



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6b

ACTION ITEM

Date of Meeting November 12, 2019

DATE: November 4, 2019
TO: Steve Metruck, Executive Director
FROM: Duane Hill, AFR Senior Manager Disbursements
SUBJECT: Claims and Obligations - October 2019

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 October 1 through October 31, 2019 as follows:

Payment Type	Payment Reference Start Number	Reference End Number	Amount
Accounts Payable Checks	932176	932771	\$ 11,095,817.96
Accounts Payable ACH	020843	021762	\$ 79,086,041.84
Accounts Payable Wire Transfers	015218	015246	\$ 16,366,496.24
Payroll Checks	194513	194730	\$ 257,647.86
Payroll ACH	934211	938491	\$ 11,102,702.59
Total Payments			\$ 117,908,706.49

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 these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director 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 Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

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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 October 2019, over \$106,548,356.04 in payments were made to nearly 877 vendors, comprised of 2,945 invoices and over 12,401 accounting expense transactions. About 97 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, NWSA Construction Costs, Payroll taxes, Environmental Remediation, Utility, Janitorial and Sales Taxes expense categories. Net payroll expense for the month of October was \$11,360,350.45. The following chart summarizes the top expense categories by total spend.

Top 15 Payment Categories Summary	
Category	Payment Amount
Construction	\$ 56,884,777.37
Employee Benefits	\$ 14,025,791.35
Environmental Remediation	\$ 7,573,415.79
Contracted Services	\$ 6,217,551.74
Leasehold Taxes	\$ 4,497,137.10
Payroll Taxes	\$ 4,183,025.74
Utility Expenses	\$ 2,819,141.37
Janitorial Services	\$ 1,460,413.33
Sales Taxes	\$ 1,439,820.52
A/R Related Payments	\$ 1,425,918.32
Maintenance Inventory	\$ 823,296.00
Insurance	\$ 820,215.02
Parking Taxes	\$ 573,916.46
Legal	\$ 424,210.92
Software	\$ 421,227.02
Other Categories Total :	\$ 2,958,497.99
Net Payroll	\$ 11,360,350.45
Total Payments :	\$ 117,908,706.49

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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.



Debbi Browning/Port Auditor

At a meeting of the Port Commission held on November 12, 2019 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