

START OF TRANSCRIPT

[00:00:29] SO I JUST WANT TO SAY THANK YOU JOE. AND NOW IT'S MY UNDERSTANDING THAT THE
[00:00:33] COMMISSIONERS HAVE BEEN PROVIDED WITH COPIES OF OUR PRESENTATION MATERIALS
[00:00:37] WHICH INCLUDE THE EXIT CONFERENCE HANDOUT. THIS IS TYPICALLY OUR MEETING AGENDA,
[00:00:42] WHICH WE'LL BE PRESENTING VIA THE POWERPOINT TODAY. YOU ALSO HAVE A COPY OF THE PORT OF
[00:00:46] SEATTLE'S 2018 ACCOUNTABILITY AUDIT REPORT AS WELL AS A COPY OF THE PORT SEATTLE INDUSTRIAL
[00:00:52] DEVELOPMENT CORPORATION'S 2015 TO 2018 ASSESSMENT AUDIT REPORT. ALSO, INCLUDED WITH YOUR
[00:00:59] PRESENTATION MATERIALS IS AN EXIT ITEM HANDOUT. IF YOU'RE NOT FAMILIAR WITH EXIT ITEMS,
[00:01:03] EXIT ITEMS ARE RECOMMENDATIONS TO ADDRESS CONTROL DEFICIENCIES OR NON COMPLIANCE WITH LAWS OR
[00:01:08] REGULATION THAT HAVE AN INSIGNIFICANT OR A IMMATERIAL EFFECT ON THE ENTITY. COMMONLY
[00:01:14] REFERRED TO AS HOUSEKEEPING ITEMS, EXIT ITEMS ARE PROVIDED FOR MANAGEMENT'S CONSIDERATION,
[00:01:18] BUT NOT REFERENCED IN OUR AUDIT REPORTS.
[00:01:22] WE'VE ALSO INCLUDED THE PORT'S RESPONSE TO OUR EXIT RECOMMENDATION.
[00:01:26] OF COURSE MANAGEMENT IS NOT REQUIRED TO RESPOND TO EXIT ITEMS. HOWEVER, THE PORT IS
[00:01:30] VERY PROACTIVE IN ADDRESSING ANY AUDIT RECOMMENDATIONS FROM SAO WHICH WE DEFINITELY
[00:01:35] APPRECIATE. IF AT ANYTIME DURING THE PRESENTATION PORT MANAGEMENT WOULD LIKE TO STEP
[00:01:39] IN AND DISCUSS THEIR RESPONSE TO ANY NOTED EXIT RECOMMENDATIONS, PLEASE FEEL
[00:01:44] FREE TO DO SO. OTHERWISE, WE CAN PROVIDE AN OPPORTUNITY AT THE END OF THE PRESENTATION TO
[00:01:48] DISCUSS THE PORT'S RESPONSE TO ANY RECOMMENDATION.
[00:01:53] SO CONTINUING ON THIS SLIDE. THE FIRST AREA THAT WE REVIEWED WAS THE PORT'S INDUSTRIAL
[00:01:59] DEVELOPMENT CORPORATION. WE PERFORMED AN ASSESSMENT AUDIT OF THE PORT'S IDC FOR
[00:02:03] FISCAL YEAR 2015 TO 2018. PER STATE LAW, AN ASSESSMENT AUDIT OF THE IDC IS REQUIRED TO BE
[00:02:10] PERFORMED AT LEAST ONCE EVERY THREE YEARS. OUR AUDIT FOCUSED ON REVIEWING THE IDC'S INTERNAL
[00:02:15] CONTROLS OVER OPERATIONS AND TO DETERMINE WHETHER CONTROLS COMPLY WITH STATE LAW. OUR
[00:02:21] REVIEW OF THE IDC NOTED NO ISSUES
[00:02:24] AND AGAIN WE'LL ISSUE A SEPARATE ASSESSMENT AUDIT REPORT FOR THE IDC, WHICH IS INCLUDED WITH
[00:02:29] YOUR PRESENTATION MATERIALS.
[00:02:34] THE NEXT AREA WE REVIEWED WAS THE PORT'S SELF INSURANCE PROGRAMS.
[00:02:42] ONCE AGAIN, THIS AREA IS SELECTED BASED ON STATUTE WHERE WE ARE REQUIRED BY STATE LAW TO
[00:02:47] CONDUCT AN EXAMINATION OF LOCAL GOVERNMENT SELF INSURANCE PROGRAMS AT LEAST ONCE EVERY
[00:02:51] TWO YEARS.
[00:02:53] FOR THIS AREA. WE MET WITH PORT STAFF TO GAIN AN UNDERSTANDING OF THE INTERNAL CONTROLS OVER
[00:02:57] THE ADMINISTRATION OF EACH SELF-INSURANCE PROGRAM. WE ALSO PERFORMED TESTS TO DETERMINE
[00:03:02] COMPLIANCE WITH THE REQUIREMENTS OF EACH PROGRAM. OUR REVIEW OF THE PORT SELF
[00:03:06] INSURANCE PROGRAMS NOTED NO ISSUES.
[00:03:10] IF THERE AREN'T ANY QUESTIONS, NEXT, THANK YOU.
[00:03:14] THE NEXT AREA WHERE WE'VE REVIEWED WAS PETTY CASH AND CHANGE FUNDS AT THE BELLE
[00:03:17] HARBOR MARINA. DURING AUDIT PLANNING, WE NOTED THAT IN OCTOBER 2019 THE PORT
[00:03:22] REPORTED MISSING CASH FROM THE SAFE AT BELLE HARBOR MARINA. OUR REVIEW OF THIS AREA FOCUSED ON
[00:03:27] MANAGEMENT'S FOLLOW-UP TO ADDRESS THE ISSUES OF CONTROLS OVER PETTY CASH AND CHANGE FUND
[00:03:32] AT THE MARINA. BASED ON A REVIEW, WE DETERMINE PORT MANAGEMENT TOOK APPROPRIATE
[00:03:36] STEPS TO ADDRESS THE ISSUES NOTED.
[00:03:42] THE NEXT AREA WE REVIEWED WAS OVERTIME PAY AT THE PORT'S FIRE DEPARTMENT. DURING AUDIT
[00:03:47] PLANNING WE NOTED A SIGNIFICANT INCREASE IN OVERTIME AT THE FIRE DEPARTMENT
[00:03:50] WHEN COMPARED TO PRIOR YEARS. OUR REVIEW FOCUSED ON DETERMINING WHETHER ADEQUATE CONTROLS WERE
[00:03:55] IN PLACE TO ENSURE PAYMENTS FOR OVERTIME ARE SUPPORTED WITH ADEQUATE DOCUMENTATION AND ARE
[00:04:00] ALLOWABLE PER PORT POLICY AND UNION REQUIREMENTS. WE ALSO TESTED SELECTED OVERTIME
[00:04:06] PAYMENTS FOR ADEQUATE SUPPORT AND COMPLIANCE WITH PORT POLICY AND UNION REQUIREMENTS. BASED
[00:04:10] ON OUR REVIEW, WE NOTED NO ISSUES.
[00:04:15] NEXT SLIDE, PLEASE. THANK YOU.
[00:04:19] NEXT WE REVIEWED AND EXAMINED THE PORT'S PROCUREMENT OF PROFESSIONAL SERVICE CONTRACTS.
[00:04:23] OUR REVIEW FOCUSED ON THE PORT'S CONTROLS TO ENSURE PROCUREMENT METHODS AND
[00:04:27] PROCEDURES COMPLY WITH STATE LAW. WE ALSO TESTED 17 PROFESSIONAL SERVICE CONTRACTS
[00:04:32] PROCURED BY THE PORT IN 2018. BASED ON OUR REVIEW, WE RECOMMENDED THE PORT MODIFY ITS
[00:04:38] POLICY REGARDING PUBLICATION AND SOLICITATION FOR PROFESSIONAL SERVICES SO
[00:04:42] ADVANCED PUBLICATION REQUIREMENTS ARE INCLUDED FOR CONTRACTS LESS THAN \$200,000.
[00:04:51] WE ALSO REVIEWED THE PORT'S CONTROLS OVER ELECTRONIC FUNDS TRANSFERS.
[00:04:57] WE REVIEWED THE PORT'S INTERNAL CONTROLS OVER THE CREATION OF NEW VENDORS, MODIFICATIONS OF
[00:05:01] VENDOR BANK ACCOUNTS. AND PAYMENT DISBURSEMENTS. WE ALSO TESTED 33 SELECTED EDITIONS
[00:05:06] MODIFICATIONS OF VENDOR INFORMATION IN THE PORT'S DATABASE.
[00:05:11] BASED ON OUR REVIEW WE RECOMMENDED THE PORT STRENGTHEN ITS INTERNAL CONTROLS OVER EFT
[00:05:15] DISBURSEMENTS BY ENSURING POLICIES OVER EFT VENDOR SET UP AND CHANGES ARE CLEARLY

[00:05:19] DOCUMENTED AND ACCURATELY REFLECTS STAFF RESPONSIBILITIES. WE ALSO
[00:05:24] RECOMMENDED THE PORT CONSISTENTLY DOCUMENT TO EVIDENCE THE PORT'S FOLLOW UP
[00:05:28] ON REQUESTS TO CHANGE VENDOR BANK ACCOUNT INFORMATION.
[00:05:39] LASTLY WE REVIEWED THE PORT'S USE OF EMPLOYEES FOR PUBLIC WORKS PROJECTS SPECIFICALLY AT
[00:05:44] THE MARINE MAINTENANCE DEPARTMENT. IT SHOULD BE NOTED THAT THIS AREA WAS SELECTED
[00:05:48] BASED ON A CITIZEN HOTLINE REFERRAL RECEIVED BY OUR OFFICE. OUR REVIEW FOCUSED ON THE
[00:05:53] PORT'S CONTROLS FOR DETERMINING THE USE OF EMPLOYEES FOR PUBLIC WORKS PROJECTS. WE ALSO
[00:05:57] SELECTED TO TEST PUBLIC WORKS PROJECTS PERFORMED BY PORT EMPLOYEES FOR COMPLIANCE WITH
[00:06:01] STATE LAW. BASED ON A REVIEW WE RECOMMENDED THE PORT CONSISTENTLY COMPLETE A FORMAL
[00:06:07] EVALUATION OF SELF PERFORMED WORK EXCEEDING \$40,000 TO DEMONSTRATE
[00:06:11] COMPLIANCE WITH STATE LAW.
[00:06:17] I CAN STOP HERE FOR QUESTIONS. THAT SUMMARIZES AREAS WE REVIEWED. I CAN STOP
[00:06:21] HERE FOR QUESTIONS BEFORE I MOVE INTO CONCLUDING REMARKS ABOUT ANY OF THE AREAS REVIEWED
[00:06:26] OR THE PROCEDURES PERFORMED.
[00:06:30] COMMISSIONER CALKINS, WOULD WE LIKE TO RUN THROUGH EACH COMMITTEE MEMBER FOR QUESTIONS
[00:06:34] AND COMMENTS AT THIS TIME OR WAIT UNTIL THE END OF THE PRESENTATION? LET'S DO THAT AND
[00:06:40] I HAVE NO QUESTIONS AT THIS TIME.
[00:06:43] COMMISSIONER BOWMAN?
[00:06:46] NO QUESTIONS AT THIS TIME, THANK YOU.
[00:06:49] AND CHRIS BURKEY?
[00:06:52] I DON'T HAVE ANY QUESTIONS AT THIS TIME.
[00:07:01] GREAT. MOVING INTO CONCLUDING REMARKS. TOTAL ESTIMATED AUDIT COSTS WILL APPROXIMATE ABOUT A
[00:07:07] HUNDRED AND SEVEN THOUSAND DOLLARS. THE PORT'S NEXT SCHEDULED AUDIT IS SCHEDULED TO
[00:07:11] BE CONDUCTED IN SEPTEMBER OF 2020 AND WILL COVER THE ACCOUNTABILITY FOR PUBLIC
[00:07:15] RESOURCES AS WELL A REVIEW OF THE CPAS WORK PAPERS FOR THE PORT'S
[00:07:21] FINANCIAL STATEMENT AUDIT,
[00:07:24] THE PORT'S AUDIT REPORTS WILL BE PUBLISHED ON SAO'S WEBSITES WITHIN THE NEXT WEEK
[00:07:29] OR SO. SO YOU CAN KEEP A LOOKOUT FOR THOSE. WE ALSO WANTED TO MENTION THAT WE'VE OBTAINED A
[00:07:35] MANAGEMENT REPRESENTATION LETTER WHICH INCLUDES WRITTEN
[00:07:38] REPRESENTATIONS NEEDED FROM MANAGEMENT FOR ALL PERIODS COVERED BY OUR AUDIT.
[00:07:45] AND I WANTED TO SHARE ONE MORE AUDIT HIGHLIGHT AND THAT WAS THE APPRECIATION AND THE
[00:07:50] COLLABORATION AND ASSISTANCE FROM OUR AUDIT LIAISON DEBBIE BROWNING. DEBBIE HELPED ENSURE A
[00:07:55] SMOOTH AUDIT PROCESS FROM START TO FINISH AND WE WANT TO SHOW OUR THANKS AND APPRECIATION
[00:08:01] AND WE LOOK FORWARD TO WORKING WITH DEBBIE YOU AGAIN IN THE FUTURE.
[00:08:05] THAT CONCLUDES OUR EXIT CONFERENCE AT THIS TIME. WE'D BE HAPPY TO ANSWER ANY
[00:08:08] QUESTIONS.
[00:08:18] COMMISSIONER CALKINS, ARE YOU UNMUTED? THERE I AM. YEAH, I JUST ONE QUICK QUESTION FOR YOU.
[00:08:25] AS YOU EXAMINE THE OVERTIME QUESTION AT THE FIRE DEPARTMENT, WHAT WAS THE
[00:08:31] EXPLANATION FOR THE SIGNIFICANT INCREASE YEAR TO YEAR? WAS IT SIMPLY HIGHER DEMANDS
[00:08:36] ASSOCIATED WITH INCREASING PASSENGER FLOWS THE AIRPORT? YEAH, THAT'S CURRENTLY OUR
[00:08:43] UNDERSTANDING. YOU KNOW.
[00:08:48] JUST THE NATURE OF OPERATIONS DURING THE YEAR I WOULD SUPPOSE
[00:08:53] AND STAFFING, BUT I'D HAVE TO GET BACK TO YOU ON THE MORE SPECIFICS ON THAT.
[00:09:00] JUST THE NATURE OF OPERATIONS FROM YEAR TO YEAR,
[00:09:03] YOU KNOW, AND STAFFING LEVELS AT THE FIRE DEPARTMENT. I'D HAVE TO GET BACK TO YOU ON THE
[00:09:08] SPECIFICS, EXACTLY.
[00:09:12] RANDY KRAUSS FROM OUR FIRE DEPARTMENT IS ON THE CALL AS WELL. SHALL I UNMUTE HIM AND
[00:09:18] PERHAPS HEAR FROM HIM ON THAT?
[00:09:20] AWESOME.
[00:09:26] RANDY SHOULD BE UNMUTED.
[00:09:31] THANK YOU, LAUREN. CAN YOU HEAR ME? YES, WE CAN. HI EVERYBODY. YEAH, COMMISSIONER CAULKINS WE
[00:09:36] WERE STAFFING A COUPLE POSITIONS. WE ADDED A CARE CAR SO WE WERE STAFFING IT
[00:09:41] WITH TWO FIREFIGHTERS PER SHIFT ON OVERTIME. THAT WAS THE SPIKE. LANCE APPROVED SOME ADDITIONAL
[00:09:46] FUNDS TO COVER THAT COST AND THEN WE WERE APPROVED TO HIRE SUBSEQUENTLY AFTER THAT. SO THE
[00:09:51] OVERTIME WILL BE DROPPING OFF, BUT THAT WAS THE INCREASE.
[00:10:01] OKAY, AND LET'S GO AROUND TO THE OTHER COMMITTEE MEMBERS TO SEE IF THEY HAVE ANY ADDITIONAL
[00:10:06] QUESTIONS. THANK YOU. RANDY. COMMISSIONER BOWMAN?
[00:10:11] I'VE NO FURTHER QUESTIONS. I WAS GOING TO ASK A SIMILAR QUESTION ABOUT THE FIRE DEPARTMENT SO
[00:10:30] THANK YOU.
[00:10:36] OKAY, AND
[00:10:37] I BELIEVE AT THIS POINT GLENN IS GOING TO TAKE OVER THE PRESENTATION. IS THAT CORRECT?
[00:10:42] THAT IS CORRECT. WONDERFUL. GO AHEAD GLENN.
[00:10:46] LAUREN, CAN YOU PULL UP THE--

