

Town of Eliot  
Budget Committee Meeting  
October 12, 2022

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**Call to Order:**

The meeting was called to order @ 5:00 PM by the Chair, Donna Murphy

**Budget Committee Members:** Donna Murphy, Ed Strong, Diane Holt, Reggie Fowler, Jeffrey Leathe, and Gene Wypyski. Jean Hardy excused due to illness.

**Public Comment:**

- No members of the public were present.

**Approval of Minutes:**

- Minutes of the September 14, 2022 meeting, were reviewed. Motion by Ed, second by Gene to approve as amended. The motion carried by a 6-0 roll call vote.

**Comprehensive Plan Committee:**

- Donna stated that the Budget Committee can send a representative to the Comprehensive Plan Committee. Who would be interested? Donna stated she does not have any information on when the meetings are taking place, whether they are in the daytime or in the evening. Asked if anyone on the Budget Committee had any information. Reggie stated he would volunteer and asked if anyone else was interested. Gene stated he had been appointed as an open member of that committee. Jeff stated that he had been appointed as a member of the Planning Board. No other Budget Committee members expressed interest in being appointed. Motion by Donna, second by Diane to appoint Reggie as the Budget Committee representative to the Comprehensive Plan Committee. The motion carried 6-0 by roll call vote.

**Financial (Audit, Revenue and Expense Summary Reports):**

- Donna stated that she forwarded the audit and the revenue and expense summary reports. Donna asked if any members had any comments. Ed stated that when the gentleman (auditor) it to the Select Board, he could not understand anything he was saying. Other Budget Committee members agreed with Ed. Ed stated he was looking forward to getting the minutes so he can read what he said. Gene stated he was sitting behind him and he spoke fast. First thing he said was that the finances were a shambles, and he proceeded to not so much qualitatively go through anything in this document, although he made some references and he was moving like eight miles an hour. In a nutshell, in terms of his major criticisms overall, the negativity was based more on the fact that we just hadn't kept up with our accounting, simple balancing the checkbook for years and things hadn't been reconciled. It appears that the TRIO product, the municipal management system, hadn't been updated correctly with the day-to-day stuff that we do, to the extent that he cast doubt going back to the 2021 year and that earlier audits might be suspect because of the fragility of this data. Gene stated he was appalled. Gene stated that he assured that everything was going to be wrapped up for its formal presentation to the Select Board. He mentioned their firm was charging the Town \$14,000 to balance the checkbook or checking statements for months that could have been done every day by a normal, full-time accountant. His report was that things needed severe repair. It wasn't just a

look see. Get to terra firma, where he could then with confidence pronounce a solid audit. Jeff stated he could also not hear the presenter. Gene asked the difference between government bonds where there is a balance sheet with schedules and Schedule B with non-major government bonds? Gene listed the types of bonds. Jeff stated, "Welcome to municipal accounting." Jeff stated what would be helpful it to have him come here to a meeting. Donna stated this has been denied and that he has to be paid to come here. Donna suggested that we have a joint meeting with the Select Board, auditor, and this Committee and the suggestion was that we attend the Select Board meeting. Donna suggested we wait for the minutes and if we have follow-up questions, we can submit them to the Town Manager. Gene stated the quality of the meeting was, Diane interjected and stated, "awful". Gene stated that it was not a formal meeting and was off the cuff, which is okay because he said it was off the cuff. Gene stated he hoped we could attend a more formal presentation. Donna stated that this is a draft and perhaps when the audit comes out there will be another meeting with the auditor to come before the Select Board, and we will have an opportunity to hear the final audit. Diane asked if there was a date for the deadline. No member was aware of a date. Jeff stated it should be soon and we need to get the 2022 work going.

