



YVCOG EXECUTIVE COMMITTEE AGENDA

Monday, September 16, 2019
1:30 p.m.

The 300 Building
311 North 4th St, Suite 204, Yakima

YVCOG EXECUTIVE COMMITTEE MEMBERS:

Jim Restucci, Chair, City of Sunnyside
Janice Gonzales, Council Member, City of Zillah
Mike Leita, Commissioner, Yakima County
Sherry Raymond, Member-at-Large, City of Selah

John Hodkinson, Vice-Chair, City of Union Gap
Brad Hill, Council Member, City of Yakima
Bill Moore, Council Member, City of Grandview

CALL TO ORDER – The September 16, 2019 meeting of the YVCOG Executive Committee will come to order at ____ p.m.

INTRODUCTIONS / ROLL CALL

PUBLIC COMMENT POLICY – *It is the policy of the YVCOG Executive Committee to accept public comment on agenda items at the time the item is being discussed. Public comments regarding items not on the agenda will be heard at the end of the meeting*

CONSENT AGENDA

James Restucci, YVCOG Executive Committee Chair

“The items listed below may be acted upon by a single motion and second of the Executive Committee. By the simple request to the Chair, any Executive Committee Member may remove items from the Consent Agenda for separate consideration after the adoption of the remainder of the Consent Agenda items.”

1. Approval of Minutes: August 19, 2019 YVCOG Executive Committee Meeting **pp 3-5**
2. Approval of Payroll: As of August 31, 2019, approve payroll voucher AUG-19-001 in the amount of \$49,199.01 through electronic fund transfers. **p. 6**
3. Approval of Accounts Payable Vouchers: As of August 31, 2019, approve claim vouchers numbered AUG-19-002 through AUG-19-020 in the total amount of \$58,114.04. **pp 6-7**

Action: *Discuss and approve*

Motion: *“I move to approve the Consent Agenda.”*

OLD BUSINESS

1. YVCOG 2020 Preliminary Budget **pp. 8-9**
Chris Wickenhagen, Executive Director

Action: *Discuss and approval to forward 2020 Preliminary Budget to General Membership for review.*

Motion: *“I move to approve and forward the 2020 Preliminary Budget to General Membership for review and approval in October.”*

NEW BUSINESS

1. Executive Director's Correspondence

Chris Wickenhagen, Executive Director

- Accountability Audit Report *pp. 10-22*
- Meeting with Kathleen Davis, WSDOT: Value Planning
- Jurassic Parliament, December 18th
- Regional Summit

Action: Information

2. Staff Reports

- Budget Report – *Chris Wickenhagen, Executive Director pp. 23-26*
- Land Use Planning Program – *Mike Shuttleworth, Program Manager*

Action: Information

3. YVCOG General Membership Meeting

Jodi Smith, Communications Specialist

September 18, 2019

- Location: Grandview Community Center
- Dinner: Catered by Garcia's. Beef and chicken fajitas, cheese enchiladas, rice & beans, chips & salsa, dessert and beverages
- Program – Our Local Legislators: 2019 Session Wrap-up & 2020 Session Look-Ahead.

October 16, 2019

- Location: Selah, Nana Kate's Catering.
- Program – 2020 Census. Lisa McLean, OFM and Yakama/Yakima Census 2020

December 11, 2019

- Hosted by YVCOG. Location will be announced.

Action: Information

OTHER BUSINESS

PUBLIC COMMENT

ADJOURN

YVCOG ensures full compliance with Title VI of the Civil Rights Act of 1964 by prohibiting discrimination against any person on the basis of race, color, national origin, or sex in the provision of benefits and services resulting from its federally assisted programs and activities. For questions regarding YVCOG's Title VI Program, you may contact the Title VI Coordinator at 509.574.1550.

If you need special accommodations to participate in this meeting, please call us at 509.574.1550 by 10:00 a.m. three days prior to the meeting. For TDD users, please use the state's toll-free relay service, 800.833.6388 and ask the operator to dial 509.574.1550.

YVCOG EXECUTIVE COMMITTEE
MEETING MINUTES
August 19, 2019

CALL TO ORDER Vice Chair John Hodkinson called the August 19, 2019 meeting of the YVCOG Executive Committee to order at 1:45 p.m.

**ROLL CALL &
INTRODUCTIONS**

- Members present: John Hodkinson, Bill Moore, Sherry Raymond, Janice Gonzales
- Members present via teleconference: Brad Hill
- Members absent: Jim Restucci*, Mike Leita
- YVCOG staff present: Chris Wickenhagen, Mike Shuttleworth and Jodi Smith
- Others present: None
- A quorum was present.

**Indicates notice of absence received prior to meeting.*

**PUBLIC COMMENT
POLICY**

It is the policy of the Yakima Valley Executive Committee to accept public comment on agenda items at the time the item is being discussed. Public comments regarding items not on the agenda will be heard at the end of the meeting.

Consent Agenda*

1. Approval of Minutes: July 15, 2019 YVCOG Executive Committee Meeting
2. Approval of Payroll: As of July 31, 2019, approve payroll voucher JUL-19-001 in the amount of \$77,043.65 through electronic fund transfers.
3. Approval of Accounts Payable Vouchers: As of July 31, 2019, approve claim vouchers numbered JUL-19-002 through JUL-19-025 in the total amount of \$235,143.22.

Action: *Janice Gonzales moved to approve the Consent Agenda. Brad Hill seconded. The motion carried.*

OLD BUSINESS

**2019 Accountability
Audit**

Chris Wickenhagen reported that the 2019 State Audit had no Findings. The Exit Interview was delayed due to vacations. The cost of the Audit was approximately \$10,000.