[00:10:49] GIVE ME ONE MOMENT IT'S A LITTLE SLOW TODAY.
[00:11:09] ALL RIGHT. YOU SHOULD BE GOOD.
[00:11:15] OKAY NEXT SLIDE.
[00:11:19] COMMISSIONERS, THE FIRST THING THAT CHRISTINA GERKE AND I WANT TO TALK TO YOU
[00:11:24] ABOUT TODAY IS A REQUIRED COMMUNICATION BY STANDARDS. WE'RE REQUIRED TO TALK TO YOU ABOUT
[00:11:30] OUR INDEPENDENCE, OUR CHARTER ON A PERIODIC BASIS, OUR QUALITY ASSURANCE PROGRAM AND OUR ISSUE,
[00:11:38] FOLLOW-UP, MONITORING, PROCESS. SO NEXT SLIDE, PLEASE.
[00:11:46] SO ON INDEPENDENCE
[00:11:50] I'M HAPPY TO REPORT THAT WE CONTINUE TO BE INDEPENDENT. WE FUNCTIONALLY REPORT TO THE
[00:11:55] AUDIT COMMITTEE, WHICH IS YOU, AND ADMINISTRATIVELY TO EXECUTIVE DIRECTOR METRUCK.
[00:12:01] WE ALSO DISPLAY THIS THROUGH OUR WORK THROUGH ASSURING THAT EVERYTHING WE DO IS OBJECTIVE
[00:12:08] AND
[00:12:10] AND YOU KNOW, AND WE MEET THE REQUIREMENTS OF THIS STANDARD. NEXT SLIDE, PLEASE.
[00:12:19] ALSO ON A PERIODIC BASIS WE'RE REQUIRED TO REVIEW THE CHARTER TO MAKE SURE THAT THE INTERNAL
[00:12:26] AUDIT CHARTER, NOT THE AUDIT COMMITTEE CHARTER, THE INTERNAL AUDIT CHARTER IS STILL
[00:12:31] RELEVANT. THE LAST TIME THE CHARTER WAS UPDATED WITH 2012. SO IT HAS BEEN A WHILE. IN
[00:12:37] REVIEWING IT. YOU KNOW, WE HAVE SOME MINOR EDITS, WHICH I'M GOING TO CIRCULATE TO ALL
[00:12:44] COMMITTEE MEMBERS AND TO EXECUTIVE DIRECTOR METRUCK BECAUSE APPROPRIATE SIGNATURES
[00:12:49] ARE REQUIRED. I THINK IT'S DUE FOR A MINOR REFRESH. SO IN THE NEXT AUDIT COMMITTEE
[00:12:55] MEETING I INTEND TO SHARE IT WITH EVERYONE AND GET AT LEAST AN UPDATED VERSION
[00:13:03] DOCUMENTED FOR THE RECORD. NEXT SLIDE, PLEASE.
[00:13:09] ALSO, WE'RE REQUIRED TO DO A QUALITY REVIEW. IT IS ALSO CALLED THE PEER
[00:13:15] REVIEW ON A PERIODIC BASIS. MOST RECENTLY IN 2018 WE HAD AN EXTERNAL PEER REVIEW CONDUCTED.
[00:13:23] THEY WRAPPED UP AND AT THE END OF JAN OF 2019. SO ON A PERIODIC BASIS, WE ARE
[00:13:30] CONDUCTING SELF-ASSESSMENT
[00:13:34] OF OURSELVES AND WE'LL DO ONE THIS YEAR. LAST YEAR'S
[00:13:38] REPORT BY ALGA OR THE ASSOCIATION OF LOCAL GOVERNMENT AUDITORS GAVE US THE
[00:13:44] HIGHEST RATING POSSIBLE SO WE CONTINUE TO MEET THE HIGH STANDARDS THAT ARE REQUIRED IN
[00:13:50] THE INDUSTRY. NEXT SLIDE.
[00:13:57] AND THEN THE FINAL ITEM THAT I'D LIKE TO TALK ABOUT IS OUR FOLLOW-UP PROCESS.
[00:14:02] ON ALL OUR AUDIT ISSUES IT'S REALLY IMPORTANT TO MAKE SURE THAT WE DO FOLLOW
[00:14:08] UP ON THEM AND WE MAKE SURE THAT THEY'RE ADDRESSED BECAUSE IF WE WRITE ISSUES AND NOBODY
[00:14:13] ADDRESSES THEM AND THEY'RE JUST PUT IN A SHELF
[00:14:17] THEN YOU'RE NOT REALLY ADDING ANY VALUE TO THE ORGANIZATION. IT'S WHEN THEY ARE CLOSED OUT
[00:14:22] AND ADDRESSED THAT THEY BECOME IMPORTANT AND THEY TRULY ADD VALUE.
[00:14:29] SINCE 2017 WE'VE BEEN FOLLOWING UP ON ALL OUR AUDIT ISSUES AND ON A PERIODIC BASIS.
[00:14:39] WE HAVE BEEN PRESENTING THEM TO THE AUDIT COMMITTEE. NOW, THE COMMITTEE'S ROLE IS IF
[00:14:43] SOMETHING WOULD LAG BEHIND AND CREATE RISK, I WOULD ADVISE YOU ACCORDINGLY AND IT WOULD BE UP
[00:14:53] TO YOU AND DIRECTOR METRUCK TO TAKE ACTION OF THAT. NEXT SLIDE. PLEASE
[00:15:01] AS OF RIGHT NOW, WE HAD 38 OPENED ISSUES AT THE BEGINNING OF THIS YEAR. THROUGH
[00:15:09] THE AUDITS THAT WE'VE ISSUED SINCE JAN 1ST, WE HAD ANOTHER 13 ISSUES AND WE'VE CLOSED OUT
[00:15:15] ABOUT 7. SO 44 ARE STILL OPENED. NOW ALL OF THOSE THAT ARE OPENED
[00:15:23] HAVE YOU KNOW, I'M HAPPY TO SAY THERE THEY HAVE VALID-- THEY'RE NOT DUE AND THE FEW THAT
[00:15:32] ARE COMING DUE VERY QUICKLY HAVE HAD SUBSTANTIAL WORK ON THEM AND THEY'RE VERY CLOSE TO
[00:15:37] BE CLOSED OUT. SO THERE'S NOTHING SIGNIFICANT THAT I NEED TO HIGHLIGHT TO YOU
[00:15:41] AT THIS POINT. THERE WAS ONLY ONE SMALLER ISSUE THAT
[00:15:45] WAS DELAYED SLIGHTLY BEYOND ITS
[00:15:50] REQUIRED DUE DATE
[00:15:53] AND IT WAS PRIMARILY BECAUSE OF THE COVID EMERGENCY. SO COVID'S MINIMALLY AFFECTED AUDIT ISSUES
[00:15:59] AND ONCE THEY'RE SITTING OUT THERE THEN RISKS TO THE ORGANIZATION HAVE BEEN
[00:16:03] ADDRESSED. APPENDIX A AND B OF THIS DECK WILL LIST OUT ALL OPENED, OUTSTANDING ISSUES AND
[00:16:10] WE'LL PROVIDE A LITTLE INDEX AS TO WHY THERE ARE ONES OPENED, ONES THAT HAVE CLOSED.
[00:16:16] YOU KNOW, THE ONE ISSUE THAT IS A LITTLE BEHIND BECAUSE OF THE COVID EMERGENCY.
[00:16:24] NEXT SLIDE PLEASE.
[00:16:26] AND I BELIEVE THAT'S IT ON FOLLOW-UP. SO BEFORE I GO INTO THE AUDIT PLAN,
[00:16:32] PERHAPS I WILL TAKE ANY QUESTIONS. COMMISSIONER CALKINS. IF YOU WANT TO DO THE-- IF YOU
[00:16:38] HAVE ANY QUESTIONS OR COMMISSIONER BOWMAN? I HAVE NO QUESTIONS AS THIS TIME SO LET'S
[00:16:44] GO TO BOWMAN.
[00:16:47] HI GLENN, JUST A QUICK QUESTION THIS COMMISSIONER BOWMAN. IN TERMS OF THE ISSUES
[00:16:52] THAT ARE STILL OPEN, IS THERE A WAY FOR THE PUBLIC TO ACCESS THAT INFORMATION? IS IT
[00:16:57] SOMEWHERE ON OUR WEBSITE SO THEY'RE JUST AWARE? YES THAT'S A VERY GOOD QUESTION COMMISSIONER
[00:17:02] BOWMAN. ONE OF THE THINGS WE'RE STARTING TO DO IS-- WELL ALL AUDIT COMMITTEE MATERIALS ARE
[00:17:08] POSTED

