



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting: January 12, 2021

DATE: January 4, 2021
TO: Steve Metruck, Executive Director
FROM: Duane Hill, AFR Senior Manager Disbursements
SUBJECT: **Claims and Obligations – December 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 Dec 1 through Dec 31, 2020, as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	937689	938097	\$ 5,374,441.59
Accounts Payable ACH	031187	032220	\$ 70,506,335.86
Accounts Payable Wire Transfers	015498	015527	\$ 15,971,950.16
Payroll Checks	197665	197821	\$ 161,906.11
Payroll ACH	1001061	1005421	\$ 12,904,812.94
Total Payments			\$ 104,919,446.66

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 December 2020, over \$91,852,727.61 in payments were made to nearly 759 vendors, comprised of 2,406 invoices and over 7,593 accounting expense transactions. About 95 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Payroll Taxes, Contracted Services, Utility, Janitorial Services, Legal and Sales Taxes expense categories. Net payroll expense for the month of December was \$13,066,719.05. The following chart summarizes the top expense categories by total spend.

Top 15 Payment Category Summary:	
Category	Payment Amount
Construction	50,521,180.45
Employee Benefits	11,503,401.78
Payroll Taxes	9,031,434.67
Contracted Services	7,601,532.27
Utility Expenses	2,426,412.02
Janitorial Services	2,257,731.95
Legal	1,545,765.18
Sales Taxes	1,506,655.07
Software	1,109,532.91
Maintenance Inventory	750,749.42
Environmental Remediation	558,023.50
Public Expense	413,365.21
Bond Fees	262,792.18
Parking Taxes	207,800.56
Fuel	190,980.21
Other Categories Total	1,965,370.23
Net Payroll	13,066,719.05
Total Payments :	\$104,919,446.66

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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.



Lisa Lam/Port Auditor

At a meeting of the Port Commission held on January 12, 2021 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