



**COMMISSION
AGENDA MEMORANDUM**

Item No. 4a

ACTION ITEM

Date of Meeting March 28, 2017

DATE: March 10, 2017

TO: Dave Soike, Interim Chief Executive Officer

FROM: Rudy Caluza, Director, Accounting & Financial Reporting
Debbi Browning, AFR Asst. Director, General Accounting/Business Technology
Duane Hill, AFR Sr. Manager, Disbursements

SUBJECT: Claims and Obligations February 2017

ACTION REQUESTED

Request Port Commission approval of the Port Auditor's payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period of February 1, 2017 through February 28, 2017 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	915882	916289	\$4,608,265.46
Accounts Payable ACH	047482	048020	\$19,252,128.77
Accounts Payable Wire Transfers	014531	014567	\$7,217,720.12
Payroll Checks	185123	185325	\$268,017.05
Payroll ACH	794276	797814	\$8,378,735.41
Total Payments			\$39,724,866.81

JUSTIFICATION

Pursuant to RCW 42.24.180, "the Port's legislative body" (the Commission) is required to approve in a public meeting, all payments of claims within one month of issuance.

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OVERSIGHT

All of these payments have been previously authorized either through direct Commission action or delegation of authority to the CEO and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port’s operating and capital budget is approved by resolution in November for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port’s budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract—if they are below the thresholds the CEO is delegated authority to approve them. Expenditures are monitored against budgets on a monthly basis by management and reported comprehensively to the Commission quarterly.

Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor’s Office and the Port’s independent auditors.

For the month of February 2017, over \$31 million in accounts payable payments were made to nearly 1,000 vendors/contractors, comprised of 2,100 invoices and over 7,000 accounting expense transactions. About 80 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services and Utility expense categories. The following chart summarizes the top 16 expense categories by total spend.

Expense Type	Payments
Construction Total	\$ 12,979,720.92
Employee Benefits Total	\$ 7,562,633.38
Contracted Services Total	\$ 2,638,047.58
Utility Expense Total	\$ 1,896,668.29
Sales Taxes Total	\$ 925,038.80
Payroll Taxes Total	\$ 876,902.42
Software Total	\$ 678,937.80
Maintenance Inventory Total	\$ 572,757.29
Parking Taxes Total	\$ 321,961.20
P-card Charges Total	\$ 270,695.53
Environmental Remediation Total	\$ 243,782.04
Membership Dues & Fees Total	\$ 231,180.32

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Banking Fees Total	\$ 185,235.19
Room/Space/Land Rental Total	\$ 171,666.08
Maintenance Materials Total	\$ 162,442.93
Computers & Telephone Total	\$ 158,631.71
(aggregate total - expense categories below the top 16)	\$ 1,201,812.87
Port Net Payroll	\$ 8,646,752.46
Total Payments	\$ 39,724,866.81

Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.


Debbi Browning/Port Auditor

At a meeting of the Port Commission held on March 28, 2017, it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor’s payment of the above salaries and claims of the Port:

Port Commission