



**COMMISSION
AGENDA MEMORANDUM**

Item No. 4b
Date of Meeting July 25, 2017

ACTION ITEM

DATE: July 7, 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 June 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 June 1, 2017 through June 30, 2017 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	917886	918476	\$ 7,090,410.72
Accounts Payable ACH	000313	000998	\$ 49,871,419.17
Accounts Payable Wire Transfers	014681	014699	\$ 8,019,508.53
Payroll Checks	186089	186534	\$ 482,197.18
Payroll ACH	808796	814434	\$ 13,515,903.04
Total Payments			\$ 78,979,438.64

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 or contract—if they are below the thresholds the CEO is delegated authority to approve them. Expenditures

Meeting Date: July 25, 2017

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 June 2017, \$65 million in accounts payable payments were made to over 781 vendors/contractors, comprised of 2,914 vouchers and nearly 10,200 accounting expense transactions. About 90 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Payroll Taxes, Utility and NWSA Equity Payment expense categories. The following chart summarizes the top 15 expense categories by total spend.

Category	Payment Amount
Construction	\$ 36,021,008.84
Employee Benefits	\$ 7,878,669.72
Contracted Services	\$ 4,225,590.97
Payroll Taxes	\$ 3,816,639.31
Utility Expenses	\$ 3,158,643.72
NWSA Equity Payment	\$ 2,473,566.20
Sales Taxes	\$ 1,098,383.69
Software	\$ 608,466.03
Environmental Remediation	\$ 601,277.09
Parking Taxes	\$ 552,660.00
Furn & Equip Purchase	\$ 543,681.82
A/R Related Payments	\$ 445,786.01
Bond Fees	\$ 433,942.87
Maintanance Inventory	\$ 419,477.17
Miscellaneous Expense	\$ 384,869.06
Other Categories Total	\$ 2,318,675.56
Port Net Payroll	\$ 13,998,100.58
Total Payments	\$ 78,979,438.64

Meeting Date: July 25, 2017

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 July 25, 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