[00:17:12] WITH COMMISSIONER RECORDS WITH ALL COMMISSIONER MATERIALS. ADDITIONALLY. WE DO HAVE OUR
[00:17:16] INTERNAL AUDIT WEBSITE WHICH LISTS ALL AUDIT REPORTS. FOR
[00:17:23] OUTSTANDING ISSUES THAT ARE NOT CLOSED OR EVEN THE ONES THAT ARE CLOSED, THIS DECK IS
[00:17:30] PUBLICLY AVAILABLE. IT IS WITH ALL COMMISSIONER MATERIALS. SO ANY MEMBER OF THE PUBLIC AND
[00:17:35] PULL UP THIS DECK AND IN THE APPENDIX SECTION OF THE DECK IT WILL LIST OUT ALL OPEN ISSUES
[00:17:40] AT THIS POINT.
[00:17:44] THAT'S FINE. I MEAN, I'M NOT A COMMUNICATIONS EXPERT JUST I
[00:17:48] I KNOW THAT'S NOT AN ISSUE THAT THE PUBLIC WOULD
[00:17:51] NORMALLY BE CURIOUS ABOUT BUT JUST. IF THERE'S A WAY TO MAKE IT A LITTLE EASIER FOR THEM TO
[00:17:56] FIND, THAT ALWAYS SEEMS LIKE A GOOD IDEA. BUT THANK YOU VERY MUCH.
[00:18:03] COMMISSIONER BOWMAN, I WILL LOOK AT-- WE DO HAVE ON OUR PORT WEBSITE AN
[00:18:11] INTERNAL AUDIT PAGE WHERE ALL OF OUR MATERIAL IS POSTED AND I WILL CONSIDER-- I WILL ADD THIS
[00:18:17] DECK AND THIS INFORMATION TO THAT SO WE DO HAVE IT AVAILABLE IN A DIFFERENT
[00:18:22] LOCATION AS WELL THAT'S EASIER TO FIND. COMMISSIONER CALKINS? CHRIS, ANY QUESTIONS?
[00:18:31] A COMMENT IS I'D LIKE TO SEE IN THE FUTURE MORE OF A-- NOT JUST STATUS BUT KIND OF
[00:18:36] AN AGING REPORT JUST SO THAT WE CAN REALLY HAVE VISIBILITY INTO HOW LONG SOME OF THESE ITEMS
[00:18:43] HAVE BEEN HANGING OUT THERE.
[00:18:46] SURE. ABSOLUTELY. I THINK
[00:18:49] THE ONE ITEM THAT IS OVERDUE, IN THE APPENDIX, WE DO LIST THE DATES THAT THEY WERE DUE
[00:18:56] AND AT THIS POINT THE ONE ITEM THAT IS OVERDUE WAS DUE ON DECEMBER 31ST 2019. IT'S JUST
[00:19:05] DELAYED BECAUSE OF THE COVID EMERGENCY. BUT I WILL TRY TO GET A REPORT DRAFTED.
[00:19:12] WELL, TWO THINGS. ONE IS
[00:19:17] IS IT OVERDUE AND ANOTHER ONE IS KIND OF HOW LONG HAS THIS BEEN HANGING OUT THERE AND TO ME IT
[00:19:22] SEEMS LIKE WE NEED SOME TRANSPARENCY TO BOTH THOSE DIMENSIONS. NOTED.
[00:19:29] AND I KNOW DAN AND MY TEAM IS TAKING COPIOUS NOTES AND SINCE HE LEADS THE FOLLOW UP
[00:19:36] PROCESS, WE'LL MAKE THAT ADJUSTMENT AND TWEAK.
[00:19:43] NEXT, IF THERE ARE NO FURTHER QUESTIONS, THE NEXT AGENDA ITEM IS
[00:19:50] THE 2020 AUDIT PLAN. I JUST WANT TO BRIEFLY PROVIDE YOU WITH THE STATUS OF THIS.
[00:19:56] THIS IS THE APPROVED PLAN ON THIS SCREEN. YOU KNOW WHAT WE'VE GOT LIMITED CONTRACT
[00:20:02] COMPLIANCE AUDITS AND THAT'S PRIMARILY WITH CONCESSIONAIRES AT THE AIRPORT AND THROUGHOUT
[00:20:08] OTHER LOCATIONS OF THE PORT FROM TIME TO TIME THAT
[00:20:12] PAY A PERCENTAGE OF REVENUES
[00:20:15] IN ADDITION TO RENT. NOW. MOST OF THESE CONCESSIONAIRES HAVE BEEN HIT PRETTY HEAVILY WITH
[00:20:23] THE COVID EMERGENCY OR PANDEMIC. LUCKILY. MANY OF THEM GOT US THEIR DATA BEFORE THE
[00:20:31] EMERGENCY SET IN SO SINCE WE LOOK AT PRIOR YEARS, SEVERAL OF THESE WE WILL BE ABLE TO
[00:20:37] COMPLETE. THERE'S ABOUT A COUPLE ON HERE THAT,
[00:20:43] ABOUT THREE, THAT WE HAVEN'T GOTTEN DATA YET FROM AND WE'RE NOT PRESSURING THAT GIVEN THE
[00:20:47] HARDSHIP THAT THEY'RE GOING THROUGH. WE WILL AFTER THE EMERGENCY SETTLES DOWN OR THEY
[00:20:53] GET BACK WE WILL OPEN UP DIALOGUE AGAIN, OR WE MIGHT EVEN JUST DEFER THE AUDITS
[00:20:57] UNTIL NEXT YEAR DEPENDING ON WHERE THEY STAND.
[00:21:03] ON THE OPERATIONAL SIDE, YOU KNOW, AND WE'VE GOT SOME AUDITS IN PROCESS AND SOME DEPENDING
[00:21:11] WHERE THE BUSINESS GOES AND WHAT WE DIFFER. WE MIGHT HAVE TO POSTPONE SOME OF THESE
[00:21:17] AND PULL SOMETHING ELSE IN ON THE INFORMATION TECHNOLOGY SIDE, YOU KNOW, THE T2
[00:21:23] AIRPORT PARKING GARAGE SYSTEM REPLACEMENT APPARENTLY ISN'T GOING TO HAPPEN TILL LATE THIS
[00:21:27] YEAR OR EARLY NEXT YEAR. SO THAT ONE WILL BE DEFERRED UNTIL NEXT YEAR. NEXT SLIDE, PLEASE.
[00:21:36] WE'VE GOT A SERIES OF CONTINGENCY AUDITS THE COMMISSION APPROVED, THE AUDIT
[00:21:40] COMMITTEE APPROVED IN THE EVENT THAT WE CAN'T COMPLETE, OR IF WE HAVE EXTRA RESOURCES THESE WERE
[00:21:48] ABLE TO BE MOVED UP. NOW AGAIN, THESE WILL UNDERGO THE SAME CONSTRAINTS AS THE
[00:21:55] PREVIOUS SLIDE. NEXT SLIDE, PLEASE.
[00:22:01] SO IF YOU LOOK AT OUR ENTIRE PLAN, YOU KNOW, AT THIS POINT IN THE YEAR I'D LIKE TO SEE, I
[00:22:07] WOULD NORMALLY LIKE TO SEE A LOT OF YELLOW AND GREEN AREA. SO, YOU KNOW, I'D
[00:22:13] LIKE TO SEE US A LITTLE FURTHER ALONG BUT BECAUSE OF A VARIETY OF REASONS WITHIN THE BUSINESS
[00:22:21] PRIMARILY ALL DEALING WITH COVID-19. SOME OF THESE HAVE SLOWED DOWN A LITTLE BIT
[00:22:28] PRIMARILY BECAUSE PEOPLE CAN'T GET THE INFORMATION. A LOT OF VENDORS ARE NOT AVAILABLE. SO
[00:22:36] YOU KNOW I THINK MY RECOMMENDATION IS THAT IN THE JUNE AUDIT COMMITTEE MEETING
[00:22:43] THAT WE DO HAVE SCHEDULED, WE MAINTAIN THAT AND I COME BACK TO YOU WITH A PROPOSAL ON AN
[00:22:49] AMENDED AUDIT PLAN BECAUSE I'LL HAVE A BETTER IDEA AT THAT POINT. I ALSO SEE US
[00:22:56] MAYBE PICKING UP A LITTLE BIT MORE THAT'S MORE RELEVANT TO THE IMPACT, COMMISSIONERS,
[00:23:02] FROM THE COVID EMERGENCY. SO FOR INSTANCE, WE HAVE A LOT OF
[00:23:10] LEASES THAT WE'VE DEFERRED RANKED ON AND A LOT OF MANUAL PROCESSES THAT HAVE BEEN SET IN
[00:23:16] PLACE BECAUSE OF THAT AND I THINK AUDIT POTENTIALLY HAS AN OPPORTUNITY TO
[00:23:21] ASSIST THE BUSINESS IN THAT. YOU KNOW, THERE ARE OTHER THINGS ON GRANTS AND
[00:23:26] FUNDING THAT WE'RE GETTING AS IN FEMA, THEY ALL TALK ABOUT THAT POTENTIALLY WE CAN ASSIST

[00:23:33] THE BUSINESS WITH. SO HOW CAN WE HELP THE BUSINESS NOW
[00:23:38] BECAUSE WE HAVE THE SKILL SET, WE HAVE THE RESOURCES. WE STILL HAVE THE ABILITY TO DO SOME
[00:23:44] AUDITS BUT A LOT OF THIS PLAN WILL HAVE TO BE TWEAKED A LITTLE BIT. SO MY
[00:23:49] RECOMMENDATION IS IN JUNE TO HAVE THAT AUDIT COMMITTEE MEETING AND HAVE THE DISCUSSION ON THIS.
[00:23:56] ANOTHER IMPORTANT THING WITH THE JUNE AUDIT COMMITTEE MEETING IS MOSS ADAMS NEEDS TO BE THERE
[00:24:01] TO PRESENT THEIR CLOSEOUTS AND FINANCIAL STATEMENT AUDIT. SO THAT'S MY
[00:24:06] GUIDANCE AND MY RECOMMENDATION. AND THAT'S ALL I HAD ON OUR AUDIT PLAN OR AUDIT STATUS.
[00:24:13] QUESTIONS COMMENTS? COMMISSIONER CALKINS?. GLENN I APPRECIATE THE CONCERN AMOUNT
[00:24:21] OF REFORMATTING ARE AUDIT TO ACCOMMODATE ALL THESE NEW PROCESSES WE'RE GOING TO BE
[00:24:27] WORKING ON RELATED TO THE DEFERRALS, JUST REALLY COVERING EVERYTHING. I THINK
[00:24:34] THAT'S A GREAT IDEA. COMMISSIONER BOWMAN.
[00:24:39] HI, THANK YOU GLENN. ARE YOU GETTING YOUR FEEDBACK?
[00:24:45] NO, I'M NOT.
[00:24:48] WELL
[00:24:52] [INAUDIBLE]
[00:25:15] AND SO IT'S GOING TO BE VERY HARD FOR THEM TO FIND DATA.
[00:25:26] WE'VE STOPPED ASKING THEM FOR DATA.
[00:25:29] ESPECIALLY. A LOT OF THEIR OFFICES ARE CLOSED AND THERE'S NOBODY TO GIVE US THE DATA
[00:25:33] ANYWAYS.
[00:25:35] BUT THANK YOU COMMISSIONER. WE WILL.
[00:25:42] ANYTHING ELSE?
[00:25:49] ACTUALLY I THINK THAT ECHO MAY HAVE BEEN COMING FROM GLEN SO I MUTED HIM JUST
[00:25:54] BRIEFLY TO GO THROUGH IT.
[00:25:58] OKAY [LAUGHTER].
[00:26:00] NO, I'M LOOKING FORWARD TO SEEING THE REVISED AUDIT PLAN AND
[00:26:05] WHERE WE'RE GOING TO END UP FOR THE YEAR.
[00:26:11] AND GLENN IF IT WOULD ASSIST IN MAKING SOME OF THOSE DETERMINATIONS BY HAVING
[00:26:16] MEETINGS WITH ME OR COMMISSIONER BOWMAN IN ADVANCE OF THE JUNE MEETING, WE'D BE
[00:26:21] HAPPY TO SCHEDULE TIME FOR THAT TOO.
[00:26:29] ALL RIGHT, YEAH. WILL DO COMMISSIONER. I WILL SET UP
[00:26:35] THOSE MEETINGS IN THE NEXT FEW WEEKS AND GET THOSE ROLLING SO WE CAN
[00:26:42] MOVE FORWARD. THANK YOU, LAUREN. STILL GETTING FEEDBACK FROM ME?
[00:26:49] NOT FROM YOU.
[00:26:53] SO IF YOU'RE UNMUTED ANYBODY ELSE WHO SPEAKS, WE'RE GETTING AN ECHO. SO WHILE YOU ARE NOT
[00:27:01] SPEAKING AND WE GO THROUGH COMMISSIONER QUESTIONS OR SOMEBODY ELSE, WE'LL JUST KEEP
[00:27:04] YOU MUTED AND THEN I WILL UNMUTE YOU AS SOON AS YOU NEED TO SPEAK AGAIN.
[00:27:19] WE CAN HEAR YOU.
[00:27:24] NEXT SLIDE.
[00:27:30] OKAY COMMISSIONERS THE NEXT ITEM THAT WE'RE GOING TO TALK ABOUT ARE OUR AUDITS AND OUR
[00:27:36] SPECIAL PROJECTS. WE'VE GOT 2 SPECIAL PROJECTS THAT WE'RE GOING TO HIGHLIGHT TODAY AND
[00:27:44] THEN FIVE AUDITS. FOUR OF WHICH ARE GOING TO BE DISCUSSED IN PUBLIC SESSION AND ONE THAT IS
[00:27:50] SECURITY SENSITIVE THAT WILL BE DISCUSSED IN A SECURITY SENSITIVE NON-PUBLIC SESSION
[00:27:56] AFTER THE AUDIT COMMITTEE MEETING IN A SEPARATE MEETING.
[00:28:01] NEXT SLIDE PLEASE.
[00:28:07] SO COMMISSIONERS, AS COMMISSIONER CALKINS MENTIONED EARLIER, ONE OF THE THINGS YOU
[00:28:14] KNOW, I AND THE TEAM TALKED ABOUT WAS HOW CAN WE HELP THE PORT RIGHT NOW? I KNOW THE
[00:28:20] PORT GOT A HUNDRED NINETY TWO MILLION DOLLARS IN FEDERAL MONEY FROM THE FAA FOR
[00:28:27] AIRPORT OPERATIONS, BUT THERE'S STILL A LOT OF MONEY WE SPEND ON SAFETY RELATED STUFF FOR
[00:28:33] CONSTRUCTION, FOR ALL THE CHANGES THERE, FOR THE SANITATION AND
[00:28:38] CLEANING. SO
[00:28:41] WHEN THE PRESIDENT DECLARED NATIONAL EMERGENCY, FEMA WAS ACTIVATED AND FEMA HAS GOT
[00:28:47] QUITE A SIGNIFICANT AMOUNT OF FUNDING FOR ALL THESE PROGRAMS. SO WE ARE ELIGIBLE FOR
[00:28:53] FEMA PUBLIC ASSISTANCE AND CERTAIN EXPENSES DATING BACK ALL THE WAY TO JANUARY 20TH ARE
[00:29:01] CONSIDERED ELIGIBLE.
[00:29:03] FEMA WILL REIMBURSE US AT 75% AND THE STATE COORDINATING OFFICE WILL GO OUT
[00:29:12] THROUGH THE STATE AND FIND ADDITIONAL 25% TO MAKE US WHOLE ON THE FUNDS THAT WE'VE
[00:29:19] EXTENDED. NOW THESE HAVE TO MEET THE CRITERIA OF FEMA, BUT THE TEAM DID GO OUT AND RESEARCH
[00:29:26] LOTS OF THIS AND PROVIDED A REPORT BACK TO THE EXECUTIVE TEAM AT THE PORT. NEXT SLIDE,
[00:29:31] PLEASE.
[00:29:36] SO THIS SLIDE TALKS A LITTLE BIT ABOUT WHAT FEMA WILL REIMBURSE AT A VERY HIGH LEVEL.
[00:29:43] ONE OF THE THINGS WE DID IS WE WENT IN AND WE
[00:29:47] LOOKED AT ALL OF THE EXPENSES WITHIN THE PORT AND WORKED WITH THE COORDINATING OFFICE TO
[00:29:54] MAKE SURE THAT WE WERE SETTING THE TRACKS CORRECTLY FOR THE PORT SO WE COULD GATHER THIS

