



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6b

ACTION ITEM

Date of Meeting October 13, 2020

DATE: October 5, 2020
TO: Steve Metruck, Executive Director
FROM: Duane Hill, AFR Senior Manager Disbursements
SUBJECT: Claims and Obligations – September 2020

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 Sept 1 through Sept 30, 2020 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	936630	936934	\$ 3,374,944.79
Accounts Payable ACH	029105	029794	\$ 83,356,883.21
Accounts Payable Wire Transfers	015460	015467	\$ 6,877,994.11
Payroll Checks	197141	197254	\$ 51,466.46
Payroll ACH	986092	990393	\$ 11,489,931.23
Total Payments			\$ 105,151,219.80

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 September 2020, over \$93,609,822.11 in payments were made to nearly 606 vendors, comprised of 1,647 invoices and over 6,325 accounting expense transactions. About 97 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Payroll Taxes, Contracted Services, Janitorial Services, Utility Expenses, Environmental Remediation and Bond Fees categories. Net payroll expense for the month of September was \$11,541,397.69. The following chart summarizes the top expense categories by total spend.

Top 15 Payment Category Summary:	
Category	Payment Amount
Construction	67,019,344.99
Employee Benefits	7,144,658.25
Payroll Taxes	4,383,050.08
Contracted Services	3,977,673.93
Janitorial Services	2,663,126.72
Utility Expenses	1,646,695.54
Environmental Remediation	1,174,543.58
Bond Fees	708,126.70
Software	644,818.09
Maintenance Inventory	638,399.85
Sales Taxes	574,690.82
Furn & Equip Purchase	438,990.54
Legal	386,499.75
Janitorial Supplies	237,002.01
Parking Taxes	215,195.50
Other Categories Total :	1,757,005.76
Net Payroll	11,541,397.69
Total Payments :	\$105,151,219.80

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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 October 13, 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