Action: *Information*

NEW BUSINESS

**Executive Director's
Correspondence**

Chris Wickenhagen asked the Executive Committee for commentaries on the following:

- Regional Summit 2020
 - Questions include: Should we proceed in 2020? Are we inviting the right people? Should Senior Staff be separate from Electeds?
 - Comments include: 1 day without hotel and social event may be more cost-effective. Economic Development and John Dickson sessions were most compelling. Senior Staff should attend. Visioning sessions more appropriate for Electeds. Barriers include cost and not all cities attend.
- Jurassic Parliament training
 - Summary comments: recommendation that this was the best training for City Council and public meetings. Include Planning Commissions, Board of Adjustments as well as elected officials. Training should happen as soon as possible after November 2019 elections.

Action: *Information*

**2020 YVCOG Budget
Development***

Chris Wickenhagen presented the draft 2020 Budget. The Budget Subcommittee met on August 9th. John Hodkinson and Sherry Raymond attended. Brad Hill was unable to be present. The Draft Budget has proposed that Member Dues remain at the same level. Dues increases are based on population increases and an increase in non-federal matching funds. Budget Expenditures have decreased due to the transfer of the Homeless Program. Questions included Yakama Nation participation? Tribes pay dues to other COGS but can participate on the Policy

Board and not pay Member Dues. We are communicating with the Nation and continue to work with them on planning. The Draft Budget will be on the September Executive Committee Agenda for recommendation to submit to the General Membership for approval.

Action: Information

*Appoint 2019 Auditing Officer and Alternate Auditing Officer**

Chris Wickenhagen asked the Executive Committee to appoint the 2019 Auditing Officer and Alternate Auditing Officer for YVCOG.

Action: Motion to Approve and authorize Chair to sign Resolution 2019-1 appointing Chris Wickenhagen as 2019 auditing & investing officer and Tamara Hayward as alternate auditing and investing officer made by Bill Moore. Seconded by Janice Gonzales. Motion carried.

*Appoint Official Federal Reimbursement Certification and Signature Office**

Chris Wickenhagen presented information on the Federal Reimbursement Certification and Signature Officer, as required for federal reimbursements.

Action: Motion to approve and authorize Chair to sign Resolution 2019-2 authorizing Christina Wickenhagen to legally bind YVCOG for the sole purpose of requesting federal reimbursements and Tamara Hayward as an alternate, made by Janice Gonzales and seconded by Bill Moore. The motion carried.

*Appoint WCIA Full Board Delegate and Alternate Delegate**

Chris Wickenhagen presented information on the WCIA Delegate and Alternate.

Action: Motion to approve and authorize Chair to sign Chris Wickenhagen as YVCOG's Delegate and Tamara Hayward as Alternate Delegate to WCIA Full Board, made by Sherry Raymond. Seconded by Janice Gonzales. Motion carried.

*Staff Reports**

Budget Report – Chris Wickenhagen reported.

Revenues of \$367,487.12. Expenditures of \$312,186.87. Revenue balance of -\$229,059.08.

Land Use Planning Program - Mike Shuttleworth reported.

- Sunnyside: Does not currently employ a Planner. Working on a SEPA for the Port, and on the review panel for hiring a Planner.
- Granger: Proposed subdivision hearing, Conditional Cuse Permit, sit plan revision, design standards for multi-family housing, gravel parking lots, short plat conditions for Yakima Housing Authority project.
- Toppenish: variance application, business licenses, working with their staff to assist in customer questions.
- Union Gap: several SEPA applications, Comprehensive Plan amendments, meeting with Applicants.
- Harrah: Updating Comp Plan for additional to the Urban Growth Area for proposed school, annexation process and Conditional Use Permit for school, developing application packet for Yakima County Boundary Review Board.
- Mabton: possible mobile home park
- Tieton: Zoning Map and possible rezone application
- Solar workshops with City of Yakima on August 15th at the Harman Center had approximately 25 attendees. September 25th in Spanish at the Henry Beauchamp Community Center and October 24th at the First Street Conference Room

Action: Information

General Membership Meetings

Jodi Smith presented information.

- September 18th meeting will be held at the Grandview Community Center. Senators Warnick, King and Honeyford along with Representatives Corry, Dufault and Dent are attending. Staff representatives from Senator Murray and Representative Newhouse will also attend.
- October 16th meeting in Selah at Nana Kate's. Speaker will be Lisa McLean from the Office of Financial Management on the 2020 Census. We have also invited Yakama/Yakima Census group to attend.

OTHER BUSINESS None.

PUBLIC COMMENT None

ADJOURN With no other business, John Hodkinson adjourned the meeting at 2:40 p.m.

Respectfully submitted,

James A. Restucci, YVCOG Executive Committee Chair

Date signed

ATTEST:

Jodi Smith, Communications Specialist

DRAFT

PS

VOUCHER REGISTER AND APPROVAL

We the undersigned representatives of the Yakima Valley Conference of Governments; Yakima County Washington; do hereby certify the merchandise or services hereinafter specified have been paid, in the total amount of \$107,313.05 , and approved this 16th day of September, 2019.