[00:29:58] INFORMATION AS IT CAME THROUGH IN THE SYSTEMS AND THE PORT COULD THEN SUBMIT FOR
[00:30:06] REIMBURSEMENT FROM FEMA FOR THIS. AGAIN, THE LARGEST ITEMS ARE GOING TO BE AT THE BOTTOM:
[00:30:12] THE CONSTRUCTION AND THE DISINFECTION OF PUBLIC FACILITIES. OKAY NEXT SLIDE,
[00:30:18] PLEASE.
[00:30:22] SO ON THE CONSTRUCTION RELATED SIDE WHAT FEMA TOLD US IS YOU KNOW ANY INCREMENTAL
[00:30:30] COSTS, THEY'LL REIMBURSE AND
[00:30:34] POTENTIALLY,
[00:30:37] YOU KNOW THE ADDITION OF A FULL-TIME SITE PROTECTION SUPERVISOR THAT WILL COME THROUGH A
[00:30:42] CHANGE ORDER, ALL OF OUR CONSTRUCTION CONTRACTS OVER A MILLION DOLLARS, HAND WASHING
[00:30:47] STATIONS, TOOL SANITATIONS. THOSE ITEMS ARE ELIGIBLE FOR SUBMISSION. NOW THEY DO HAVE TO
[00:30:54] GO TO SACRAMENTO AND THEN THEY COME BACK TO US AS APPROVED OR UNAPPROVED. BUT LOCALLY
[00:31:01] WE'VE GOTTEN THE GO-AHEAD TO SUBMIT CERTAIN THINGS AND THE APPROVAL.
[00:31:06] THE ENHANCED COVID SPECIFIC SAFETY COST, IT DEPENDS ON WHAT THE SAFETY COST IS, BUT MOST OF
[00:31:13] THE INCREMENTAL COSTS AND SANITIZATION COSTS WILL BE COVERED. WE SHOULD BE
[00:31:19] ABLE TO SUBMIT THOSE. SO NEXT SLIDE PLEASE.
[00:31:24] WE ALSO YOU KNOW IDENTIFIED THAT WE'VE SPENT ABOUT TWO OR THREE QUARTERS OF A MILLION
[00:31:30] DOLLARS IN SANITATION TO DATE AND WE'LL PROBABLY SPEND A LOT MORE A LITTLE BIT MORE. SO ALL
[00:31:36] OF THAT IS REIMBURSABLE. THEY DO HAVE A CUTOFF DATE AND THEN YOU KNOW, IT'S VERY LITTLE
[00:31:42] OVERTIME. ANY EMERGENCY PERSONNEL OVERTIME IS REIMBURSABLE AND FIRE
[00:31:46] DEPARTMENT HAD SOME NOT A LOT.
[00:31:49] BUT AS THOSE CONTINUE TO TRICKLE IN WE'LL SUBMIT THOSE. AND LIKE I SAID, THE TRACKS
[00:31:56] HAVE BEEN BUILT SO THAT BUSINESS CAN PICK THIS UP AND THE PORTAL HAS BEEN SET UP SO
[00:32:03] ALL WE HAVE TO DO FROM A BUSINESS PERSPECTIVE IS LOAD IT INTO THE PORTAL AND
[00:32:08] AND THE LOCAL FEMA OFFICE WILL SUBMIT IT TO THEIR
[00:32:14] SACRAMENTO OFFICE. NEXT SLIDE, PLEASE.
[00:32:18] I BELIEVE THATS IT ON FEMA. I'M GOING TO JUMP
[00:32:24] TO ONE MORE AND THEN I'LL TAKE QUESTIONS AND COMMENTS.
[00:32:30] INTERLOCAL AGREEMENTS. COMMISSIONER CALKINS YOU'D ASKED US TO DO A MAPPING OF
[00:32:34] INTERLOCAL AGREEMENTS. THERE'S A MEMO ATTACHED TO THE DECK THAT YOU SHOULD HAVE. WE LISTED
[00:32:42] OUT AND RISK RANKED ALL OF THE INTERLOCAL AGREEMENTS AS REQUESTED. NOW I WANT TO
[00:32:48] HIGHLIGHT THIS ISN'T AN AUDIT. IT'S JUST A DATA GATHERING AND RISK RANKING. SO WHEN WE
[00:32:53] GATHERED
[00:32:55] THE INTERLOCAL AGREEMENTS WE GATHERED THEM BY THE TYPE OF AGREEMENT AND RISK RANKED IT
[00:33:03] AND THEN WE LOOKED AT THE DOLLAR AMOUNT, WE RISK RANKED IT AND WE LOOKED AT THE LEGALITY
[00:33:08] OF THE AGREEMENT-- WHO'S THE AGREEMENT WITH AND WHO GOVERNS THAT. AND THAT'S HOW WE RISK
[00:33:13] RANK THEM AND IT JUST SETS THE FRAMEWORK NEXT YEAR WHEN WE ARE BUILDING OUR AUDIT PLAN FOR US
[00:33:18] TO LOOK THROUGH THAT AND
[00:33:22] POTENTIALLY ADD SOME ITEMS ADDED ONTO LOCAL AGREEMENTS.
[00:33:28] SO WITH THAT I'LL STOP AND TAKE QUESTIONS.
[00:33:32] GLENN I APPRECIATE BOTH EFFORTS AS I MENTIONED AT THE OUTSET OF THE MEETING. THE EFFORTS TO
[00:33:39] RECOUP WHATEVER WE CAN FROM FEMA FUNDS TO COVER THESE COVID RELATED EXTRAORDINARY EXPENSES.
[00:33:46] I THINK THAT'S AN EXCELLENT USE OF YOUR DEPARTMENT'S TIME. IN ADDITION THE ILA MAPPING AND
[00:33:55] RISK RANKING, I READ THROUGH THE ATTACHED DOCUMENT AND IT'S A GOOD EDUCATION FOR ANY SENIOR
[00:34:02] MANAGER, DEPARTMENT HEAD, COMMISSIONER, TO GET AN UNDERSTANDING OF THE BREADTH OF
[00:34:09] RELATIONSHIPS THE PORT HAS WITH OTHER PUBLIC AGENCIES IN THE AREA AND THE TYPE OF WORK
[00:34:14] THAT WE DO FROM AGREEMENTS BETWEEN OUR FIRE DEPARTMENT AND OTHER AGENCIES
[00:34:20] TO WHETHER IT'S MAINTENANCE OF VEHICLES OR EMERGENCY RESPONSE PLANS TO THEN PROGRAMS, ILAS
[00:34:30] WITH THE FEDERAL GOVERNMENT RELATED TO ENVIRONMENTAL CLEANUP. IT'S
[00:34:34] REALLY ACTUALLY AN INTERESTING DOCUMENT AND SO IT WAS QUITE HELPFUL FOR ME TO GO
[00:34:39] THROUGH THAT. AND SO I APPRECIATE THE EFFORT AND I THINK IT WILL BE INFORMATIVE
[00:34:42] FOR COMING YEARS CONSIDERATIONS AND AN AUDIT PLANS, ESPECIALLY THE
[00:34:47] HIGHER RISK RANKED ITEMS. SO I APPRECIATE THAT. WITH THAT, COMMISSIONER BOWMAN DO YOU
[00:34:53] HAVE ANY QUESTIONS OR COMMENTS?
[00:34:57] I GUESS MOSTLY JUST A COMMENT. ESPECIALLY APPRECIATE GLENN THE WORK LOOKING INTO THE FEMA
[00:35:02] REIMBURSEMENT. I WAS UNAWARE THAT NUMBER ONE OF THE OPPORTUNITY OR NUMBER TWO
[00:35:08] THAT YOU ALL HAD BEEN TAKING A LOOK AT THAT. SO I'M GUESS I'M EXCITED AND INTERESTED TO HEAR
[00:35:14] FROM THE EXECUTIVE DIRECTOR. WHAT WE WILL BE PURSUING. YOUR CHARGES A GOOD ONE. I KNOW THAT
[00:35:21] PARTICULARLY ON CONSTRUCTION
[00:35:23] THERE ARE MANY MANY CONSTRUCTION RELATED ITEMS THAT THE PORT IS FACING NOT
[00:35:29] JUST-- SO I WAS CURIOUS. I DON'T KNOW IF YOU WANT TO TALK ABOUT IT NOW OR I
[00:35:33] CAN JUST ASK FOR A FOLLOW-UP.
[00:35:37] IS THERE ANYTHING BESIDES JUST THE ITEMS LISTED THAT ARE REIMBURSABLE FOR EXAMPLE
[00:35:42] JUST DELAYS IN PROJECTS? WOULD ANY OF THAT BE REIMBURSABLE UNDER FEMA? I UNDERSTAND WHY IT

