

Eliot Budget Committee  
**Minutes**  
August 28, 2012, 6:00 PM

Members Present: Rebecca Davis, Roland Fernald, Robert Fisher, William Jacques, John Reed, Ed Strong,  
Members Absent: Jeff Pelkey

The meeting was called to order at 6:00 PM.

Mr. Richard Donhauser attended the meeting in order to answer any questions that the Budget Committee and the public may have with regard to the Town Audit and the Management Letter for fiscal year ending June 30, 2011. Mr. Donhauser expressed the following opinions:

- The Town of Eliot is fiscally sound. There is adequate cash in the Unappropriated Surplus Balance (savings account), and debt is less than one percent.
- The Town's biggest bills are for the school and the county.
- The crux of the Management Letter is that the Town's financial system needs more oversight. This includes the treasurer, tax collector, clerk, tax assessor, code enforcement officer, transfer station, police department, etc. It was suggested that a chief financial officer, controller or town manager may be advisable, at a cost of \$75,000-\$150,000 per year. It was also suggested that other town employees might be cross-trained to assist the treasurer and contribute to the oversight process.
- The duties of the treasurer have increased over the years as the town has grown, and keeping track of the TIF enterprise account has contributed to the heavier workload.
- The Town's accounting software is adequate for the purpose.
- Although Mr. Donhauser has chosen not to renew his contract as the town auditor, he has been hired for a four-month period to evaluate the Town's financial system, make recommendations, prepare financial statements for the new auditor, and update the Town's asset report. He will also incorporate the finances for the Eliot Community Service Department (ECSD) into the general ledger so that all of the revenues and expenses of that department will be accounted for.
- In 2010-2011, some of the deficit for the ECSD was due to the loss (write-off) of the department's demolished building. However, the ECSD is not paying for itself. It is an enterprise account and, by definition, should be financially self-sustaining.
- Debit cards are used by some town employees, but there is not enough oversight to ensure that expense receipts are submitted in a timely manner. Mr. Donhauser recommended that debit account balances not be replenished until after receipts are handed in.
- It was stressed that no financial improprieties by any town employee have been detected.

Adjourn.

Submitted by Rebecca Davis, Secretary