Mike Leita - Yakima Count

Bradley Hill - Yakima

James A. Restucci - Sunnyside

John P. Hodkinson, Jr. - Area 1

Janice Gonzales - Area 2

Bill Moore - Area 3

Sherry Raymond - Member-at-Large

VOUCHER #	PAYEE	PURCHASE	AMOUNT	WARRANT #
Jul-19				
AUG-19-001	YVCOG	Payroll; August 2019	\$49,199.01	ACH
AUG-19-002	Key Bank	Monthly Banking Services; August 2019	\$44.97	ACH
AUG-19-003	Alliant Communications, Corp	Phone System - Voice Partner Plan	\$172.04	2715
AUG-19-004	Allstream Business US, Inc.	DSL/Phone Services	\$850.58	2716
AUG-19-005	Christina Wickenhagen	Travel and Registration reimbursement	\$53.01	2717
AUG-19-006	LiftForward Inc	Surface Pro Computer Leases	\$350.01	2718
AUG-19-007	State of Washington State Auditor's Office	2016-2018 Performance Audit	\$1,951.95	2719
AUG-19-008	Washington State Ridesharing Organization	WSRO 2019 Conference - M. Shuttleworth - Spokane, WA - 9/29 - 10/1/2019	\$280.00	2720
AUG-19-009	Xerox Corporation	Copier Lease and Maintenance	\$384.93	2721
AUG-19-010	Yakima County Development Association	1/3 cost of the EWU Yakima Valley Trends website; 2019 Annual YCDA Pledge	\$1,958.00	2722
AUG-19-011	Yakima County Treasurer's Office	Reimbursement for overpayment of 2019 General Assessment	\$42,542.00	2723
AUG-19-012	Yakima Waste Systems, Inc	Acct No. 2195-1056349 - Recycling Services	\$15.27	2724
AUG-19-013	Advanced Travel Fund	A. Adolf - M/R Coord Committee quarterly meetings - Spokane, WA - 8/26-8/27/19	\$500.00	2725
AUG-19-014	Alan Adolf	Travel and Registration reimbursement	\$46.63	2726
AUG-19-015	Conference of Governments	Petty Cash Account Reimbursement - August	\$33.60	2727
AUG-19-016	Graf Investments	Office Space Rental & Building Expense; SEP	\$6,782.19	2728
AUG-19-017	Lauris C. Mattson	DRS Reimbursement	\$1,119.48	2729
AUG-19-018	Michael Shuttleworth	Travel and Registration reimbursement	\$188.27	2730
AUG-19-019	Printing Department	Printing supplies and services - CK 2731	\$243.45	2731
AUG-19-019	Printing Department	Printing supplies and services - VOIDING CK 2731	-\$243.45	V2731
AUG-19-020	US Bank Corporate Payment Systems	P-card payment - AUG	\$841.11	2732
GRAND TOTAL			\$107,313.05	

INVOICE REGISTER AND APPROVAL

I certify under penalty of perjury under the laws of the State of Washington that the materials have been furnished, the services rendered or the labor performed as described herein, and that I am authorized to authenticate and certify said claims in the amount of \$107,313.05.

		Auditing Officer		
	VENDOR	INVOICE #	AMOUNT	WARRANT #
	August 2019			
1	YVCOG - Payroll; August	AUG-19-001	\$49,199.01	ACH
2	Key Bank - Bank Service Fees; August	AUG-19-002	\$44.97	ACH
3	Alliant Communications, Corp	AUG-19-003	\$172.04	2715
4	Allstream Business US, Inc.	AUG-19-004	\$850.58	2716
5	Christina Wickenhagen; Travel and Registration reimbursement	AUG-19-005	\$53.01	2717
6	LiftForward Inc - Microsoft Surface Pro computer leases	AUG-19-006	\$350.01	2718
7	Washington State Auditor's Office - 2016-2019 Performance Audit	AUG-19-007	\$1,951.95	2719
8	Washington State Ridesharing Org - WSRO 2019 Conference - M. Shuttleworth - Spokane, WA - 9/29-10/1/2019	AUG-19-008	\$280.00	2720
9	Xerox Corporation - copier lease and maintenance	AUG-19-009	\$384.93	2721
10	Yakima County Development Association - 1/3 cost of EWU Yakima Valley Trends website	AUG-19-010	\$1,458.00	2722
11	Yakima County Development Association - 2019 Annual YCDA Pledge	AUG-19-010	\$500.00	2722
12	Yakima County Treasurer's Office - reimbursement for overpayment of 2019 General Assessment	AUG-19-011	\$42,542.00	2723
13	Yakima Waste Systems, Inc	AUG-19-012	\$15.27	2724
14	Advanced Travel Fund - A. Adolf - M/R Coord Comm quarterly mtgs. - Spokane, WA 8/26-8/27/19	AUG-19-013	\$500.00	2725
15	Alan Adolf - Travel and Registration reimbursement	AUG-19-014	\$46.63	2726
16	Conference of Governments	AUG-19-015	\$33.60	2727
17	Graf Investments - Building Expense; September 2019	AUG-19-016	\$2,329.12	2728
18	Graf Investments - Office Space Rental; September 2019	AUG-19-016	\$4,453.07	2728
19	Lauris C. Mattson - DRS Reimbursement	AUG-19-017	\$1,119.48	2729
20	Michael Shuttleworth - Travel and Registration reimbursement	AUG-19-018	\$188.27	2730
21	Printing Department - printing and supplies	AUG-19-019	\$243.45	2731
22	Printing Department - printing and supplies	AUG-19-019	-\$243.45	V2731
23	US Bank Corporate Payment Systems - P-card reimbursement	AUG-19-020	\$841.11	2732
	August 2019 GRAND TOTAL		\$107,313.05	

**Yakima Valley Conference of Governments
Proposed Budget - 2020**

Consolidated:

