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COMMISSION

AGENDA MEMORANDUM Item No. 8b _____

ACTION ITEM Date of Meeting February 13, 2024 _____

DATE: February 06, 2024

TO: Steve Metruck, Executive Director

FROM: Eloise Olivar, AFR Senior Manager Disbursements

SUBJECT: Claims and Obligations –January 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 January 1 through 31, 2024 as follows:
Payment

Payment Type Payment Reference Reference End Amount

Start Number Number

Accounts Payable Checks 951695 952114 \$12,421,331.89

Accounts Payable ACH 062391 063490 \$62,451,681.93

Accounts Payable Wire Transfers 016216 016246 \$15,962,059.71

Payroll Checks 210787 211164 \$107,636.72

Payroll ACH 1174981 1179747 \$15,384,526.63

Total Payments \$106,327,236.88

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 January 2024, over \$90,835,073.53 in payments were made to nearly 872 vendors, comprised of 2,881 invoices and over 16,042 accounting expense transactions. About 90 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 Taxes, Public Expense, Maintenance Inventory. Net payroll expense for the month of January was \$15,492,163.35.

Top 10 Payment Category Summary:

Category Payment Amount

Construction 38,297,102.66

Employee Benefits 11,236,538.08

Contracted Services 10,543,858.93

Leasehold Taxes 6,444,961.56

Payroll Taxes 6,193,046.35

Utility Expenses 2,926,551.18

Janitorial Services 2,531,357.82

Sales Taxes 1,475,573.65

Public Expense 1,310,838.50

Maintenance Inventory 1,217,765.41

Other Categories Total: 8,657,479.39
Net Payroll 15,492,163.35
Total Payments: \$106,327,236.88

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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 February 13, 2024, 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