



# State of New Jersey

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**KEVIN D. WALSH**  
*Acting State Comptroller*

November 10, 2020

Mr. Christopher Callan, Fire Chief  
Cherry Hill Fire District No. 13  
1100 Markkress Road  
Cherry Hill, NJ 08003

Mr. Steven P. Gerling, President  
Brick Fire District No. 1  
253 Brick Boulevard, 1st Floor  
Brick Township, NJ 08723

Mr. John C. Kenny, President  
Woodbridge Fire District No. 1  
418 School Street  
Woodbridge, NJ 07095

## **Re: Follow-Up Report – Fiscal and Operating Practices at Selected Fire Districts**

Dear Chief Callan, President Kenny, and President Gerling:

On May 28, 2014, we issued an audit report, *Fiscal and Operating Practices at Selected Fire Districts*,<sup>1</sup> in which we made recommendations to address various identified weaknesses in compensation and voter turnout. Pursuant to *N.J.S.A. 52:15C-1 et seq.*, we have conducted a review of the audited entities' respective corrective action plans to assess the implementation of the recommendations contained in our initial audit. Our findings and conclusions are set forth below.

### **Background, Scope, and Objective**

Our initial audit evaluated fiscal and operating practices at three fire districts: Brick Fire District No. 1 (Brick No. 1), Cherry Hill Fire District No. 13 (Cherry Hill No. 13), and Woodbridge Fire District No. 1 (Woodbridge No. 1). Our 2014 audit found that Cherry Hill No. 13 and Woodbridge No. 1 paid firefighters significantly more than the state average salary, as well as benefits that included longevity and terminal leave payments. We also found that Cherry Hill No. 13 failed to recruit volunteer firefighters. Given Brick No. 1's all volunteer fire department, we did not find

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<sup>1</sup>Available at: [https://www.nj.gov/comptroller/news/docs/report\\_fire\\_districts\\_05\\_28\\_2014.pdf](https://www.nj.gov/comptroller/news/docs/report_fire_districts_05_28_2014.pdf)

any exceptions with regard to Brick No. 1's fiscal or operational practices concerning salaries and benefits. Lastly, we recommended that due to poor voter turnout in mid-February, fire district elections should coincide with general elections held in November.

Our follow-up engagement objective was to determine if Cherry Hill No. 13 and Woodbridge No. 1 fire districts have implemented the five recommendations contained in our 2014 audit report.

### **Summary Conclusion**

We found that Cherry Hill No. 13 and Woodbridge No. 1 have each made progress in implementing the recommendations set forth in our initial audit report. Of the three recommendations applicable to Cherry Hill No. 13, two were implemented and one was partially implemented. All three recommendations applicable to Woodbridge No. 1 were implemented. We urge Cherry Hill No. 13 to continue its efforts to comply fully with the recommendations not yet completed.

We also found that although New Jersey enacted a law to allow fire districts to move elections to November, such a move is at the discretion of the fire district. Of the three fire districts, Cherry Hill No. 13 moved its elections to November. Brick No. 1 and Woodbridge No. 1 still maintain elections in February.

### **Status of Initial Audit Recommendations**

#### **Recommendation 1**

*Cherry Hill No. 13 and Woodbridge No. 1, upon renegotiation of their collective bargaining agreements, should seek to reduce the size of salary increases to better align firefighters' salaries to the state average.*

***Status: Partially Implemented – Cherry Hill No. 13  
Implemented – Woodbridge No. 1***

Our initial audit found both Cherry Hill No. 13 and Woodbridge No. 1 paid its firefighters significantly more than the state average. Cherry Hill No. 13 provided a corrective action plan advising that it had reduced salary increases. Woodbridge No. 1 advised in its corrective action plan that it capped its wage increases for three consecutive years.