Revenue	2020	2019	Change	%
Programs & Projects				
Local	\$ 180,000	\$ 1,306,000	\$ (1,126,000)	-626%
State	\$ 175,894	\$ 1,971,996	\$ (1,796,102)	-1021%
Federal	\$ 490,000	\$ 533,750	\$ (43,750)	-9%
Miscellaneous	\$ 4,200	\$ 7,400	\$ (3,200)	-76%
Total Programs & Projects:	\$ 850,094	\$ 3,819,146	\$ (2,969,052)	-349.26%
Dues				
Grandview	\$ 8,779	\$ 7,908	\$ 870	10%
Granger	\$ 3,557	\$ 3,173	\$ 384	11%
Harrah	\$ 924	\$ 869	\$ 55	6%
Mabton	\$ 2,206	\$ 2,025	\$ 181	8%
Moxee	\$ 4,595	\$ 4,214	\$ 381	8%
Naches	\$ 1,621	\$ 1,529	\$ 92	6%
Selah	\$ 7,999	\$ 7,308	\$ 691	9%
Sunnyside	\$ 12,713	\$ 11,282	\$ 1,431	11%
Tieton	\$ 1,569	\$ 1,469	\$ 100	6%
Toppenish	\$ 7,214	\$ 6,507	\$ 707	10%
Union Gap	\$ 6,438	\$ 5,934	\$ 503	8%
Wapato	\$ 4,422	\$ 4,026	\$ 396	9%
Yakima	\$ 63,767	\$ 56,384	\$ 7,384	12%
Yakima Transit	\$ 6,500	\$ 6,000	\$ 500	8%
Yakima Co	\$ 59,823	\$ 52,817	\$ 7,006	12%
Zillah	\$ 2,999	\$ 2,743	\$ 255	9%
Total Dues	\$ 195,126	\$ 174,189	\$ 20,937	10.73%
Total Revenue:	\$ 1,045,220	\$ 3,993,335	\$ (2,948,115)	-282.06%

Yakima Valley Conference of Governments
Proposed Budget - 2020

Consolidated:

Expenses	2020	2019	change	%
Salaries and Benefits				
Salaries	\$ 494,700	\$ 886,700	\$ (392,000)	-79%
Health Insurance	\$ 67,000	\$ 123,500	\$ (56,500)	-84%
Life Insurance	\$ 850	\$ 1,500	\$ (650)	-76%
Retirement Contribution	\$ 62,843	\$ 115,400	\$ (52,557)	-84%
Social Security Equivalent	\$ 38,000	\$ 69,000	\$ (31,000)	-82%
Unemployment Insurance	\$ 7,000	\$ 9,500	\$ (2,500)	-36%
Workers Compensation	\$ 2,700	\$ 4,200	\$ (1,500)	-56%
Total Salaries & Benefits	\$ 673,093	\$ 1,209,800	\$ (536,707)	-79.74%
Other Expenses				
Communication Services	\$ 13,400	\$ 13,500	\$ (100)	-1%
Consultants & Contracted Services	\$ 66,000	\$ 104,800	\$ (38,800)	-59%
Advertising	\$ 11,600	\$ 15,000	\$ (3,400)	-29%
Community Services	\$ 500	\$ 8,000	\$ (7,500)	-1500%
Insurance - Property & Libabilit	\$ 10,700	\$ 10,700	\$ -	0%
Office Equipment	\$ 12,000	\$ 17,000	\$ (5,000)	-42%
Pass Through Funding - Homeless Prog.	\$ -	\$ 2,280,000	\$ (2,280,000)	#DIV/0!
Registration & Dues	\$ 67,427	\$ 52,761	\$ 14,666	22%
Professional Development	\$ 20,000	\$ 20,000	\$ -	0%
Rentals & Leases	\$ 120,000	\$ 160,000	\$ (40,000)	-33%
Repair & Maintenance	\$ 5,000	\$ 5,500	\$ (500)	-10%
Supplies	\$ 15,200	\$ 32,000	\$ (16,800)	-111%
Travel	\$ 30,000	\$ 64,000	\$ (34,000)	-113%
Utilities	\$ 300	\$ 275	\$ 25	8%
Total Other Expenses	\$ 372,127	\$ 2,783,536	\$ (2,411,409)	-648.01%
Total Expenses	\$ 1,045,220	\$ 3,993,336	\$ (2,948,116)	-282.06%



**Office of the Washington State Auditor
Pat McCarthy**

September 3, 2019

Chris Wickenhagen, Deputy Director
Yakima Valley Conference of Governments
311 N. 4th St.
Yakima, WA 98901

Dear Ms. Wickenhagen:

Our Office was contacted by several citizens from November 2017 through November 2018 with concerns regarding Yakima Valley Conference of Governments. We examined these concerns and would like to share the results with you.

1. We reviewed concerns that public funds were paid to Transform Yakima Together to conduct religious activities at its homeless encampments in Yakima.

Results: We do not have the authority to evaluate religious-based concerns. However, we were able to review expenditures from service providers. We did not identify any transactions that were unallowable under the contract terms.

2. We reviewed concerns regarding whether the extreme winter shelter on Englewood would be an appropriate facility to house the homeless shelter.

Results: We determined this concern is outside the scope of our audit authority.

3. We reviewed the Conference of Governments contract to provide a separate homeless shelter in Sunnyside and the circumstances surrounding the services provided.

