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COMMISSION

AGENDA MEMORANDUM Item No. 8b _____

ACTION ITEM Date of Meeting November 14, 2023 _____

DATE: November 7, 2023

TO: Steve Metruck, Executive Director

FROM: Eloise Olivar, AFR Senior Manager Disbursements

SUBJECT: Claims and Obligations –October 2023

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 October 1 through 31, 2023 as follows:
Payment

Payment Type Payment Reference Reference End Amount

Start Number Number

Accounts Payable Checks 950359 950740 \$ 7,146,738.79

Accounts Payable ACH 059215 060276 \$ 63,987,654.77

Accounts Payable Wire Transfers 016153 016168 \$ 16,288,567.88

Payroll Checks 209323 209829 \$ 303,152.31

Payroll ACH 1158541 1165572 \$ 23,398,832.82

Total Payments \$111,124,946.57

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 October 2023, over \$87,422,961.44 in payments were made to nearly 824 vendors, comprised of 2,595 invoices and over 11,650 accounting expense transactions. About 92 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Leasehold Taxes, Payroll Taxes, Utility Expenses, Janitorial Services, Sales Tax, Environmental Remediation, and Maintenance Inventory. Payroll expenses for the month of October were \$23,701,985.13.

Top 15 Payment Category Summary:

Category Payment Amount

Construction 39,670,834.57

Employee Benefits 9,938,318.74

Contracted Services 6,744,876.78

Leasehold Taxes 6,516,814.34

Payroll Taxes 6,214,550.08

Utility Expenses 3,933,164.62

Janitorial Services 3,016,322.70

Sales Tax 1,965,177.34

Environmental Remediation 1,590,825.20

Maintenance Inventory 1,015,419.74

Software 997,436.57
Room/Space/Land Rental 878,395.69
Legal 679,743.61
Parking Taxes 660,084.27
Bond Fees 650,748.41
Other Categories Total: 2,950,248.78
Net Payroll 23,701,985.13
Total Payments: \$111,124,946.57

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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 November 14, 2023, 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