



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6i

ACTION ITEM

Date of Meeting February 11, 2020

DATE: February 4, 2020
TO: Stephen P. Metruck, Executive Director
FROM: Duane Hill, AFR Senior Manager Disbursements
SUBJECT: Claims and Obligations – January 2020

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 January 1 through January 31, 2020, as follows:

Payment Type	Payment Reference Start Number	Reference End Number	Amount
Accounts Payable Checks	933641	934235	\$ 8,783,602.58
Accounts Payable ACH	023343	024293	\$ 76,034,381.74
Accounts Payable Wire Transfers	015294	015309	\$ 11,218,092.95
Payroll Checks	195505	195712	\$ 263,553.15
Payroll ACH	949273	953599	\$ 11,948,754.58
Total Payments			\$ 108,248,385.00

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 January 2020 over \$96 million in payments were made to nearly 889 vendors, comprised of 2,949 invoices and over 18,306 accounting expense transactions. About 85 percent of the accounts payable payments made in the month fall into the Construction, Contracted Services, Employee Benefits, Leasehold Taxes and Payroll Taxes expense categories. Net payroll expense for the month of January was \$12,212,307.73. The following chart summarizes the top expense categories by total spend.

Category	Payment Amount
Construction	\$ 56,477,230.93
Contracted Services	\$ 7,589,590.06
Employee Benefits	\$ 7,448,478.32
Leasehold Taxes	\$ 4,804,044.04
Payroll Taxes	\$ 4,627,709.86
Utility Expenses	\$ 2,625,903.26
Environmental Remediation	\$ 2,008,391.42
Sales Taxes	\$ 1,503,786.56
Software	\$ 1,300,059.48
Bond Fees	\$ 849,813.51
Maintenance Inventory	\$ 757,959.82
Parking Taxes	\$ 644,508.80
Room/Space/Land Rental	\$ 618,164.33
Public Expense	\$ 560,665.78
Membership Dues	\$ 554,066.14
Other Categories Total :	\$ 3,665,704.96
Net Payroll	\$ 12,212,307.73
Total Payments :	\$ 108,248,385.00

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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 February 11, 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