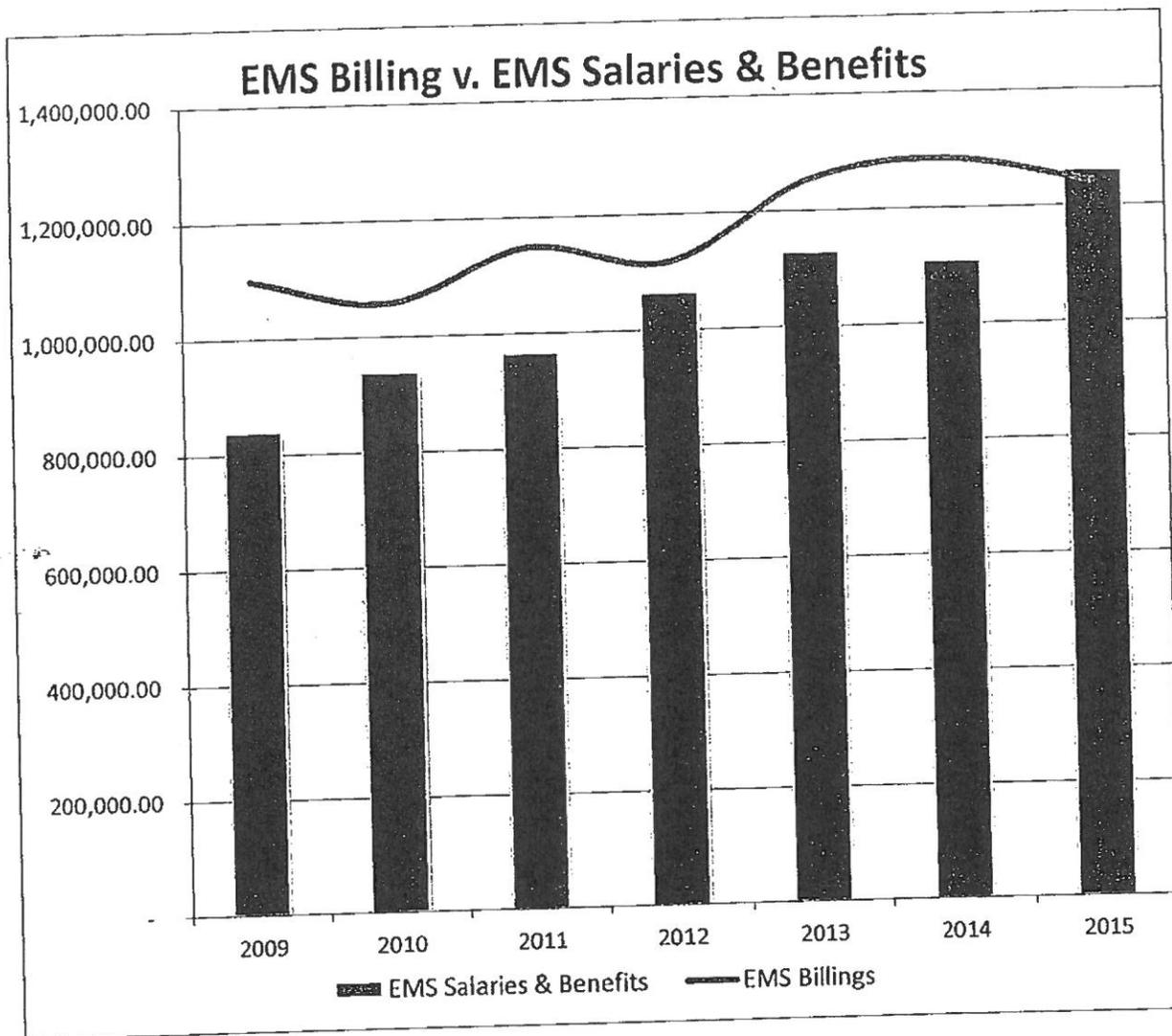
This graph displays the composition of the operating revenues. The bottom layer is the miscellaneous revenues. The next layer is the charges for services. This layer has been increasing, but only slightly. The VFD should have reviewed this area to determine if there were ways to increase fees. The top layer is the amount raised by taxation. This has been a steady increase, but not sufficient to cover the increases in expenses. The VFD has been raising the tax rate each of the study years but not enough to prevent the depletion of the fund balances.



