

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6c

**ACTION ITEM**

**Date of Meeting** September 11, 2018

**DATE:** September 4, 2018  
**TO:** Steve Metruck, Executive Director  
**FROM:** Duane Hill, AFR Senior Manager Disbursements  
**SUBJECT:** Claims and Obligations August 2018

**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 August 1 through August 31 2018 as follows:

<b>Payment Type</b>	<b>Payment Reference Start Number</b>	<b>Payment Reference End Number</b>	<b>Amount</b>
Accounts Payable Checks	925191	925722	\$ 6,213,022.75
Accounts Payable ACH	010336	011040	\$ 79,941,809.44
Accounts Payable Wire Transfer	014940	014960	\$ 8,872,763.96
Payroll Checks	870907	875254	\$ 10,668,596.75
Payroll ACH	190451	190787	\$ 314,013.19
<b>Total Payments</b>			<b>\$ 106,010,206.09</b>

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 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 on a monthly basis by management and reported comprehensively to the Commission quarterly.

Meeting Date: September 11, 2018

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 August 2018, \$95 million in accounts payable payments were made to 748 vendors/contractors, comprised of 2,333 vouchers and 8,198 accounting expense transactions. About 95 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, NWSA Construction, Contracted Services, Payroll Taxes, Utility Expense, Janitorial and Sales Tax categories. The following chart summarizes the top expense categories by total spend.


<b>Category</b>	<b>Payment Amount</b>
Construction	\$ 60,348,214.46
Employee Benefits	\$ 8,968,789.25
NWSA Construction Costs	\$ 7,508,110.94
Contracted Services	\$ 4,190,175.41
Payroll Taxes	\$ 4,072,767.88
Utility Expenses	\$ 1,901,555.90
Janitorial Services	\$ 1,880,023.51
Sales Taxes	\$ 1,279,661.66
Software	\$ 776,969.79
Parking Taxes	\$ 738,738.66
Maintenance Inventory	\$ 616,910.32
Environmental Remediation	\$ 605,861.01
Furn & Equip Purchase	\$ 258,498.73
Employee Travel Expenses	\$ 245,651.61
Legal	\$ 220,538.73
Other Categories Total	\$ 1,415,128.29
Net Payroll	\$ 10,982,609.94
<b>Total Payments</b>	<b>\$ 106,010,206.09</b>


Meeting Date: September 11, 2018


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

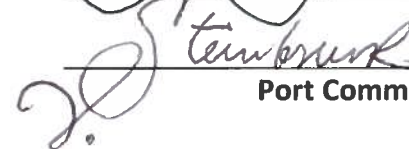
At a meeting of the Port Commission held on September 11, 2018 it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor’s payment of the above salaries and claims of the Port:

  
RYAN CALKINS

  
STEPHANIE DOWMAN

  
COURTNEY GREGOIRE

  
FRED FELLEMAN

  
PETER STEINBRUECK  
Port Commission