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COMMISSION

AGENDA MEMORANDUM Item No. 8b

ACTION ITEM Date of Meeting July 12, 2022

DATE: July 5, 2022

TO: Steve Metruck, Executive Director

FROM: Lisa Lam, Assistant Director, Accounting & Financial Reporting

SUBJECT: Claims and Obligations – June 2022

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 June 1 through 30, 2022 as follows:
Payment

Payment Type Payment Reference Reference End Amount

Start Number Number

Accounts Payable Checks 944100 944505 \$ 4,976,243.92

Accounts Payable ACH 045503 046336 \$ 50,842,536.33

Accounts Payable Wire Transfers 015852 015871 \$ 14,577,892.03

Payroll Checks 201979 202399 \$ 138,251.84

Payroll ACH 1083241 1087424 \$ 12,727,148.71

Total Payments \$ 83,262,072.83

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 December 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 June 2022, over \$70,396,672.28 in payments were made to nearly 701 vendors, comprised of 2,104 invoices and over 9,254 accounting expense transactions. About 94 percent of the accounts payable payments made in the month fall into the Construction, Payroll Taxes, Employee Benefits, Contracted Services, Utility Expenses, Janitorial Services, Sales Tax, Maintenance Inventory, Computers & Telephone, and Legal. Payroll expense for the month of June was \$12,865,400.55.

Top 15 Payment Category Summary:

Category Payment Amount

Construction 32,286,988.98

Payroll Taxes 9,777,408.29

Employee Benefits 8,333,030.50

Contracted Services 5,218,638.96

Utility Expenses 4,112,863.54

Janitorial Services 2,707,833.31

Sales Taxes 1,401,926.04

Maintenance Inventory 936,652.91

Computers & Telephone 687,788.78

Legal 628,332.26

Public Expense 514,857.23

Parking Taxes 501,188.22
Software 405,295.93
Miscellaneous Expense 320,442.87
Employee Travel Expenses 295,801.52
Other Categories Total: 2,267,622.94
Net Payroll 12,865,400.55
Total Payments: \$83,262,072.83

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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.

At a meeting of the Port Commission held on July 12, 2022, 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