Overtime is a significant expense to the district amounting to over 12% of total salaries. The chart above displays the overtime dollars during the study period. The bottom portion of each bar represents firefighter overtime. The top portion of each bar represents medical services overtime. We see that the medical services overtime has basically been greater than fire fighter overtime and has experienced the largest increase.

Tracking overtime is extremely important due to the cost of overtime wages to the district. The overtime dollars almost doubled during the study period ending up at over \$350,000 in 2015. The overtime has steadily increased during the period. The VFD should have better managed employee hours through per diem substitutes or the hiring of full time substitutes. Overtime hours need to be scrutinized because most employees like working overtime since their hourly rate is much higher.

The VFD cannot allow either the firematic side or the medical services to be understaffed, for obvious reasons of public safety. But, they also have the fiduciary responsibility to make certain that the coverage is there and the services are provided in the most cost effective method.



The cost effectiveness of the medical services is displayed in this chart. The top line reflects the medical billings charged. The bars represent the direct personnel costs of the medical services. As stated before, the charges for medical services has remained fairly steady with a gradual increase over the study period. The gap between the top of each bar and the line represents funds that would be available to cover indirect costs not displayed above. The gap between the bar and the line gradually decreases until in 2015 the bar has climbed above the line.

It appears that the medical services were able to pay for their personnel costs and the taxpayers funded the other operating and indirect costs. When that gap began to close, the VFD should have paid more attention to controlling costs and performed some long term planning. It appears they may have attempted short term fixes, but time ran out and the medical services began to cost the taxpayers more money as a result of the VFD's mismanagement.

The information for the charts we analyzed and have presented was obtained from the VFD's audited financial statements. The overall trend that we see from this information is that the VFD has been on a long, slow, downward spiral from financial stability to its current state of financial instability. We obtained a nine month general ledger from the VFD and analyzed the unaudited financial information. It appears that the VFD will overspend the approved 2016 budgeted appropriations. Despite the VFD's reassurances to the Township committee, the VFD continues to be mismanaged.

**AN ANALYSIS OF THE COST TO THE TOWNSHIP
BOARD OF COMMISSIONERS,
FIRE DISTRICT NO. 3,
TOWNSHIP OF VOORHEES**

If the Township of Voorhees dissolves the Township of Voorhees Fire District it will take possession of all the assets in the name of the VFD and it will assume all of the liabilities of the VFD.

On the asset side, this will include whatever cash is in the bank as of the date of dissolution. The emergency medical services billing receivable averages approximately \$400,000, but there is a contra balance of approximately \$200,000 for doubtful accounts. The Township will receive approximately \$8.8 million in plant, property, and equipment. This does not include approximately \$2.7 million of book depreciation. This also does not include non-capital equipment which may or may not be inventoried. The District has seven pieces of apparatus under operating leases that will be paid in full in 2016. If these are true operating leases they will revert to the lessor at the conclusion of 2016. The Township may have the option to purchase these vehicles. If they were financing leases and the VFD did not apply to the Local Finance Board for approval, then the VFD violated the Local Public Contract Laws.

Immediate savings will be realized with the elimination of professional services, commissioners' compensation and insurance costs. Savings will also be realized with the economy of scale purchasing practices. There may be an initial cost to the Township to cover shortages created though the mismanagement of the VFD. The Township will have to study personnel costs and see if there are ways to reduce some of those costs. An expert in firematic service management has been retained by the Township to study the VFD. He has developed a plan that will save the taxpayers money in future years. In 2015 the VFD did not collect sufficient funds from medical billings to just cover the personnel costs. The cost of operations was funded by tax dollars. The local fire services enforcement also needs to be funded by tax dollars because expenses are greater than revenues. If there is excess apparatus or equipment it can be sold to cover some of the fund shortages. Local control of emergency services has many benefits to the community and the emergency personnel themselves. The lines of communication are usually more open the closer the contacts are to each other. The District is in a downward fiscal spiral that needs to be stopped. These outsourced services could always be returned to local control when the situation improves.

Based upon our analysis, it is my opinion that the VFD should be dissolved and become a department of the Township. The benefits to the taxpayers and residents go beyond the monetary parameters. Financial controls and fiduciary accountability will be restored to the firematic services. The residents will realize a greater benefit with financial professionals in control of their tax dollars. This will enhance public safety by utilizing firematic professionals in their area of responsibility.