Results: The Conference of Governments has the right to amend its contracts. However, when changing the scope of work, the Conference of Governments did not properly amend the contract to reflect the changes in the scope of the work. In our current audit of 2018, we recommended that the Conference of Governments correctly amend contracts and ensure they contain enough information to inform all interested parties what changes occurred and the reasons for them.

4. We reviewed the Conference of Governments' contract with a service provider to construct tiny homes for the homeless in Yakima Valley for \$236,000 and concerns that Transform Yakima Together did not build the required number of tiny homes.

Results: The Conference of Governments has the right to amend its contracts. However, when changing the scope of work, the Conference of Governments did not properly

amend the contract to reflect the changes. In our current audit of 2018, we recommended that the Conference of Governments correctly amend contracts and ensure they contain enough information to inform all interested parties what changes occurred and the reasons for them.

5. We reviewed a concern that funds specifically allocated for a homeless shelter, Camp Hope, appear to have been spent on other programs not designated as such. Also, the grant contract limited administration fees to 6 percent of the grant funds, but the fees appear to be as high as 41 percent.

Results: We reviewed the contracts with Transform Yakima Together and invoices submitted by the sub-grantee for the Camp Hope shelter. Expenses appeared to be for allowable activities as outlined in the terms of the contracts, and administration fees were correctly budgeted, charged and reimbursed at 6 percent.

6. We reviewed concerns that the Yakima Valley Conference of Governments did not conduct a fair procurement for sub-grantees.

Results: We reviewed the grant agreement from the State Department of Commerce and procurement documents to see if the Conference of Governments complied with state and local procurement requirements and used a selection panel to properly select sub-grantees. We determined the Conference of Governments complied with procurement requirements in soliciting and awarding contracts to its sub-grantees.

7. We reviewed concerns that one sub-grantee is using state dollars to fund a religious organization that provides homeless services.

Results: We determined this concern is outside the scope of our audit authority. During our review of the expenditures charged to the program, we did not identify any unallowable items.

If you have any questions about our work in this area, please contact Audit Manager Ann Strand at (509) 454-7848.

Sincerely,



Ann Strand
Audit Manager
H-17-290, H-17-301, H-18-009, H-18-387



**Office of the Washington State Auditor
Pat McCarthy**

August 28, 2019

Executive Committee Member
Yakima Valley Conference of Governments

Dear Committee Member:

We are pleased to notify you regarding the conclusion of our audit of Yakima Valley Conference of Governments for fiscal year 2016-2018.

An exit conference was held on Wednesday, August 28, 2019 to discuss the results of our audit. The attached items were discussed in detail with those in attendance, which included Chris Wickenhagen, Executive Director, Larry Mattson, previous Executive Director, John Hodkinson, Executive Committee Member and four other staff members. We also took the opportunity to extend our appreciation to your staff for their cooperation and assistance during the course of the audit.

We are always available to discuss the results of our audit in further detail at your convenience. If you have any questions, feel free to contact me at (509) 454-7848 or by email at Ann.Strand@sao.wa.gov.

Sincerely,

Ann Strand, Audit Manager
Enclosure



Office of the Washington State Auditor

Pat McCarthy

Exit Conference: Yakima Valley Conference of Governments

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independence and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Accountability audit for January 1, 2016 through December 31, 2018 - see draft report.

Audit Highlights

Communication between audit staff and conference staff was efficient, productive and professional. Chris was very attentive to our requests and ensured we were provided all the necessary documents to complete the audit in a timely manner.

We appreciate the confereces dedication to maintaining strong internal controls. YVCOG has never received a management letters or finding in the 15 years we have been performing accountability audits.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal/>

Management Representation Letter

We have included a copy of representations requested of management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$8,810 plus estimated travel costs of \$700 and actual audit costs will approximate that amount.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in 2022 and will cover the following general areas:

- Accountability for Public Resources for fiscal year 2019, 2020 and 2021

The estimated cost for the next audit based on current rates is \$7,200 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.

Working Together to Improve Government

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center is a resource for local governments that want to solve problems, innovate, and improve the value of their services to citizens. The Center is available by phone, online, or in person to offer assistance, programs, and tools – at no additional charge. You can contact the Center for more information at center@sao.wa.gov.

Questions?

Please contact us with any questions about information in this document or related audit reports.

Kelly Collins, CPA, Director of Local Audit, (360) 902-0091, Kelly.Collins@sao.wa.gov

Brandi Pritchard, CFE, Assistant Director of Local Audit, (360) 489-4591, Brandi.Pritchard@sao.wa.gov

Ann Strand, Program/Audit Manager, (509) 454-7848 Ann.Strand@sao.wa.gov

Jim Jones, Assistant Audit Manager, (509) 454-7848, James.Jones@sao.wa.gov

Stephanie Anglin, Audit Lead, (509) 454-7848, Stephanie.Anglin@sao.wa.gov



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Yakima Valley Conference of Governments

For the period January 1, 2016 through December 31, 2018

Published (Inserted by OS)
Report No. 1024468



PRELIMINARY DRAFT - Please do not duplicate, distribute or disclose



**Office of the Washington State Auditor
Pat McCarthy**

Issue Date – (Inserted by OS)

Executive Board
Yakima Valley Conference of Governments
Yakima, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Conference operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our independent audit report on the Conference's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy
State Auditor
Olympia, WA

TABLE OF CONTENTS

Audit Results.....

Information about the Conference

About the State Auditor's Office.....

AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In most of the areas we examined, Conference operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we noted certain matters that we communicated to the Conference management and Executive Board in a letter dated August 28, 2019 related to contract compliance. We appreciate the Conference’s commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of the Yakima Valley Conference of Governments from January 1, 2016 through December 31, 2018.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the Council’s uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the years ended December 31, 2018, 2017 and 2016, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Procurement – professional services
- Contract compliance – homeless program service providers
- Compliance with interlocal agreement with Yakima County
- Accounts payable – general disbursements related to the homeless program
- Payroll – gross wage recalculation
- Compliance with state grants – Department of Commerce (Consolidated Homeless Grants)

INFORMATION ABOUT THE CONFERENCE

The Yakima Valley Conference of Governments was organized in 1966 to provide technical assistance to member governments for growth management planning, grant writing and administration, housing rehabilitation, regional transportation and traffic safety. The Conference is made up of several government entities within Yakima County, including the City of Yakima and Yakima County.

An elected, seven-member Executive Board governs the Conference. The Executive Board appoints an Executive Director to oversee the Conference’s daily operations as well as its eleven full-time employees. The Conference annual revenues were approximately \$1.3M, \$3.5M and \$4.3M in 2016, 2017 and 2018, respectively.

Contact information related to this report	
Address:	Yakima Valley Conference of Governments 311 N. 4th Street Suite 204 Yakima, WA 98901
Contact:	Christina Wickenhagen, Deputy Director
Telephone:	509-574-1550
Website:	www.yvcog.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Yakima Valley Conference of Governments at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov

Management Letter
Yakima Valley Conference of Governments
January 1, 2016 through December 31, 2018

Contract compliance

The Conference of Governments took over administration of Yakima County's homeless program in 2017. As the administrator of this program, the Conference was responsible for soliciting contractors to provide necessary services that align with the Yakima County's Local Homeless five year plan. The program is primarily funded through state grants and local fees.

In 2017, the Conference contracted with a company to build 24 tiny houses for the homeless in Yakima Valley for \$236,000 and to provide an extreme winter weather shelter for the homeless in Yakima and Sunnyside for \$135,000.

While under contract, the Conference and the contractor made decisions that resulted in allowable changes in the scope of work to reduce the funding for the tiny homes by \$160,000 and to not operate a shelter in Sunnyside. However, the contracts were not properly amended to reflect the changes in scope of work. The contracts should contain enough information to inform interested parties of the purpose of the changes and reason the changes were necessary.

We recommend contracts be amended correctly and contain enough information to inform all interested parties what changes occurred and the reason for those changes.

This page intentionally left blank

**YVCOG Executive Committee Meeting September 16, 2019
BUDGET REPORT
Aug-19**

Prepared By Christina Wickenhagen, Executive Director

REVENUES RECEIVED:		2018	2019
January		\$ 804,908.24	\$ 310,139.21
February		\$ 168,643.34	\$ 131,535.58
March		\$ 215,224.77	\$ 294,165.22
April		\$ 549,587.75	\$ 162,916.85
May		\$ 296,490.49	\$ 403,207.93
June		\$ 495,068.52	\$ 388,202.35
July		\$ 210,101.34	\$ 367,487.12
August		\$ 196,495.71	\$ 26,866.10
September		\$ 361,289.63	\$ -
October		\$ 609,828.36	\$ -
November		\$ 91,476.53	\$ -
December		\$ 355,732.39	\$ -
Monthly Revenue			\$ 26,866.10
Total Revenue YTD		\$ 4,354,847.07	\$ 2,084,520.36
EXPENDITURES:			
Salaries	January	\$ 63,578.97	\$ 69,459.42
	February	\$ 64,026.97	\$ 69,459.42
	March	\$ 64,026.97	\$ 70,123.82
	April	\$ 64,026.97	\$ 63,785.42
	May	\$ 64,359.97	\$ 63,785.42
	June	\$ 64,359.97	\$ 64,026.93
	July	\$ 65,812.97	\$ 59,873.31
	August	\$ 66,036.97	\$ 36,468.58
	September	\$ 66,834.90	\$ -
	October	\$ 62,833.75	\$ -
	November	\$ 62,833.75	\$ -
	December	\$ 65,640.82	\$ -
Total Current Salaries			\$ 36,468.58
Total Salaries YTD		\$ 774,372.98	\$ 496,982.32
Vouchers	January	\$ 352,453.50	\$ 328,232.62
	February	\$ 261,837.78	\$ 232,467.15
	March	\$ 268,900.96	\$ 199,610.18
	April	\$ 371,713.11	\$ 337,210.15
	May	\$ 260,113.70	\$ 132,815.81
	June	\$ 268,426.73	\$ 322,045.13
	July	\$ 216,499.00	\$ 252,313.56
	August	\$ 235,299.83	\$ 28,302.47
	September	\$ 289,074.34	\$ -
	October	\$ 272,222.66	\$ -
	November	\$ 263,806.49	\$ -
	December	\$ 203,284.40	\$ -
Monthly Vouchers			\$ 28,302.47
Total Vouchers YTD		\$ 3,263,632.50	\$ 1,832,997.07
TOTAL MONTHLY EXPENDITURES		\$ -	\$ 64,771.05
TOTAL EXPENDITURES YTD		\$4,038,005.48	\$2,329,979.39
Revenue Balance		\$316,841.59	-\$245,459.03