[00:35:48] MIGHT NOT BE BUT I'M JUST CURIOUS BECAUSE I KNOW THAT THAT'S GOING TO BE A DRIVER OF
[00:35:52] PORT COSTS MOVING FORWARD.
[00:35:55] YEAH. COMMISSIONER BOWMAN AT THIS POINT THE DELAYS THEMSELVES, YOU KNOW, THE FEMA
[00:36:03] ISN'T KEEN OF PICKING UP. FROM DISCUSSIONS WITH THEM, THEY WERE FOCUSING
[00:36:12] MORE ON IF YOU HAVE SPECIFIC SAFETY RELATED THINGS THAT YOU'RE IMPLEMENTING RIGHT NOW
[00:36:18] THAT ARE INCREMENTAL, THEY HAVE TO BE INCREMENTAL, THEN WE'LL ENTERTAIN THOSE AND YOU
[00:36:24] CAN SUBMIT FOR THOSE AND POTENTIALLY REIMBURSE YOU FOR THEM. SO I STILL THINK THERE'S
[00:36:30] A LOT OF MONEY ON THE TABLE. THERE'S A FEW MILLION DOLLARS THERE ON THE CONSTRUCTION SIDE,
[00:36:35] YOU KNOW, THAT
[00:36:37] POTENTIALLY MIGHT NOT HAVE BEEN PURSUED IF WE DIDN'T INITIATE AND TRY TO ASSIST
[00:36:44] THERE, BUT WE CAN DEFINITELY HAVE FOLLOW-UP DISCUSSIONS IF YOU'D LIKE.
[00:36:49] GLENN ONE MORE QUESTION IF I MAY
[00:36:53] AND IF YOU CAN MUTE YOURSELF, THANK YOU. IS IT ALLOWABLE OR COULD YOU LOOK TO FEMA TO SEE
[00:37:00] IF IT'S ALLOWABLE FOR THE PORT TO PURCHASE PUBLIC SAFETY EQUIPMENT MOVING FORWARD NOT
[00:37:07] NECESSARILY CONSTRUCTION-RELATED. SAY FOR EXAMPLE, IF THE PORT WERE TO
[00:37:13] MOVE IN THE DIRECTION OF TEMPERATURE CHECKS FOR PASSENGERS, THAT EQUIPMENT WE
[00:37:18] UNDERSTAND CAN BE RATHER EXPENSIVE. MIGHT THAT BE AN ITEM THAT FEMA WOULD
[00:37:24] REIMBURSE FOR?
[00:37:29] I THINK THE QUICK ANSWER IS YES TO THAT COMMISSIONER BOWMAN. I THINK FEMA SHOULD
[00:37:34] REIMBURSE US FOR THAT, BUT WE CAN FOLLOW UP. WE'LL FOLLOW UP WITH THEM AND CONFIRM. BUT I
[00:37:39] THINK THAT THE ANSWER, THE SHORT ANSWER IS YES. THAT IS IN THE SCOPE OF WHAT THEY REIMBURSE
[00:37:43] FOR.
[00:37:46] EXCELLENT. THANK YOU FOR CONFIRMING. GREAT QUESTION COMMISSIONER BOWMAN AND CHRIS,
[00:37:52] DO YOU HAVE ANY QUESTIONS THAT QUESTIONS BUT I THINK IT'S GREAT THAT THE AUDIT DEPARTMENT
[00:37:56] HAS BEEN ADDING VALUE IN OTHER WAYS AS THEY CAN'T DO THE NORMAL AUDIT WORK IN A
[00:38:01] CRISIS LIKE THIS. I REALLY AM HAPPY TO SEE PROJECTS LIKE THIS GOING ON.
[00:38:12] AGREED. GLEN. I'LL TURN IT BACK TO YOU FOR THE NEXT PORTION OF YOUR PRESENTATION.
[00:38:19] NEXT SLIDE, PLEASE.
[00:38:22] COMMISSIONERS THE NEXT AUDIT THAT WE'RE GOING TO TALK ABOUT IS CASH CONTROLS.
[00:38:29] THERE'S NOT A LOT OF CASH THAT WE RECEIVED IN THE REPORT. WELL, IT'S ALL RELATIVE. SO IT
[00:38:35] DEPENDS BUT THE INHERENT RISK OF CASH IS HIGH SO ONE OF THE THINGS WE
[00:38:44] DECIDE TO DO AND WE'VE ADDED TO THE PLAN WAS [INAUDIBLE] THROUGHOUT THE PORT.
[00:38:49] WE HAD SOME ISSUES AT THE AIRPORT PARKING GARAGE EARLIER THIS YEAR. SO
[00:38:55] WE DECIDED TO LOOK AT CASH THROUGHOUT THE PORT, AT FISHERMAN'S TERMINAL, AT
[00:39:01] AND THE AIRPORT LOST AND FOUND PRIMARILY BECAUSE THEY APPEAR TO
[00:39:14] BE HIGHER RISK.
[00:39:17] YOU KNOW, ALSO THE RCWS HAVE,
[00:39:22] JUST BECAUSE OF THE INHERENT RISK OF CASH, ARE VERY STRICT WITH CASH LOSS AND CASH
[00:39:27] MANAGEMENT AND REQUIRE US TO REPORT ANY CASH LOSS TO THE STATE AUDITOR. SO HAVING STRONG
[00:39:34] INTERNAL CONTROLS ESPECIALLY FOR CASH IS VERY IMPORTANT.
[00:39:39] SO OUR RECOMMENDATIONS ARE COMMISSIONER AND MISS GOERKE FOR ESSENTIALLY ENHANCING
[00:39:45] CONTROLS AT THE MARINAS AND I BELIEVE KENNY LYLES IS GOING TO SPEAK ABOUT CONTROLS THAT
[00:39:52] HE'S PUTTING IN AND ACTIONS THAT HE'S TAKING SO LAUREN IF YOU COULD UNMUTE KENNY LYLES
[00:39:59] AND MOVE TO THE NEXT SLIDE, HE'LL TALK A LITTLE BIT ABOUT-- YEAH, I'LL MUTE YOU THERE AND
[00:40:07] LET ME GO GET KENNY.
[00:40:11] ALL RIGHT, KENNY. YOU SHOULD BE GOOD TO GO.
[00:40:18] CAN YOU HEAR ME LAUREN? YES, WE CAN. EXCELLENT.
[00:40:23] GOOD AFTERNOON, COMMISSIONER BOWMAN AND COMMISSIONER CALKINS AND MISS GOERKE. AND GLENN
[00:40:30] THANK YOU VERY MUCH FOR SETTING THIS UP. FOR CONTEXT I AM THE DIRECTOR OF MARITIME OPERATIONS
[00:40:40] AND SECURITY AND WHAT THAT REPRESENTS ARE FOUR LINES OF BUSINESS: REC BOATING,
[00:40:46] COMMERCIAL FISHING, MARITIME OPERATIONS, AND SECURITY AND OUT OF THOSE FOUR LINES OF BUSINESS
[00:40:52] TWO OF THOSE LINES TRANSACT CASH AND THUS WE HAVE THE
[00:41:02] AUDIT, THE INTERNAL AUDIT REPRESENTED BY GLENN'S TEAM.
[00:41:07] FIRST AND FOREMOST. I
[00:41:10] ACCEPT, WE AS A BUSINESS DEPARTMENT, ACCEPT THE FINDINGS AND I WOULD LIKE TO SAY AS
[00:41:17] A FOLLOW-UP TO GLENN'S OBSERVATION IS THAT EVEN THOUGH WE HAVE NOT BEEN
[00:41:24] IDENTIFIED AS HAVING ANY REVENUE LEAKAGE SO TO SPEAK THROUGH OUR EXISTING OR
[00:41:31] PREVIOUS PRACTICES, WE DO ACCEPT THE RESPONSIBILITY AND THE ACKNOWLEDGEMENT THAT THERE
[00:41:37] ARE VULNERABILITIES IN THE WAY THAT WE HAVE MANAGED OUR REVENUES OVER THE TIME, SO I'M
[00:41:44] RESPONSIBLE FOR THE REVENUE CONTROL AND THE ADMINISTRATION OF THE REVENUE CONTROL PROCESSES
[00:41:51] FOR THE BUSINESS UNITS THAT WE'RE TALKING ABOUT TODAY.
[00:41:55] I CAN TELL YOU THAT FISHERMAN'S TERMINAL IS THE HOME PORT OF THE NORTH PACIFIC FISHING FLEET.
[00:42:01] IT'S THE FIRST ASSET COMMISSIONED BY THE PORT OF SEATTLE OVER 100 YEARS AGO

[00:42:08] IN 1914. THE FISHING FLEET IS GEARING UP FOR SALMON SUMMER FISHERY UP IN ALASKA SO
[00:42:15] THERE'S A LOT OF ACTIVITY THERE. I WILL ALSO SAY THAT SHILSHOAL BAY MARINA IS OUR
[00:42:23] FLAGSHIP RECREATIONAL BOATING FACILITY AND HAS OVER 1,000
[00:42:33] CUSTOMERS, 1430 TO BE EXACT. AND IN THAT GROUP IS REPRESENTED BY OVER 600 LIVE-ABOARD CUSTOMERS.
[00:42:43] SO IN BOTH LOCATIONS, YOU DO SEE YOU HAVE SEEN CASH TRANSACTIONS AND THROUGH THE
[00:42:52] AUDIT PROCESS WE ARE REFINING
[00:42:56] THOSE TRANSACTIONS TO COMPLY WITH THE RECOMMENDATIONS FROM THE INTERNAL AUDIT TEAM. SO OUT
[00:43:04] OF THE AUDIT THE INTERNAL AUDIT THREE CONTROL GAP MEASURES WERE IDENTIFIED AND
[00:43:13] EVEN THOUGH THESE CUSTOMER BASES ARE DIAMETRICALLY DIFFERENT ONE BEING
[00:43:18] RECREATIONAL BOATING THE OTHER BEING COMMERCIAL FISHING THE REVENUE CONTROL PROCESSES, THEY
[00:43:26] ARE SIMILAR. SO IN THE INTEREST OF TIME, I'M GOING TO TALK ABOUT THE SIMILARITIES AND THE
[00:43:33] RESPONSES AND THERE ARE SOME DIFFERENCES, HOWEVER, AND I WILL POINT THOSE OUT. THERE'S A
[00:43:40] FEW DIFFERENCES THAT I WILL POINT OUT. SO LET'S START OUT WITH FISHERMEN'S TERMINAL AND
[00:43:47] CONTROL GAP NUMBER ONE STATES THAT FISHERMAN'S TERMINAL MANAGEMENT SHALL
[00:43:52] IMPLEMENT A TWO PERSON RECEIPT AND VALIDATION PROCESS FOR CHECKS AND CASH. SO FISHERMAN'S
[00:44:00] HAS DISCONTINUED THE PERSON-TO-PERSON RECEIPT OF MOORAGE AND STORAGE PAYMENTS
[00:44:05] AFTER HOURS. CUSTOMERS WHO DESIRE TO PAY AFTER HOURS WILL BE PROVIDED AN ENVELOPE TO PAY
[00:44:11] USING THE OVERNIGHT DROPBOX. ADDITIONALLY ALL DAILY DEPOSITS WILL BE VALIDATED
[00:44:17] USING A TWO-PERSON PROCESS: ONE STAFF AND ONE MANAGER. AND SIMILARLY,
[00:44:26] SHILSHOAL BAY MARINA,
[00:44:30] WE WILL NO LONGER RECEIVE PAYMENTS AFTER HOURS. AND HISTORICALLY WE'VE DONE
[00:44:36] THAT. OUR HARBOR SPECIALISTS
[00:44:40] WERE RECIPIENTS OF CASH PAYMENTS AFTER HOURS. THAT'S NO LONGER OCCURRING. SO
[00:44:48] CONTROL GAP NUMBER TWO
[00:44:50] REFERENCES BOTH LOCATIONS AND WHAT CONTROL GAP NUMBER TWO STATES IS THAT NO MANAGERS
[00:44:58] APPROVAL FOR ADJUSTMENTS IN GENERAL OVERRIDES EXCEPT FOR ACCOUNT CREDIT. SO BASICALLY
[00:45:06] UP UNTIL THE RECOMMENDATIONS FROM INTERNAL AUDIT, WE DID NOT HAVE MANAGERS AUTHORIZING
[00:45:14] OVERRIDES. AND SO THE INFORMATION COMMUNICATIONS AND TECHNOLOGY DEPARTMENT, OUR ICT
[00:45:21] CLIENT TEAM HAS TAKEN STEPS TO MODIFY PERMISSIONS IN OUR EXISTING MARINA MANAGEMENT
[00:45:27] SYSTEM PLATFORM.
[00:45:30] EFFECTIVE IMMEDIATELY, WRITTEN GUIDANCE HAS BEEN PROVIDED TO ALL EMPLOYEES INDICATING THAT
[00:45:36] OVERRIDES MUST BE ACCOMPLISHED BY A MANAGER OR SUPERVISOR. ADDITIONALLY MONTHLY REVIEWS
[00:45:43] WILL BE CONDUCTED BY MANAGEMENT TO VALIDATE COMPLIANCE. THIS FUNCTION HAS BEEN ELEVATED TO A
[00:45:49] MANDATORY FUNCTION IN OUR VESSEL MANAGEMENT SYSTEM. NOW THAT CONTROL GAP MEASURE NUMBER
[00:45:56] TWO APPLIES TO BOTH LOCATIONS.
[00:46:00] AND CONTROL GAP NUMBER THREE, NO CASH HANDLERS ID IDENTIFICATION IS IN THE SYSTEM
[00:46:07] OR PHYSICAL DOCUMENTATION IS PROVIDED. SO AS A RESPONSE, WE'VE DEvised AN ELECTRONIC
[00:46:15] STAMP THAT'S BEEN CREATED TO PROVIDE SIGNATURE
[00:46:20] BLOCKS ON THE RECONCILIATION SHEETS PROVIDED BY THE MARINA MANAGEMENT SYSTEM.
[00:46:27] EACH EXPLANATION WILL BE REVIEWED BY A SENIOR MANAGER AND DEPARTMENT DIRECTOR.
[00:46:34] FURTHERMORE INTERNAL AUDITS RECOMMENDATION TO DISCONTINUE CASH COLLECTION FOR SHOWERS
[00:46:40] WILL BE REVIEWED DURING THE NEXT TARIFF 6 REVIEW. NOW.
[00:46:45] THIS IS ONE ITEM THAT YOU DO SEE DIFFERENCES IN THAT WE DO COLLECT SHOWER COINS AT
[00:46:53] FISHERMAN'S TERMINAL
[00:46:55] HOWEVER THEY HAVE NOT BEEN DEPOSITED ON A WEEKLY BASIS AND THAT'S BECAUSE FISHERMAN'S
[00:47:01] TERMINAL HAS A CUSTOMER BASE THAT IS SEASONAL. AND LIKE WHERE WE ARE TODAY AND
[00:47:10] THIS SPRING WHERE THE FISHERS HAVE RETURNED AND THEY'RE UTILIZING
[00:47:16] THE FACILITY IN PREPARATION FOR THE UPCOMING FISHERY WE'RE SEEING A LOT MORE USE OF
[00:47:23] OUR CUSTOMER SERVICE FACILITIES AT FISHERMAN'S TERMINAL INCLUDING THE SHOWERS
[00:47:30] THAT ARE COIN OPERATED SO WE ARE INCREASING THOSE
[00:47:35] DEPOSITS TO REPRESENT THAT. HOWEVER COIN PAYMENT COLLECTION BOXES
[00:47:43] FOR THE SHOWERS AT SHILSHOAL MARINA HAVE BEEN REMOVED.
[00:47:49] THIS HAS ELIMINATED THE NEED TO COLLECT SHOWER COINS. AND WHEN WE COMPLETE THE NEWLY
[00:47:54] CONSTRUCTED CUSTOMER SERVICE FACILITIES LATER THIS YEAR. WE'RE EXPLORING NEW WAYS FOR
[00:48:01] ALTERNATIVE PAYMENT METHODS TO ELIMINATE THE ONGOING THEFT AND VANDALISM THAT WE'VE
[00:48:06] EXPERIENCED AT SHILSHOAL BAY MARINA AT THESE PAD POINT MACHINES. SO WE ARE ADDRESSING
[00:48:14] EACH OF THESE CONTROL GAAP MEASURES AND WITH THAT I'D LIKE TO OPEN IT UP TO ANY QUESTIONS
[00:48:21] THAT YOU MAY HAVE.
[00:48:26] THANK YOU, KENNY. COMMISSIONER BOWMAN, ANY QUESTIONS?
[00:48:33] NO QUESTIONS, JUST TO COMMENT THAT KENNY I APPRECIATE THE MANAGEMENT RESPONSE AND THE
[00:48:38] STEPS THAT YOU'VE TAKEN AND I KNOW THAT YOU KNOW, THE SHOWER COINS HAVE BEEN A CONCERN FOR
[00:48:45] QUITE A WHILE SO APPRECIATE THESE ADDITIONAL CHANGES TO THE SYSTEM.
[00:48:51] THANK YOU.

