

John Millard

From: John Millard
Sent: Thursday, May 7, 2020 11:30 AM
To: Richard Hughes
Cc: Wayne Fournier; Bristol, Bryson (SAO)
Subject: RE: City of Tenino COVID-19 Recovery Grant Program

Gentlemen,

The phone discussion with the Auditors Office was enlightening.

They do have copies of our complete program and they do see where we are trying to address the usual concerns for internal controls and other fraud-prevention measures, however, they do have concerns:

1. They believe the manpower requirements for a program of this nature would be seriously taxing on the City of Tenino. They are well aware of the number of employees we have and how they are distributed and so foresee that with only three people in the administrative arena, the potential for making errors is high.
2. There is always the potential for a conflict of interest to arise should a “participating merchant” also be a City Official.
3. Ensuring that the scrip does not create a long-term financial liability is a concern. It would be particularly concerning if there were no limitations on how many times a particular piece of scrip is used.
4. In the authorizing Ordinance, we could “tighten up” the language to more clearly articulate the nexus between this program providing support to the “poor and infirm” as a result of COVID-19 in order to ensure there is no issue with the gifting of public funds.

In the final analysis, the Auditor’s Office does not “approve” of such programs, but rather points out the areas of potential problems so that we can address them prior to an audit. However, it is only within an audit that they would be able to say we did, or did not, meet the standard with respect to the issue in question (adequate internal controls, whether a gifting had occurred, and so forth). The suggestion was made that it might be in the City’s best interest to forego the wooden scrip in favor of a credit on utility accounts, like many other cities are doing.

In light of the above, I will take another stab at crafting the “whereas” statements such that it is easy to see the link between “poor and infirm” and “economic hardship” so that there is no question about gifting as prohibited by the State Constitution. In my view, the remainder of the concerns are rightfully put in front of the City Council for decision on whether or not to accept the identified risks.

Regards,
John

John C. Millard
Clerk/Treasurer, City of Tenino
clerktreasurer@ci.tenino.wa.us
360-264-2368

<http://www.CityOfTenino.us/>

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From: Richard Hughes <rick@richardhugheslaw.com>
Sent: Thursday, May 7, 2020 7:18 AM
To: John Millard <clerktreasurer@ci.tenino.wa.us>
Cc: Wayne Fournier <mayor@ci.tenino.wa.us>
Subject: RE: City of Tenino COVID-19 Recovery Grant Program

John,

Whatever the outcome of your meeting I highly recommend you send an email to the auditor confirming what was discussed and decided on. At the least the City needs their opinion about gift of public funds and whether adequate controls are in place. I would appreciate if you would also copy me. Thanks.

Rick

From: John Millard <clerktreasurer@ci.tenino.wa.us>
Sent: Thursday, May 7, 2020 7:13 AM
To: Bristol, Bryson (SAO) <bristolb@sao.wa.gov>
Cc: Richard Hughes <rick@richardhugheslaw.com>; Wayne Fournier <mayor@ci.tenino.wa.us>; Collins, Kelly (SAO) <collinsk@sao.wa.gov>
Subject: RE: City of Tenino COVID-19 Recovery Grant Program

Thanks, Bryson. 10:30 today is great. Wayne is not in Tenino today, but may be able to join us via Skype.
Regards,
John

From: Bristol, Bryson (SAO) <bristolb@sao.wa.gov>
Sent: Wednesday, May 6, 2020 4:09 PM
To: John Millard <clerktreasurer@ci.tenino.wa.us>
Cc: Richard Hughes <rick@richardhugheslaw.com> <rick@richardhugheslaw.com>; Wayne Fournier <mayor@ci.tenino.wa.us>; Collins, Kelly (SAO) <collinsk@sao.wa.gov>
Subject: RE: City of Tenino COVID-19 Recovery Grant Program

Good afternoon John-

Thank you for reaching out. Do you have time to discuss tomorrow, **Thursday 5/7 at 10:30am**? I've set up a skype call as noted below. I've invited Kelly Collins, Director of Local Audit to attend as well.

Join via Skype -> [Join Skype Meeting](#)
Join via Phone **(360)407-3833** PIN: **35161**

Thank you.



Bryson Bristol

Program Manager, [Office of the Washington State Auditor](#)

(564) 999-0880 | www.sao.wa.gov

SAO has some new phone numbers. I can now be reached at (564) 999-0880

From: John Millard <clerktreasurer@ci.tenino.wa.us>

Sent: Wednesday, May 6, 2020 10:40 AM

To: Bristol, Bryson (SAO) <bristolb@sao.wa.gov>

Cc: Richard Hughes (rick@richardhugheslaw.com) <rick@richardhugheslaw.com>; Wayne Fournier <mayor@ci.tenino.wa.us>

Subject: Re: City of Tenino COVID-19 Recovery Grant Program

Bryson,

Would you please let me if your office has formed an opinion about this program?

Thanks.

Regards,

John

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From: John Millard

Sent: Tuesday, April 28, 2020 12:33:23 PM

To: Bristol, Bryson (SAO) <bristolb@sao.wa.gov>

Cc: Richard Hughes (rick@richardhugheslaw.com) <rick@richardhugheslaw.com>; Wayne Fournier <Mayor@ci.tenino.wa.us>

Subject: City of Tenino COVID-19 Recovery Grant Program

Byrson,

Attached please find the packet of documents that we intend become Ordinance 910, the City of Tenino COVID-19 Recovery Grant Program.

It has already been reviewed once by our City Attorney and the documents attached to this email are the ones I have modified to address his concerns and are the same as are under his current review.

Regards,

John

John C. Millard

Clerk/Treasurer, City of Tenino

clerktreasurer@ci.tenino.wa.us

360-264-2368

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