For both districts, we reviewed the current collective bargaining agreements and payroll records for 2017. We found that both Cherry Hill No. 13 and Woodbridge No. 1 achieved overall salary reductions by renegotiating firefighter salaries in its collective bargaining agreements. Although Cherry Hill No. 13 made efforts to align its firefighters' salaries to the New Jersey average, our review found that it still paid higher salaries than the state average. Our review found that

Woodbridge No. 1 reduced its firefighters' salaries to below the state average. We encourage Cherry Hill No. 13 to continue to adjust its salary structure through future collective bargaining agreements to closer align its salaries with the New Jersey average.

### **Recommendation 2**

*Cherry Hill No. 13 and Woodbridge No. 1, upon renegotiation of their collective bargaining agreements, should seek to reduce the amount of longevity payments.*

***Status: Implemented – Cherry Hill No. 13, Woodbridge No. 1***

During the initial audit, both Cherry Hill No. 13 and Woodbridge No. 1, in lieu of salary increases, paid annual longevity benefits to its firefighters and other fire district personnel with more than six years of service. Both Cherry Hill No. 13 and Woodbridge No. 1 reported in their corrective action plans that as a result of renegotiating their collective bargaining agreements, they had eliminated longevity benefits. During the follow-up review, we verified that the four renegotiated collective bargaining agreements with Cherry Hill No. 13 and the renegotiated collective bargaining agreement with Woodbridge No. 1 excluded longevity benefits for all firefighters.

### **Recommendation 3**

*Woodbridge No. 1, upon renegotiation of its collective bargaining agreements, should seek to eliminate all future terminal leave payments.*

***Status: Implemented – Woodbridge No. 1***

Our initial audit found that Woodbridge No. 1 paid retiring employees, with over 20 years of service, a terminal leave bonus of three days' pay for each year of service up to 26 years. Woodbridge No. 1 advised in its corrective action plan that terminal leave benefits are now limited in the new collective bargaining agreement. Our follow-up review found that Woodbridge No. 1 renegotiated its collective bargaining agreement. The new agreement limits terminal leave payments for existing employees, based on hire date, at \$15,000 or \$30,000, and eliminated the terminal leave benefit for employees hired on or after January 1, 2015.

### **Recommendation 4**

*Cherry Hill No. 13 should develop a plan to recruit and evaluate the use of volunteer firefighters in an effort to reduce taxpayer costs.*

***Status: Implemented – Cherry Hill No. 13***

We found during our initial audit that Cherry Hill No. 13 had no volunteer firefighters. In its corrective action plan, Cherry Hill No. 13 stated that it is difficult to attract and retain volunteer

firefighters due to the District's demographics, call volume, and mandatory departmental and state training requirements.

During our follow-up review, Cherry Hill No. 13 officials advised that it evaluated whether to recruit volunteer firefighters and elected not to do so for operational reasons. Cherry Hill No. 13 noted that it continues to utilize volunteers in support roles, including the Deer Park Fire Company Special Services Unit and Fire Police used for traffic control services. Cherry Hill No. 13 determined that the recruitment of volunteer firefighters is not operationally or financially prudent in view of the lack of committed volunteers to recruit; the lack of a framework with the district to provide any such volunteers with incentives or motivation to remain; the approximately 216 training hours per year necessary to perform at the District's Class 1 ISO rating; the increased call volume that a volunteer company could not maintain due to the expanding population; and the lack of professional firefighting units in neighboring municipalities to provide mutual aid in the event of the lack of volunteers.

### **Recommendation 5**

*The Legislature should continue to consider moving the fire district election date to coincide with that of the general election in November.*

Effective January 1, 2019, by resolution, the board of fire commissioners of a fire district may move its annual election to coincide with the general election. *N.J.S.A. 40A:14-72.1*. Cherry Hill No. 13 moved its annual election to coincide with the November 2019 general election. Brick No. 1 and Woodbridge No. 1 still hold their annual elections in mid-February.

Our recommendation was to the Legislature, not the fire districts and we, therefore, are not assessing their compliance. In view of the enactment of *N.J.S.A. 40A:14-72.1*, we do recommend that Brick No. 1 and Woodbridge No. 1 move their elections to November to increase voter turnout, promote awareness and transparency of fire district operations, and reduce costs associated with holding a separate election.