2019
Yakima Valley Conference of Governments
Revenue Budget

67%

Grants/Contracts	August	YTD Actual Revenue	2019 Budget	Year-to-Date \$ Variance	Year-to-Date % Variance
Beginning Fund Bal-Designated **			205,000 **		
Administration					
Admin-Gen'l Assessment	(42,542.00)	109,567.50	123,433	13,865.50	89%
Admin-Misc Revenue (copies, posters)	-	794.87	300	-494.87	265%
Admin-Assoc Membership Fees	500.00	1,500.00	2,000	500.00	75%
Admin-Gen'l Ala Carte	-	9,572.00	140,000	130,428.00	7%
Other Income (Rebates)	-	1,599.99	200	-1,399.99	800%
Community Services	-	476.77	6,000	5,523.23	8%
	-	-	400	400.00	0%
Total Administration	(42,042.00)	123,511.13	272,333	148,821.87	45%
Traffic Counts - Local	1,434.70	1,434.70	0	-1,434.69	0%
Intergov-Local Match WSDOT	-	40,498.50	44,757	4,258.50	90%
Intergov -Local Transit	-	6,000.00	6,000	0.00	100%
Total Intergov-Local	-	47,933.20	50,757.01	2,823.81	94%
CTR - Plans & Progr WSDOT	-	47,430.60	75,000	27,569.40	63%
CMAQ Grant	6,602.04	49,844.02	103,750	53,905.98	48%
Human Services Transp Plan	-	3,071.37	10,000	6,928.63	31%
FHWA-DOT-Metro Plan (PL)	16,757.06	58,846.36	350,000	291,153.64	17%
FTA-DOT-Metro Plan Grant	11,828.00	69,999.78	70,000	0.22	100%
RTPO-WSDOT	24,148.79	116,091.98	121,996	5,904.02	95%
Total TRANSPORTATION	59,335.89	345,284.11	730,746	385,461.89	47%
Homeless Local Fees	-	587,142.67	1,050,000	462,857.33	56%
CHG State Grant	-	620,946.28	940,000	319,053.72	66%
TANF State Grant	-	29,517.65	70,000	40,482.35	42%
HEN State Grant	-	276,106.53	765,000	488,893.47	36%
Total HOMELESS	-	1,513,713.13	2,825,000	1,311,286.87	54%
Intergov-Scholarship	-	-	500	500.00	0%
Member TA's 2018					
Grandview	-	8,342.11	7,500.00	4,961.26	34%
Granger	1,921.91	6,228.84	13,000.00	6,771.16	48%
Harrah	-	857.00	4,000.00	3,143.00	21%
Mabton	225.10	4,782.13	5,000.00	217.87	96%
Moxee	-	-	2,500.00	2,500.00	0%
Naches	-	-	-	-	-
Selah	-	-	5,000.00	5,000.00	0%
Sunnyside	858.96	1,108.65	5,000.00	3,891.35	22%
Tieton	-	-	3,000.00	3,000.00	0%
Toppenish	519.52	1,651.03	19,500.00	17,848.97	8%
Union Gap	3,046.72	18,578.51	20,000.00	1,421.49	93%
Wapato	-	-	-	-	-
Zillah	-	-	-	-	-
Yakima	-	991.78	2,000.00	1,008.22	50%
Sparks NW -	-	6,000.00	8,000.00	2,000.00	75%
Sparks NW - City of Yakima	3,000.00	3,000.00	-	-	-
Intergov Serv-Exec Boards (TA Contr)	9,572.21	54,078.79	114,000	59,921.21	47%
Total Revenue	26,866.10	2,084,520.36	3,993,336	1,908,815.65	52%

P.24

2019
Yakima Valley Conference of Governments
EXPENDITURE Budget

67%

	August	YTD Actual	2019 Budget	Annual \$ Variance	YTD % Variance
Salaries					
Salaries and Wages	\$ 36,468.58	\$ 496,982.32	\$ 880,700	56%	\$ 383,717.68
Salaries-Overtime	\$ -	\$ -	\$ 6,000	0%	\$ 6,000.00
Total Salaries and Wages	\$ 36,468.58	\$ 496,982.32	\$ 886,700	56%	\$ 389,717.68
Personnel Benefits					
Benefits-Direct	\$ 12,730.43	\$ 162,208.46	\$ 323,100	50%	\$ 160,891.54
Total Benefits	\$ 12,730.43	\$ 162,208.46	\$ 323,100	50%	\$ 160,891.54
Supplies					
Office & Operating Supplies	\$ 29.84	\$ 4,876.65	\$ 25,000	20%	\$ 20,123.35
Small Tools and Minor Equip	\$ 350.01	\$ 6,316.57	\$ 17,000	37%	\$ 10,683.43
Total Supplies	\$ 379.85	\$ 11,193.22	\$ 42,000	27%	\$ 30,806.78
Other Services-Charges					
Professional Services	\$ 5,739.07	\$ 47,574.76	\$ 90,000	53%	\$ 42,425.24
Prof Serv-Tech Services	\$ -	\$ 7,413.99	\$ 16,800	44%	\$ 9,386.01
Community Services	\$ -	\$ -	\$ 500	0%	\$ 500.00
Communications-Telephone	\$ 1,038.89	\$ 8,725.88	\$ 13,000	67%	\$ 4,274.12
Communication-Postage	\$ -	\$ 165.39	\$ 500	33%	\$ 334.61
Travel	\$ 787.91	\$ 10,557.95	\$ 64,000	16%	\$ 53,442.05
Advertising	\$ -	\$ 4,465.81	\$ 15,000	30%	\$ 10,534.19
Operating Rentals and Leases	\$ 4,719.02	\$ 42,189.30	\$ 160,000	26%	\$ 117,810.70
Insurance	\$ -	\$ 9,990.00	\$ 10,700	93%	\$ 710.00
Utility Services	\$ 15.27	\$ 111.77	\$ 275	41%	\$ 163.23
Repair and Maintenance/Copies	\$ 118.98	\$ 1,596.60	\$ 5,500	29%	\$ 3,903.40
Homeless Provider Contracts	\$ -	\$ 1,492,419.96	\$ 2,280,000	65%	\$ 787,580.04
Misc. (registrations, dues, subscriptions)	\$ 2,773.05	\$ 34,383.99	\$ 85,061	40%	\$ 50,677.01
Total Services	\$ 15,192.19	\$ 1,659,595.40	\$ 2,741,336	61%	\$ 1,081,740.60
Debt Services-Interest					
Interest	\$ -	\$ -	\$ 200		\$ 200.00
	\$ -	\$ -	\$ 200		\$ 200.00
Total Expenditures	\$ 64,771.05	\$ 2,329,979.40	\$ 3,993,336	58%	\$ 1,663,356.60

