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COMMISSION

AGENDA MEMORANDUM Item No. 8b

ACTION ITEM Date of Meeting August 9, 2022

DATE: August 1, 2022

TO: Steve Metruck, Executive Director

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

SUBJECT: Claims and Obligations – July 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 July 1 through 31, 2022 as follows:

Payment

Payment Type Payment Reference Reference End Amount

Start Number Number

Accounts Payable Checks 944506 944858 \$ 6,512,965.95

Accounts Payable ACH 046337 047095 \$ 55,280,931.17

Accounts Payable Wire Transfers 015872 015890 \$ 12,851,554.06

Payroll Checks 202400 202983 \$ 164,651.46

Payroll ACH 1087425 1091702 \$ 13,073,439.73

Total Payments \$ 87,883,542.37

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 July 2022, over \$74,645,451.18 in payments were made to nearly 731 vendors, comprised of 2,169 invoices and over 8,610 accounting expense transactions. About 93 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Payroll Taxes, Leasehold Taxes, Contracted Services, Utility Expenses, NWSA Equity, Sales Tax, Janitorial Services, and Software. Payroll expense for the month of July was \$13,238,091.19.

Top 15 Payment Category Summary:

Category Payment Amount

Construction 39,571,188.26

Employee Benefits 8,556,803.38

Payroll Taxes 5,162,511.82

Leasehold Taxes 3,869,059.05

Contracted Services 3,767,958.39

Utility Expenses 3,036,097.73

NWSA Equity 2,781,900.00

Sales Taxes 1,199,633.79

Janitorial Services 837,668.08

Software 822,727.09

Maintenance Inventory 579,313.44

Parking Taxes 568,527.64
Bond Fees 525,807.66
Rebates 515,075.61
Environmental Remediation 441,678.55
Other Categories Total: 2,409,500.69
Net Payroll 13,238,091.19
Total Payments: \$87,883,542.37

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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 August 9, 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