### **Reporting Requirements**

We provided a draft copy of this report to Brick No. 1, Cherry Hill No. 13, and Woodbridge No. 1 fire districts for their review and comment. Cherry Hill No. 13 provided its response, which was considered in preparing our final report and is attached as Appendix A. Brick No. 1 and Woodbridge No. 1 declined to submit a formal response.

By statute, we are required to monitor the implementation of our recommendations. To meet this requirement, fire district officials must report periodically to our office advising what additional steps they have taken to address the unresolved issues in this report. The fire districts are required to report on the status of their corrective action plans within nine months of this final report. We

will continue to monitor their progress.

We thank the management and staff of Brick No. 1, Cherry Hill No. 13, and Woodbridge No. 1 fire districts for the courtesies and cooperation extended to our auditors during this review.

Sincerely,

KEVIN D. WALSH  
ACTING STATE COMPTROLLER

By: 

Yvonne Tierney, Director  
Audit Division

- c. Kellie A. Montana, Commissioner Chairperson, Cherry Hill Fire District No. 13
- John Foley, Chief Financial Officer, Cherry Hill Fire District No. 13
- Christopher T. Howell, Attorney, Woodbridge Fire District No. 1
- Maria Bucsanszky, Clerk, Woodbridge Fire District No. 1



## CHERRY HILL FIRE DEPARTMENT

Camden County, New Jersey

### Office of the Fire Chief

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September 30, 2020

Mr. Kevin D. Walsh  
Acting State Comptroller  
Office of the State Comptroller  
P.O. Box 024  
Trenton, NJ 08625

**RE:** Follow-Up Report – Draft Fiscal and Operating Practices at Selected Fire Districts  
– Cherry Hill Fire District's response - Revised

Dear Mr. Walsh:

Thank you for your Follow-Up Report Draft on Fiscal and Operating Practices. The Office of the Fire Chief, along with the Board of Fire Commissioners, has reviewed your report's findings and recommendations in detail and our formal response follows:

#### **Recommendation #1**

Cherry Hill District #13 and Woodbridge No. 1, upon renegotiation of their collective bargaining agreements should seek to reduce the size of salary increases to better align firefighters' salaries to the State average.

#### **Response**

The Board of Fire Commissioners for Cherry Hill Fire District #13 (the Board) recently renegotiated their Collective Bargaining Agreements with the I.A.F.F. Locals 2663 and 3198. Increases from year-to-year for firefighters were historically at 2%. Step Increases, however, ranged between 7% and 17% yielding overall raises in some years as high as 19%. As a result, the Board proposed and the Locals agreed to keep year-to-year increases for members still in "steps" to 8% per year and 2% thereafter for the duration of their contracts. All members not in steps agreed to Cost of Living Adjustments of 2% for each year of the contract. Overall step increases, as a result, will average 5.74% for all members in 2020, 3.85% in 2021, 3.57% in 2022, and 3.40% in 2023.

In addition to salary concessions, the Board successfully negotiated staffing reductions from five-member companies to four-member companies. As a result, Cherry Hill Fire District #13 was able to reduce their complement of 72 firefighters to approximately 60 firefighters through attrition, thereby further reducing salaries.

Further, "Shift Differential Pay" was also negotiated out of the contract. This alone will save the Board over One Million Dollars a year for the duration of the current contract.

We respectfully disagree to measuring Cherry Hill Fire District firefighter salaries to State average firefighter salary. Cherry Hill firefighters work an average of 53 hours a week. Many fire departments in this State work only 42 hours a week. Additionally, when we compare Cherry Hill Fire District salaries to contiguous fire departments we find that our salaries are relatively the same as other departments that surround Cherry Hill Township.

We would like to thank the Office of the State Comptroller and all the auditors involved in the process for their time and efforts and for the opportunity to allow us to respond in writing. Staff members from your Office that we have interacted with regarding the Audit have all been courteous and professional. We look forward to future engagements.

Sincerely,



Chris Callan  
Fire Chief  
Cherry Hill Fire Department

CC:emr

c: OFC  
BOFC  
Barbara Galager, CPA, Deputy Director - via email

