



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 4b

**ACTION ITEM**

**Date of Meeting** June 27, 2017

**DATE:** June 9, 2017

**TO:** Dave Soike, Interim Executive Director

**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 May 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 May 1, 2017, through May 31, 2017, as follows:

<b>Payment Type</b>	<b>Payment Reference Start Number</b>	<b>Payment Reference End Number</b>	<b>Amount</b>
Accounts Payable Checks	917377	917885	\$ 4,874,830.91
Accounts Payable ACH/EFT	000002 / 049451	000312 / 049836	\$ 31,410,382.22
Accounts Payable Wire Transfers	014640	014680	\$ 12,723,627.03
Payroll Checks	185855	186088	\$ 270,058.16
Payroll ACH	805079	808795	\$ 8,762,679.13
<b>Total Payments</b>			<b>\$ 58,041,577.45</b>

**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.

**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

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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 May 2017, \$49 million in accounts payable payments were made to over 727 vendors/contractors, comprised of 2,891 vouchers and nearly 9,200 accounting expense transactions. About 75 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Payroll Taxes, Leasehold Taxes, NWSA Payment, Utility, Janitorial and Sales/Parking Taxes expense categories. The following chart summarizes the top 15 expense categories by total spend.

<b>Category</b>	<b>Payment Amount</b>
Construction	17,456,782.51
Employee Benefits	7,095,369.72
Contracted Services	5,948,397.80
Payroll Taxes	3,710,437.21
Leasehold Taxes	3,247,968.96
NWSA	2,509,352.43
Utility Expenses	2,119,847.91
Janitorial Services	1,229,847.49
Sales Taxes	1,108,254.34
Parking Taxes	558,015.00
Public Expense	524,505.99
A/R Related Payments	463,255.86
Legal	325,710.20
Employee Travel Expenses	293,765.53
Maintenance Inventory	273,439.01
Other Categories Total	2,143,890.20
Port Net Payroll	9,032,737.29
<b>Total Payments :</b>	<b>58,041,577.45</b>

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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.

  
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Debbi Browning/Port Auditor

At a meeting of the Port Commission held on June 27, 2017, it was moved that, pursuant to RCW 42.24.180, the Port Commission approve the Port Auditor’s payment of the above salaries and claims of the Port:

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**Port Commissioners present and voting in  
favor of approval**