P.25

2018-19 Cash Flow Statement
Yakima Valley Conference of Governments

August 2019

For the Mo Ended:

(Cash Basis Accounting)	August	September	October	November	December	January	February	March	April	May	June	July	August
Beginning cash	\$716,872.25	\$612,031.16	\$637,456.36	\$912,228.31	\$677,064.60	\$763,871.77	\$676,318.94	\$505,927.95	\$530,359.17	\$270,775.45	\$477,382.15	\$479,512.44	\$534,812.89
CTR - Grant		11,600.00		5,000.00	6,600.00	13,200.00		6,600.00	6,600.00		18,200.00	2,830.60	
CMAQ Plans & Programs		7,443.54	4,501.31	7,412.51		10,212.37		2,811.47	0.00		11,260.70	18,957.44	6,602.04
Human Sys Trasp Plan Grant		3,302.88		351.74	933.98	1,021.45		159.45	0.00	1,019.91	870.56		
FRWA DOT-Metro Plan Grant	25,489.91	23,062.66		50,206.21	28,549.33						29,765.33	12,323.97	16,757.06
FTA-DOT-Metro Plan Grant								6,424.36	16,136.25	24,486.34	-1,880.66	13,005.49	11,828.00
DOT-RTPO & RTPO Long Range	7,367.01	11,426.60		21,914.10		29,339.74		29,707.94	18,654.63	10,615.46	-6,135.49	9,760.81	24,148.79
Homeless 2163 Local Fees		116,900.00	408,510.00					130,946.24	0.00	288,353.89	101,623.88	87,489.86	
STATE FUNDS - Homeless Grant	161,993.79	184,110.81	176,745.46		315,044.58	112,987.47	117,613.07	103,506.70	92,784.79	73,532.53	228,157.60	198,008.30	
Traffic Counts												1,434.70	
Intergov-Ala Carte				1,225.00		2,000.00		2,000.00	0.00	5,200.00	1,800.00		
Technical Assistance Members		2,543.14	5,047.59	5,067.50	4,604.50	5,232.51	3,203.76	11,283.32	14,665.18		3,963.83	6,759.98	9,572.21
Intergov-County/City Share-gen assess			12,376.00			101,305.50	5,569.00		14,098.00			15,219.00	-42,542.00
Intergov-Local Match WSDOT			898.00			29,238.50	5,007.00					902.00	
Intergov-Local FTA (Yakima Transit)						6,000.00							
YV Community Foundation Grant			1,750.00	138.15		1,601.67	142.75	225.74	0.00		106.60	794.87	500.00
Misc Revenue-copies, posters	325.00	900.00						500.00	0.00				
Associate Membership Fees	1,000.00												
Scrap & Junk													
Scholarship	320.00			161.32									
Expense Revenue Netted Back													
Total Receipts	\$196,495.71	\$361,289.63	\$609,829.36	\$91,476.53	\$355,732.39	\$310,139.21	\$131,535.58	\$284,165.22	\$162,916.85	\$403,207.93	\$388,202.35	\$367,487.12	\$26,866.10
Available Cash	\$913,367.96	\$973,320.79	\$1,247,284.72	\$1,003,704.84	\$1,032,796.99	\$1,074,010.98	\$807,854.52	\$900,093.17	\$693,276.02	\$973,983.38	\$865,584.50	\$846,999.56	\$561,678.79
Use of Funds													
Salaries	66,036.97	66,834.90	62,833.75	62,833.75	65,640.82	69,459.42	69,459.42	70,123.82	63,785.42	63,785.42	64,026.93	59,873.31	38,468.58
Personnel Benefits	23,117.32	22,528.33	21,672.79	21,633.18	23,101.46	23,661.40	23,600.46	22,896.11	21,557.18	21,558.49	19,034.05	17,170.34	12,730.43
Supplies	1,848.25	808.67	3,012.29	1,538.44	3,200.12	1,010.79	955.66	1,084.35	5,013.34	1,285.49	749.04	651.47	379.85
Other Services	210,334.26	245,692.53	247,537.58	240,634.87	176,982.82	303,560.43	207,911.03	175,629.72	332,144.63	106,971.83	302,262.04	234,491.75	15,192.19
Total Cash Out	301,336.80	335,864.43	335,056.41	326,640.24	288,925.22	397,692.04	301,926.57	269,734.00	422,500.57	196,601.23	396,072.06	312,186.87	64,771.05
Net Cash Flow	\$612,031.16	\$637,456.36	\$912,228.31	\$677,064.60	\$763,871.77	\$676,318.94	\$505,927.95	\$530,359.17	\$270,775.45	\$477,382.15	\$479,512.44	\$534,812.89	\$496,907.74

P. 26