[00:48:59] AND ANY QUESTION FROM CHRIS GOERKE? NOPE, NO QUESTIONS FOR ME. THANK YOU.
[00:49:07] OKAY. OKAY. WELL, THANK YOU COMMISSIONERS AND MISS GOERKE AND GLENN. THANK YOU, KENNY.
[00:49:21] THANKS, KENNY.
[00:49:23] COMMISSIONERS THE NEXT ITEM THAT WE HAVE IS AIRPORT LOST AND FOUND. AGAIN. NOT A LOT OF
[00:49:30] CASH, BUT SURPRISINGLY FROM APRIL TO DECEMBER OF LAST YEAR QUITE A BIT OF CASH WAS LOST AT
[00:49:40] THE AIRPORT AND 43 POUNDS WASN'T RETURNED, WASN'T ACCOUNTED FOR, RETURNED TO
[00:49:48] CUSTOMERS ESSENTIALLY. IT WAS DEPOSITED IN THE PORT'S ACCOUNT. I'M SORRY. 28,000 WAS
[00:49:54] DEPOSITED FROM THE 43. SO QUITE A LARGE SUM OF CASH GETS LOST AND WE OUTSOURCE THIS TO
[00:50:03] HALLMARK AVIATION.
[00:50:06] HALLMARK MANAGES
[00:50:09] THE LOST AND FOUND AND THEY STAFF IT WITH THEIR STAFF. AND WHEN WE LOOKED AT THEIR
[00:50:15] POLICIES AND PROCEDURES HALLMARK HAD EXCELLENT DOCUMENTED POLICIES AND
[00:50:20] PROCEDURES. SO WE STARTED THERE BUT THEN WE FOUND THAT NONE OF THE STAFF WERE FOLLOWING
[00:50:28] THESE POLICIES AND PROCEDURES. SO NOT ONLY WERE THEY NOT FOLLOWING IT, THE
[00:50:34] DOCUMENTATION WAS IN MUCH NEED OF IMPROVEMENT AND WE WERE UNABLE TO TRACE CASH RECEIVED
[00:50:43] TO CASH RETURNED TO CUSTOMERS AND CASH DEPOSITED INTO THE PORT ACCOUNTS. SO THE
[00:50:50] RECORD-KEEPING AND FOLLOWING THE PROCEDURES WAS IMPORTANT TO THIS PORT PROCESS AND
[00:50:57] JIM PETERSON IS GOING TO TALK A LITTLE BIT ABOUT THE ACTION PLAN NEXT SO
[00:51:05] NEXT SLIDE, PLEASE.
[00:51:12] SO ESSENTIALLY OUR RECOMMENDATION WHICH WE'LL HEAR A LITTLE BIT ABOUT IS
[00:51:18] ENFORCE THE EXISTING PROCEDURES WITH STAFF THROUGH COMMUNICATION AND THEN MONITOR
[00:51:23] IT AND MAINTAIN DOCUMENTATION. SO WITH THAT
[00:51:29] LAUREN IF YOU COULD UNMUTE JIM
[00:51:33] YEAH, YEAH,
[00:51:40] OKAY, JIM. IT LOOKS LIKE YOU ARE UNMUTED. YES. GOOD AFTERNOON. GOOD AFTERNOON
[00:51:46] COMMISSIONERS AND AUDIT COMMITTEE. THIS IS JIM PETERSON. I'M THE SENIOR
[00:51:51] MANAGER OF CUSTOMER EXPERIENCE AT THE AIRPORT AND WE'D LIKE TO TAKE THIS OPPORTUNITY TO
[00:51:56] ADDRESS AND TO SPEAK TO THIS VALUABLE AUDIT THAT WAS CONDUCTED. I THINK IT WOULD BE
[00:52:01] BENEFICIAL TO THE GROUP AND TO THE AUDIENCE TO RECOGNIZE AND UNDERSTAND A
[00:52:07] LITTLE BIT ABOUT THE AIRPORT LOST AND FOUND.
[00:52:11] THE AIRPORT LOST AND FOUND IS TYPICALLY NOT ON THE FOREFRONT OF AWARENESS TO OUR CUSTOMERS
[00:52:17] NOR TO THE ORGANIZATION UNTIL YOU NEED THAT AND THAT IS YOU MAY BE LOSING SOMETHING OF HIGH
[00:52:24] VALUE OR SENTIMENTAL VALUE AS YOU JOURNEY THROUGH SEA AND THAT'S WHEN THE AIRPORT LOST
[00:52:31] AND FOUND COMES INTO VALUABLE PLAY FOR OUR CUSTOMERS. IT'S A VALUABLE SERVICE WHERE WE
[00:52:37] STRIVE TO BE GOOD STEWARDS TO OUR ROLE AND OUR RESPONSIBILITIES NOT ONLY TO
[00:52:42] THE STATE, THE RCW, BUT ALSO TO CUSTOMERS TO EFFECTIVELY MANAGE THE OPERATION AND MOST
[00:52:50] IMPORTANTLY RETURN LOST ITEMS TO THEIR OWNERS. SO GREAT APPRECIATION THIS LAST COUPLE
[00:52:57] MONTHS WORKING WITH GLENN AND HIS TEAM FOR THEIR EXPERTISE AND THE PARTNERSHIP DURING THE
[00:53:02] AUDIT PERIOD. IT RAISED SOME SOME GREAT INFORMATION AND INSIGHT INTO A NEW LENS FOR US
[00:53:10] TO VIEW THE OPERATION AND TO CHECK THE POLICIES AND THE PROCEDURES THAT WE PUT IN PLACE
[00:53:18] BACK BEGINNING IN APRIL 2019. THE REPORT HELP TO HIGHLIGHT AND IDENTIFY INCONSISTENCIES
[00:53:25] WHERE ESTABLISHED PROCEDURES WERE NOT ALWAYS BEING FOLLOWED. AND SO IT'S WITH THAT, AVIATION
[00:53:32] CUSTOMER SERVICE CONCURS WITH INTERNAL AUDITS RECOMMENDATIONS, AND WE HAVE
[00:53:37] OUTLINED THREE BULLET POINTS FOR THE ACTION PLAN THAT WE'VE ALREADY UNDER TOOK RIGHT AFTER
[00:53:44] THIS WAS PUBLISHED. THE THREE ACTION ITEMS THAT WE'RE LOOKING FORWARD TO COMPLETING IS:
[00:53:49] NUMBER ONE WORKING WITH HALLMARK AVIATION TO IDENTIFY THE ROOT CAUSES AS TO WHY THOSE
[00:53:57] EMPLOYEES WERE NOT FOLLOWING THE ESTABLISHED WRITTEN PROCEDURES. THAT WORK IS
[00:54:03] ALREADY UNDERWAY, AND WE'VE ASKED THEM TO COMPLETE THEIR REPORT IN 30 DAYS. SECONDLY, NEW
[00:54:11] RECONCILIATION REPORTS AND PROCESSES HAVE BEEN ESTABLISHED TO IDENTIFY AND TO HIGHLIGHT
[00:54:17] THE CURRENCY TRANSACTIONS. AND THEN THIRD ADDITIONAL OVERSIGHT IS NOW TAKING PLACE TO MONITOR
[00:54:26] WEEKLY AND REVIEW WEEKLY RECONCILING REPORTS.
[00:54:30] SO WITH THAT I'LL TAKE ANY QUESTIONS.
[00:54:36] NO QUESTIONS FOR ME. COMMISSIONER BOWMAN?
[00:54:40] HI, JUST BRIEFLY. THANK YOU FOR NUMBER ONE, THANK YOU TO GLENN FOR FOCUSING ON THIS AREA. I
[00:54:48] THINK IT'S UM, IT'S A SMALL PART OF THE AIRPORT BUT IS AN IMPORTANT ONE AND SO I
[00:54:52] APPRECIATE MR. PETERSON YOUR YOUR COMMENTS AS WELL. I'M JUST CURIOUS. OBVIOUSLY THERE'S MANY
[00:55:01] MANY ITEMS. SO AS I'M READING THIS A VOLUME OF 25,000 ITEMS THAT GO THROUGH LOST AND
[00:55:09] FOUND. WHAT HAPPENS IF YOU DON'T MIND ME ASKING WITH THE PHYSICAL ITEMS BESIDES
[00:55:15] CURRENCY? ITS I KNOW THAT THIS AUDIT IS FOCUSED ON THE CURRENCY, BUT YOU KNOW, I'VE
[00:55:21] HAD PHONES OTHER VALUABLES. WHAT HAPPENS TO THOSE THAT ARE NOT ABLE TO BE RETURNED TO THEIR
[00:55:28] OWNERS? GOOD VERY GOOD QUESTION COMMISSIONER. WELL, FIRST OF ALL, OUR ULTIMATE GOAL IS TO
[00:55:35] RETURN A HUNDRED PERCENT OF THOSE LAST ITEMS AND THAT'S NOT ALWAYS POSSIBLE AS AS YOU KNOW.
[00:55:41] SO OUR BENCHMARK, OUR

