



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6j

ACTION ITEM

Date of Meeting January 28, 2020

DATE: January 10, 2020
TO: Stephen P. Metruck, Executive Director
FROM: Duane Hill, AFR Senior Manager Disbursements
SUBJECT: Claims and Obligations – December 2019

ACTION REQUESTED

Request commission approval of the Port Auditor’s payment of the salaries and claims of the Port of Seattle pursuant to RCW 42.24.180 for payments issued during the period December 1 through December 31, 2019, as follows:

Payment Type	Payment Reference Start Number	Reference End Number	Amount
Accounts Payable Checks	933136	933640	\$ 9,271,847.27
Accounts Payable ACH	022456	023342	\$ 69,001,054.39
Accounts Payable Wire Transfers	015262	015293	\$ 11,083,102.85
Payroll Checks	195109	195504	\$ 332,194.05
Payroll ACH	944905	949272	\$ 11,838,216.55
Total Payments			\$ 101,526,415.11

OVERSIGHT

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.

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 December 2019, over \$89,356,004.51 in payments were made to nearly 957 vendors, comprised of 2,637 invoices and over 14,895 accounting expense transactions. About 88 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Payroll Taxes, Contracted Services, Public Expense, Utility Expenses, NWSA Construction Costs, Janitorial and Election expense categories. Net payroll expense for the month of December was \$12,170,410.60. The following chart summarizes the top expense categories by total spend.

Top 15 Payment Categories Summary	
Category	Payment Amount
Construction	\$ 48,996,811.44
Employee Benefits	\$ 8,821,595.23
Payroll Taxes	\$ 6,835,645.36
Contracted Services	\$ 5,121,332.89
Public Expense	\$ 2,091,229.98
Utility Expenses	\$ 1,852,831.67
NWSA Construction Costs	\$ 1,808,140.87
Janitorial Services	\$ 1,434,167.67
Election Expenses	\$ 1,392,534.71
Furn & Equip Purchase	\$ 1,306,409.68
Maintenance Inventory	\$ 1,303,461.62
Public Expense	\$ 1,278,658.50
Software	\$ 1,203,061.44
Sales Taxes	\$ 1,194,557.63
Computers & Telephone	\$ 802,589.32
Other Categories total	\$ 3,912,976.50
Net Payroll	\$ 12,170,410.60
Total Payments	\$ 101,526,415.11

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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 January 28, 2020 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