Donna asked if there were any comments on the Revenue and Expense Summary Reports for the fiscal year end. The Committee is still waiting for the Current Account Status, which should be coming. Gene asked when you send out year end that is the current year end. Donna stated it was June 30, 2022. FYE 2021/2022. Gene asked if that was the threshold for the current budget season. Donna stated it depends on what the Town Manager puts forth this year. We can see what they spent last year in the book and see the comparison. Ed stated we will see what was budgeted last year and what was actually spent. Donna asked if Gene had been able to look at a budget book from last year. Gene stated, "No." Donna stated that she could get one off the shelf and mentioned that the format was changing but it would give an idea of previous years. Ed stated it was a big help to see what was budgeted, what was spent, and what is being requested this year. Gene stated it helps, but then he hears the finances are in a shambles. Donna questioned what does "in a shambles mean?" A shambles to you is very different to me. Jeff stated his simple understanding is that the accounting wasn't done completely and then probably wasn't done accurately for some period of time and the Town Manager was fired, and they had three turnovers in the finance directors in that period to now, and that's quote, unquote a shambles, and it's getting addressed. Donna stated the last Treasurer was here for quite some time, three full seasons. Diane stated maybe they didn't have the opportunity or chance and there was also something new. Jeff stated the two prior directors were here three years each. Becky and Jordan each put in about three years. Jeff stated that since then he understands that there have been three people in that position. Gene stated that the sheer volume of transactions had grown exponentially. That led to people being overwhelmed. Jeff stated the institutional knowledge walks out the door when people leave. Diane stated they kept changing how they were doing things. Gene stated there was a period of six or seven months between Town Managers. The new Town Manager started in November. Jeff stated it was a combination of factors. Gene stated there was no suggestion of dishonesty or malfeasance. Maybe just some professional laziness. Jeff stated they brought in some extra help with another accounting firm because the first accounting firm can't help in that way. Jeff stated he had a question, in a perfect world, if the Town's financial affairs were in order and working at a level that we would all want them to be, would we on a monthly basis in this committee receive the latest months financial statements? Donna stated yes. Jeff stated we want to get back to that. It used to be emailed directly to all (committee members). It used to

be in the Select Board's packet for their second meeting of the month. Jeff asked if it was mostly focused on how did we do last month and year to date? Donna stated, "Yes." Donna stated she also requested the Current Status Account quarterly. Jeff stated that was good. Jeff stated if we can make an effort to make sure we get those reports in the new year it should make things a lot better.

**Budget Committee Member Reports and Comments:**

- Jeff asked if there was one budget book, or is there a book he can look at too. There is more than one. Donna went to the shelf in the small meeting and brought back a budget book. Gene stated he stumbled on some census data and he has a high-level information about the town. Gene asked if he could share it. Questioned how it connected to the Budget Committee? Gene stated demographics. Gene agreed to send it to all members. Donna requested that if there was anything Gene wanted highlighted would he put it in the body of the email. Gene stated, "Yes." Ed stated he would like to mention something but didn't want to hurt anyone's feelings. Donna stated her feelings would not be hurt and to state it. Ed asked if Donna could drop the mask when speaking. Donna stated she was not comfortable taking the mask off but if he could not hear to let her know to speak up. Ed stated that Jeff speaks well but very softly. Committee members agreed that if they could not hear, they would immediately speak up. Donna stated that she had a brief conversation with the Town Manager and let him know he is welcome here anytime. The gist she got was that he wanted a formal invitation. Donna corrected that it was an email. Also, the Town Manager would like to know the topic so he can come prepared. Donna questioned if the Committee would like to invite him to the November meeting to highlight some of the changes coming up in the budget. Diane stated that would be a perfect time. Where does he see big area of need and what is he looking for? Jeff suggested a heads up on the format changes. Gene stated with the invitation to ask to also meet with the finance director. Donna stated the Committee used to meet with the Town Manager and treasurer. Will extend and Town Manager will determine if it is appropriate. Donna suggested extending this invitation during the budget season. Donna asked if Gene would email what he wants as it sounds like a longer meeting that was suggested. Gene expanded on wanting information on accounting and the process. Agreed that would be a separate meeting. Gene will write up what he is looking for and we can send to the Town Manager. This would be a good topic for a workshop.

**Adjournment:**

- Motion by Ed, second by Gene to adjourn. Motion carried by roll-call vote 6-0.
- The next meeting is scheduled for November 9, 2022 at 4:00 PM.

Respectfully submitted,

*Donna Murphy*, Chair  
*Jean Hardy*, Secretary

Date Approved: November 9, 2022