[00:55:44] GOAL IS TO ACHIEVE A 51 PERCENT OR BETTER RETURN RATE. FOR THOSE ITEMS THAT ARE NOT RETURNED
[00:55:53] LIKE JACKETS IN WINTER TIMES OR THE THE PILLOWS AND SO FORTH. WE'VE HAVE A
[00:55:59] LONG-STANDING PARTNERSHIP WITH SEATTLE'S CHILDREN'S HOSPITAL AND THAT
[00:56:05] HAS BEEN ON A MONTHLY BASIS ACCORDANCE TO THE RCW THEY RECEIVE THOSE ITEMS AND THEN
[00:56:13] THEY MANAGE THAT THROUGH THEIR NETWORK OF STORES AND THE PROCEEDS GO TO THAT NONPROFIT.
[00:56:20] NOW IN REGARDS TO CELL PHONES AND HIGH-VALUE ITEMS, THE PORT OF SEATTLE POLICE
[00:56:28] DEPARTMENT TAKES AN ACTIVE ROLE IN TAKING ANOTHER STEP IN KIND OF UNLOCKING THOSE ITEMS AND
[00:56:34] TRACKING DOWN-- A GREAT DEAL OF EFFORT GOES INTO TRACKING DOWN THE OWNERS. AND WHEN
[00:56:41] THEY'VE EXHAUSTED EVERY STEP THAT THEY CAN TAKE TO REUNITE THOSE ITEMS THEN THOSE ARE
[00:56:46] AUCTIONED OFF BY THE POLICE DEPARTMENT.
[00:56:52] AND THEN WHAT ABOUT OTHER ITEMS, I DON'T KNOW A WEDDING RING AND I MEAN OTHER ITEMS THAT ARE NOT
[00:57:00] ELECTRONIC? ARE ALL OF THOSE AUCTIONED OFF?
[00:57:04] NO THOSE ARE
[00:57:07] THERE JUST AN AMAZING ARRAY OF ITEMS THAT ARE LOST. I MEAN WE WILL HAVE A 55 INCH LCD TV
[00:57:15] TO YOU KNOW NUMEROUS JACKETS TO ITEMS OF YOU JUST NAME IT. AND THOSE ITEMS AGAIN ARE MANAGED
[00:57:23] THROUGH. LIKE FOR EXAMPLE--
[00:57:25] EYEGLASSES. EYEGLASSES ARE DONATED TO, I FORGET THE NAME, I'M SORRY OF THE
[00:57:31] NONPROFIT ORGANIZATION BUT THE PRIMARY RECIPIENT AND PARTNER IN THIS
[00:57:36] IS SEATTLE CHILDREN'S HOSPITAL FOR THOSE ITEMS WHERE WE'RE UNABLE TO FIND THE OWNERS.
[00:57:46] CHRIS
[00:57:47] THANK YOU.
[00:57:53] CHRIS ANY QUESTIONS?
[00:57:55] NO QUESTIONS FROM ME. THANK YOU.
[00:57:59] PERFECT. THANK YOU JIM. OKAY. THANK YOU.
[00:58:04] GLENN
[00:58:07] OKAY, COMMISSIONERS, BEFORE I MOVE ON TO THE NEXT AUDIT. I ALSO WANT TO GIVE LAUREL DUNPHY
[00:58:15] THE OPPORTUNITY TO SPEAK TO YOU A LITTLE BIT ABOUT CONTROLS THAT HAVE BEEN PUT IN AT THE
[00:58:20] AIRPORT PARKING GARAGE. LAUREN IF YOU CAN UNMUTE LAUREL DUNPHY AND LAUREL, IF YOU'RE
[00:58:27] WILLING TO SPEND A COUPLE MINUTES TO ADDRESS TO PROVIDE THE COMMISSIONERS AN UPDATE
[00:58:35] ON AIRPORT PARKING GARAGE. CONTROLS PUT IN PLACE.
[00:58:41] YEAH, LAUREL HAS A LITTLE
[00:58:46] THING NEXT TO HER NAME THAT IT'S NOT LETTING ME UNMUTE HER.
[00:58:51] THAT'S A FUN NEW ONE. LAUREL, ARE YOU ABLE TO UNMUTE YOURSELF?
[00:59:11] I THINK IT HAS SOMETHING TO DO WITH HER AUDIO BEING
[00:59:15] CONNECTED TO A PHONE VERSUS THE DESKTOP AUDIO.
[00:59:23] I CANNOT UNMUTE THE PHONE BECAUSE THAT ONE IS NOT POPPING UP.
[00:59:29] SO WE CAN MOVE ON, IF LAUREL IS ABLE TO JOIN US
[00:59:35] LATER, I WILL MAKE IT KNOWN.
[00:59:39] LAUREL?
[00:59:42] CAN YOU HEAR ME NOW?
[00:59:45] LAUREL?
[00:59:46] YEP, WE CAN HEAR YOU.
[00:59:50] I JUST TOOK MY NOTES AWAY. BUT THANK YOU FOR THE OPPORTUNITY.
[00:59:55] GOOD AFTERNOON. EVERYONE APPRECIATE THE OPPORTUNITY.
[01:00:00] WE DID HAVE AN UNFORTUNATE SITUATION IN THE PARKING GARAGE WITH SOME LOSS OF CASH AND
[01:00:06] FORTUNATELY DUE TO
[01:00:09] SOME ACTIVITY BY SOME CASHIERS WHO ARE NO LONGER EMPLOYED BY THE PORT.
[01:00:16] AS A RESULT OF THIS AUDIT. WE HAVE PUT IN PLACE
[01:00:20] SEVERAL NEW FEATURES TO HELP US BETTER TRACK THE USE OF DISCOUNTS BY THE CASHIERS. SO
[01:00:29] NOW ALL CASHIER CODES ARE RECORDED. WE GET A REPORT THAT ICT HAS DEVELOPED FOR US
[01:00:35] AND THAT WILL GIVE US THE AMOUNT OF CASH DISCOUNTS THAT ARE OFFERED BY A
[01:00:43] CASHIER DURING THEIR WORKING PERIOD THIS IS AUDITED REGULARLY BY THE PARKING
[01:00:50] MANAGEMENT STAFF. WE'VE ALSO INCREASED OUR ABILITY TO REVIEW VIDEO FOOTAGE OF THE CASHIER
[01:00:59] LANE. WHILE WE HAD ONLY HAD A PERIOD OF TWO WEEKS, WE NOW CAN SEE THAT FOR UP TO SIX MONTHS
[01:01:05] SHOULD WE HAVE QUESTIONS ABOUT ANY TRANSACTIONS IN THE BOOTH. WE ARE ALSO PARTNERING WITH THE
[01:01:11] FINANCE TEAM TO HAVE MORE REGULAR REPORT ON OUR OVERALL CASH ACTIVITY. SO WE KEEP IT A
[01:01:20] HIGH-LEVEL LOOK AT THAT AS WELL.
[01:01:23] AND THEN WE'RE MOVING FORWARD WITH DIFFERENT
[01:01:26] TICKETING OPPORTUNITIES OR PAY OPPORTUNITIES LIKE APPLE AND GOOGLE PAY AND THOSE ARE PART
[01:01:32] OF THE FUTURE OF THE PARKING GARAGE SO ALL OF THOSE THINGS WILL HELP ENSURE THAT THIS
[01:01:40] DOESN'T HAPPEN AGAIN.
[01:01:53] EXCELLENT.
[01:02:13] WE LOST GLENN'S AUDIO THERE. SORRY I WAS MUTED. NOW I'M NOT. SO EQUIPMENT

[01:02:23] ACQUISITION MONITORING. THIS AUDIT WAS ESSENTIALLY BECAUSE THE HOTLINE COMPLAINT
[01:02:28] ON ASSETS AT THE FIRE DEPARTMENT. RELATIVELY SMALL ASSETS, BUT YOU KNOW,
[01:02:37] NONETHELESS WE WENT IN AND LOOKED AT WHAT THEY WERE DOING, THEIR
[01:02:44] POLICIES AND PROCEDURES. NEXT SLIDE PLEASE
[01:02:50] WE DID GO THROUGH
[01:02:53] ALL THE COMPLAINTS THAT WERE LISTED. THERE WAS A WHOLE SERIES OF THEM AND MOST OF THEM
[01:03:02] WE WERE ABLE TO FIND THE ASSETS OR TRACK THEM DOWN OR YOU KNOW IDENTIFY THE VALUE OF
[01:03:07] THOSE ASSETS WITH MINIMAL [INAUDIBLE]. I THINK WHAT WE CONCLUDED WAS
[01:03:18] THERE WERE A COUPLE THAT WE COULDN'T IDENTIFY AND WE SAID OKAY. WELL, MAYBE, YOU
[01:03:23] KNOW, WE LOOKED AT THE VALUE AND THEY'RE REALLY OLD ITEMS FROM THE 80S THAT
[01:03:30] MOST LIKELY CHIEF KRAUSE'S TEAM WAS JUST TRY TO CLEAN HOUSE AND THEY DID CERTAIN
[01:03:38] THINGS,
[01:03:41] PORT POLICIES AC 1314 WEREN'T FOLLOWED. BASICALLY DOCUMENTATION AND SOME THINGS.
[01:03:46] BUT YOU KNOW WE CONCLUDED THAT MOST ITEMS THAT WERE RAISED IN THE COMPLAINT
[01:03:53] WERE WITHOUT MERIT. NEXT SLIDE, PLEASE.
[01:03:57] I'M GONNA ACTUALLY TALK THROUGH
[01:04:01] THE NEXT ISSUE AS WELL, SO AND THEN I'LL HAND IT BACK TO CHIEF KRAUSE. SO LET'S MOVE FORWARD.
[01:04:08] LAUREN, ONE MORE.
[01:04:13] WE ALSO NOTED AN OPPORTUNITY DURING THIS FOR
[01:04:17] THE FIRE DEPARTMENT TO WORK WITH FINANCE TO JUST ENHANCE THEIR TRACKING, DISPOSAL, OF
[01:04:22] SMALL AND ATTRACTIVE ASSETS. SMALL AND ATTRACTIVE ASSETS ESPECIALLY SINCE WE
[01:04:27] HAVE A LOT OF THOSE. IT'S
[01:04:32] HOW DO WE
[01:04:33] BETTER FOLLOW PORT PROCEDURES?
[01:04:37] MY PHONE IS GOING OFF HERE.
[01:04:40] ANYWAYS, SO WITH THAT, YOU KNOW AGAIN A SMALL OPPORTUNITY. WHILE WE'RE IN THERE DOING THE AUDIT
[01:04:47] WE IDENTIFIED SOME SMALL OPPORTUNITIES FOR IMPROVEMENT, BUT I WANT TO HIGHLIGHT THAT
[01:04:53] CHIEF KRAUSE IS VERY SUPPORTIVE AND HELPFUL. HE MADE EVERYTHING AVAILABLE TO US AND WE FOUND
[01:05:00] LIKE I SAID THAT THE ALLEGATIONS THAT WERE BROUGHT FORTH WERE WITHOUT MERIT.
[01:05:06] NEXT SLIDE, PLEASE.
[01:05:12] AND
[01:05:14] YEAH THIS HIGHLIGHTS OUR RECOMMENDATIONS WHICH CHIEF KRAUSE IS GOING TO TALK
[01:05:18] THROUGH. SO IF YOU CAN MOVE TO THE NEXT SLIDE AND UNMUTE CHIEF KRAUSE AND MUTE ME AND.
[01:05:27] ALL RIGHT GLEN YOU ARE MUTED AND NOW I'M GOING TO FIND CHIEF KRAUSE.
[01:05:36] ALL RIGHT, YOU SHOULD BE UNMUTED AND CAN BEGIN.
[01:05:41] ALL RIGHT, THANK YOU. LAUREN.
[01:05:43] FIRST I WANT TO SAY THANKS TO GLENN AND NIKITA AND SPENCER. THEY WERE AMAZING. AS HE
[01:05:49] INFORMED YOU THIS WAS FROM A HOTLINE COMPLAINT. THEY WERE VERY PROFESSIONAL. THEY DID
[01:05:54] THEIR DUE DILIGENCE AND I REALLY HAVE A GREAT DEAL OF RESPECT FOR THE INTERNAL AUDIT
[01:05:58] TEAM AND AS I'VE TOLD GLENN AND I'VE PASSED ON TO OTHERS, I REALLY APPRECIATE THIS IS ONE
[01:06:03] OF THOSE. IT'S THE PORT LOOKING AT THE PORT SO I REALLY APPRECIATE EVEN THOUGH HOW THIS
[01:06:08] CAME ABOUT MAY HAVE BEEN A BIT UNCOMFORTABLE, IT DEFINITELY PRODUCED THE RESULTS
[01:06:14] THAT I WOULD WANT AS THE LEADER OF THE TEAM TO HAVE THEM RECOGNIZE IT WE WERE NOT
[01:06:19] FOLLOWING A C-13 AND AC 14 AT THE TIME AND SINCE THEN WE'VE IMMEDIATELY
[01:06:25] IMPLEMENTED THE PROCESS. WE'VE IMPROVED OUR PROCESSES GREATLY. AND IT MAINLY IT'S FROM
[01:06:29] AWARENESS OF WHAT THE TEAM HAD BROUGHT TO OUR ATTENTION. SO WHEN WE DISPOSITION, SURPLUS OR
[01:06:36] TRANSFER ASSETS, WE FOLLOW AC 13 AND 14. AND ONE OF THE THINGS THAT WE ARE ALSO
[01:06:41] INVOLVED WITH RIGHT NOW IS THE ASSET CHARTER TEAM, WHICH IS REALLY LOOKING AT ASSETS AND
[01:06:47] TRYING TO BECOME MORE CONSISTENT ACROSS ALL LINES OF BUSINESS AND HOW WE MANAGE
[01:06:51] ASSETS. I'M REALLY HAPPY TO BE
[01:06:54] PARTICIPATING WITH THAT TEAM. MYSELF IN MY ADMIN SUPERVISOR, ERICA RAMOS ARE INVOLVED WITH
[01:06:59] THAT. SO IT'S BEEN A ENLIGHTENING EXPERIENCE AND SO ALL ALONG THE WAY WE PLAN ON
[01:07:05] STAYING COMPLIANT AND IMPROVING OUR PROCESSES AS THEY MODIFY AND CHANGE AS WE DO
[01:07:11] THROUGH THIS ASSET CHARTER TEAM. SO ONE OF THE THINGS THAT WAS RECOGNIZED IN
[01:07:15] THE AUDIT IF I CAN SAY. IS THAT ONE OF THE THINGS THAT WE DO REALLY REALLY WELL AT THE FIRE
[01:07:20] DEPARTMENT IS ON THE FRONT SIDE OF IT. ONE OF OUR ADMIN ASSISTANTS, ANNA BOUDIN IS
[01:07:25] PHENOMENAL AT THE PURCHASING SIDE AND TRACKING THE PURCHASING AND MAKING SURE THAT
[01:07:30] WE'RE COMPLIANT WITH PURCHASING AND ASKING ALL THE APPROPRIATE QUESTIONS TO CPO IN REGARDS
[01:07:36] TO THAT. SO WHAT WE'VE DONE IS
[01:07:40] I HAVE ERICA RAMOS AND ANNA LOOKING AT THE OPPORTUNITY OF ONE OF THEM BEING THE CUSTODIAN
[01:07:47] FOR US AND IT'S PROBABLY GOING TO BE ERICA
[01:07:52] IN REGARDS TO THAT.
[01:07:57] SO THAT'S ALREADY IN PLACE AND WE'RE ACTUALLY MEETING NEXT WEEK TO FINALIZE

[01:08:01] SOME OF OUR ACTIONS AND WE HAD PLANNED ON PURCHASING A SOFTWARE THAT MARINE
[01:08:07] MAINTENANCE IS CURRENTLY USING BUT WE PUT THAT ON HOLD AS PART OF A COST-SAVING MEASURE. SO
[01:08:12] WE'RE GOING TO BE USING MASS MAXIMO TO TAG OUR ASSETS AND WE'RE TRYING TO GET THAT UP AND
[01:08:18] RUNNING SO THAT WE CAN IDENTIFY ALL OF OUR INVENTORIES AND ONE OF THE THINGS I TALK TO GLENN
[01:08:23] AND SPENCER ABOUT WAS NOT ONLY THOSE ASSETS UNDER \$5,000 AT THE FIRE DEPARTMENT, I HAVE
[01:08:29] CHAINSAWS AND CIRCULAR SAWS AND PRETTY CRITICAL EQUIPMENT THAT ARE ATTRACTIVE UNDER THAT COST
[01:08:37] DOLLAR AMOUNT. WE'RE GOING TO ALSO TRACK AND MONITOR THOSE AS WELL.
[01:08:46] I THINK THAT'S THAT FOR THIS SLIDE.
[01:08:50] AND TWO THINGS THAT WE HAVE IN THE WORKS. SO WE PLAN ON THE RECOMMENDATION, WHICH WE
[01:08:54] DO AGREE WITH, IS WE HAVE A TOOL ROOM THAT OUR MECHANICS
[01:09:00] STAGE A LOT OF PARTS FOR OUR VEHICLES AND WE HAVE A TRAINING SUPPLY ROOM THAT ALSO HAS SOME
[01:09:07] SMALL AND ATTRACTIVE ASSETS. WE'RE GOING TO SECURE THE BOTH OF THOSE DOORS WITH INTELLIKEYS
[01:09:13] SO THAT WE CAN TRACK AND MONITOR ACCESS IN AND OUT OF THOSE ROOMS AND THEN
[01:09:18] WE PLAN TO ALIGN OUR POLICIES AND PROCEDURES THAT ARE OUTSIDE OF OR IN ADDITION
[01:09:24] TO AC 13 AND 14 THEN EF 1 AND 2 WHEN THEY COME ABOUT WE'RE GOING TO HAVE INTERNAL POLICIES
[01:09:30] THAT EITHER REFER TO THEM OR ARE ENHANCED BECAUSE OF SOME OF THE SMALLER DOLLAR
[01:09:35] VALUE TOOLS THAT WE
[01:09:38] KNOW THAT WE SHOULD BE TRACKING. WE'RE GOING TO GO AHEAD AND IMPLEMENT THAT
[01:09:42] THROUGH POLICY
[01:09:44] THAT'S NOT IDENTIFIED IN THE OTHER POLICIES BUT IMPORTANT FOR US TO HAVE A PROCESS FOR.
[01:09:53] WITH THAT COMMISSIONERS BOWMAN, CAULKINS, OR CHRIS GEORKE, ANY QUESTIONS?
[01:10:00] THANK YOU CHIEF KRAUSE. IT SEEMS LIKE YOU'VE RESPONDED FULSOMELY TO THE FINDINGS AND I
[01:10:08] APPRECIATE THAT
[01:10:10] WE DID WE RESPONDED TO A HOTLINE COMPLAINT WITH A COMPLETE INVESTIGATION AND
[01:10:18] EXCELLENT RESPONSE FROM THE EFFECTED DEPARTMENT. SEEMS LIKE THIS WHOLE PROCESS
[01:10:24] WENT SMOOTHLY. COMMISSIONER BOWMAN? NO QUESTIONS. THANKS CHIEF.
[01:10:34] CHRIS? NO QUESTIONS FOR ME. THANK YOU
[01:10:40] AND IF I MAY, I CAN'T REITERATE ENOUGH HOW APPRECIATIVE I AM FOR GLENN AND HIS TEAM. THEY DID
[01:10:44] A GREAT JOB IN THIS CASE. I REALLY APPRECIATE THE WORK THEY DID.
[01:10:50] THANK YOU.
[01:10:51] THANK YOU CHIEF.
[01:10:54] ALL RIGHT GLENN BACK TO YOU.
[01:10:56] THANK YOU CHIEF.
[01:10:58] NEXT SLIDE, PLEASE LAUREN.
[01:11:02] SO THE NEXT AUDIT WE'VE GOT TWO MORE. THEY'LL BE RELATIVELY LIGHT. THE SERVICE CHANNEL WE
[01:11:09] CAPITAL OUT AT THE SERVICE TUNNEL AND THE SERVICE TUNNEL IS ESSENTIALLY A TUNNEL UNDER
[01:11:14] THE AIRPORT THAT LOTS OF SUPPLIES RUN THROUGH.
[01:11:20] YOU KNOW, IT WAS SEISMICALLY UNSTABLE. SO IT HAD TO BE
[01:11:25] REWORKED AND WE
[01:11:28] WE STRENGTHENED I GUESS WOULD BE THE WORD TO PUT. SO JAMES FOWLER WAS A COMPANY THAT WAS SELECTED
[01:11:34] FOR IT, FOR THE WORK AND
[01:11:38] THEY'VE BEEN WORKING ON THE PROJECT SINCE BACK IN 2017.
[01:11:46] SO IT'S YOU KNOW, PRETTY MUCH NEAR COMPLETION OF THIS POINT. NEXT SLIDE, PLEASE.
[01:11:56] SO WE LOOKED AT QUITE A LOT OF THINGS ON THIS AND I WANT TO HIGHLIGHT THAT
[01:12:02] EVERYTHING WILL CHECK OUT. THE AUDIT DIDN'T HAVE ANY ISSUES AND I'M NOT GOING TO ASK FOR A
[01:12:09] RESPONSE FROM MANAGEMENT IN THIS BECAUSE THERE WEREN'T ANY ISSUES. WE DID NOTE THAT THERE
[01:12:17] WAS A. THE
[01:12:19] SERVICE TUNNEL DID DEPEND ON THE ANOTHER PROJECT, THE IAF, TO BUILD THE BUS TURN AROUND BUT
[01:12:24] SINCE THAT PROJECT WAS DELAYED
[01:12:27] THE CONTRACTOR HAD TO BUILD A BUS TURN AROUND TO GET THE BUSES TO TURN AROUND. THAT RAN
[01:12:33] US A LITTLE EXTRA MONEY.
[01:12:36] AND IT'S JUST SOMETHING WE WANTED TO NOTE THAT ESSENTIALLY ONE PROJECT SLIPS, IT COSTS
[01:12:41] ANOTHER PROJECT. ANOTHER IMPORTANT THING IS WHEN ALL SAID AND DONE AND THE IAF IS
[01:12:46] DONE, IF THEY DON'T HAVE TO BUILD A TURN AROUND AND THERE'S POTENTIALLY A DEDUCTION
[01:12:52] CHANGE ORDER OR IF THEY DO, YOU KNOW,
[01:12:56] THIS OLD TURN AROUND, THERE'S PROBABLY STILL SOME DEDUCT CHANGE ORDERS THAT THEY TO BE
[01:13:02] WORKED OUT, BUT THAT'LL BE YEARS DOWN THE ROAD, BUT WE JUST WANT TO DOCUMENT IT FOR
[01:13:07] NOW AND
[01:13:09] YOU KNOW AND NOTE IT. NO ISSUES HERE. SO I'M GOING TO KIND OF
[01:13:13] MOVE FORWARD ON THE NEXT AUDIT. THE NEXT AUDIT IS NETWORK PASSWORD MANAGEMENT.
[01:13:20] WE'RE GOING TO TALK ABOUT THIS AND HOW SECURITY SENSITIVE IN A, I GUESS IT'S NOT A PUBLIC
[01:13:25] SESSION. IT'S NOT CONSIDERED EXECUTIVE SESSION PER SE.
[01:13:30] NEXT SLIDE, PLEASE.

[01:13:32] AND THE FINAL AUDIT WAS ON MCDONALD'S.
[01:13:36] IT'S A CONCESSIONAIRE AT THE AIRPORT. AS YOU CAN SEE MCDONALD'S
[01:13:42] MOST RECENT YEAR WAS PULLING IN ABOUT 9 MILLION IN SALES A YEAR. SO QUITE A BIG OPERATION.
[01:13:48] I'M SURE IT'S SUBSTANTIALLY DOWN RIGHT NOW, BUT DURING THE TIME OF THE AUDIT THE REVENUES AND
[01:13:53] PERCENTAGE FEES FOR VERY LARGE. NEXT SLIDE PLEASE.
[01:13:59] WE DID NOTE ONE MINOR, ONE SMALLER ISSUE. IT WAS, IT JUST RECOUPED BY \$10,000 FOR
[01:14:06] THE PORT AND IT WAS PRIMARILY BECAUSE NON PRODUCT SALES ARE NOT BEING BILLLED CORRECTLY
[01:14:11] BY THE PORT.
[01:14:13] THERE WAS A LATE FEE AT SMALL. ON NON- PRODUCT SALES, I WANT TO NOTE THAT
[01:14:20] MCDONALD'S WAS PAYING THE AMOUNT WE WERE JUST
[01:14:24] NOT RECORDING IT RECORDING IT CORRECTLY. SO WE WERE PUTTING IT BACK AS A
[01:14:29] CREDIT BALANCE IN THEIR ACCOUNT. AND ITS A SMALL AMOUNT BUT STILL \$10,000 THAT THE PORT GETS BACK.
[01:14:38] NEXT SLIDE, PLEASE.
[01:14:40] SO WE'RE RECOMMENDING AND
[01:14:45] AFR AND YOU KNOW, THE ADR TEAM
[01:14:50] HAS STARTED THE PROCESS TO COLLECT THIS AND TO FIX-- MOST OF THOSE
[01:14:57] JUST ON OUR SIDE WHERE WE FIX THE BILLING AND THAT'S BEEN ADDRESSED AS WELL ALREADY. SO
[01:15:05] NEXT SLIDE, PLEASE.
[01:15:09] NOTHING ELSE IN THIS AUDIT. THAT IS THE MANAGEMENT RESPONSE SAYING THEY'LL GET THEIR LATE
[01:15:14] FEE AND
[01:15:16] CORRECT THE BILLING.
[01:15:18] I DON'T HAVE ANYTHING ELSE FOR THIS AUDIT COMMITTEE MEETING. SO I WILL PASS IT BACK TO
[01:15:23] COMMISSIONER CALKINS FOR ANY QUESTIONS ON THE LAST COUPLE AUDITS AND CLOSE IT.
[01:15:31] THANK YOU GLENN. AT THIS TIME. I'M GOING TO PROVIDE COMMISSIONER BOWMAN AN
[01:15:36] OPPORTUNITY TO RAISE ANY ADDITIONAL QUESTIONS ON THE LAST TWO PORTIONS OF THE
[01:15:40] PRESENTATION AND THEN ANY CONCLUDING REMARKS TO THE MEETING AND THEN I'LL PASS IT
[01:15:44] TO YOU CHRIS. COMMISSIONER BOWMAN? GREAT, THANK YOU. NO COMMENTS ON THE LAST TWO
[01:15:49] ITEMS ONLY JUST WANTED TO SAY THANK YOU SO MUCH TO THE STAFF FOR YOUR TRANSPARENCY AND
[01:15:56] MAKING THIS MEETING AVAILABLE TO THE PUBLIC. I KNOW IT'S A LOT OF EXTRA WORK, BUT YOU GUYS
[01:16:00] HAVE DONE A PHENOMENAL JOB. AND THANK YOU TO GLENN AND HIS TEAM.
[01:16:06] CHRIS?
[01:16:11] I HAVE NO FURTHER COMMENTS OR QUESTIONS. THANKS.
[01:16:15] OKAY. THANK YOU. THAT CONCLUDES TODAY'S PUBLIC AGENDA.
[01:16:20] AND HEARING NO FURTHER COMMENTS, AT THIS TIME WE WILL NOW ADJOURN TO THE NON-PUBLIC
[01:16:24] PORTION OF OUR MEETING TO DISCUSS ONE MATTER RELATED TO COMPUTER AND
[01:16:29] TELECOMMUNICATION SECURITY. THE TIME IS NOW 3:07 P.M.

END OF TRANSCRIPT