

START OF TRANSCRIPT

[00:00:31] GOOD MORNING. THIS IS
[00:00:33] COMMISSIONED VICE PRESIDENT
[00:00:34] TOSHIKO HASEGAWA CALLING TO
[00:00:35] ORDER THE PORT OF SEATTLE AUDIT
[00:00:37] COMMITTEE SPECIAL MEETING
[00:00:38] TODAY'S THURSDAY, JUNE 20,
[00:00:40] 2024, AND THE TIME IS EXACTLY
[00:00:42] 10:00 A.M. WE'RE MEETING TODAY
[00:00:45] HEADQUARTERS, COMMISSION
[00:00:46] CHAMBERS AND VIRTUALLY VIA
[00:00:48] MICROSOFT TEAMS. PRESENT WITH ME
[00:00:50] TODAY IS COMMISSIONER RYAN
[00:00:52] CALKINS AS OUR PUBLIC SERVING
[00:00:54] MEMBER SARAH HOLMSTROM TO MAKE
[00:00:56] THIS MEETING MORE ACCESSIBLE TO
[00:00:57] THE PUBLIC. THE MEETING IS BEING
[00:00:58] LIVE STREAMED AND DIGITALLY
[00:01:00] RECORDED AND MAY BE VIEWED OR
[00:01:01] HEARD AT ANY TIME ON THE PORT'S
[00:01:03] WEBSITE. A CALL AND TELEPHONE
[00:01:05] NUMBER IS ALSO PROVIDED FOR
[00:01:06] ANYONE WHO WOULD LIKE TO LISTEN
[00:01:08] TO THE MEETING. NOW, OUR FIRST
[00:01:10] ITEM OF BUSINESS IS APPROVAL OF
[00:01:13] OUR LAST MEETING, MINUTES FROM
[00:01:14] MARCH 28, 2024. AS A REMINDER TO
[00:01:17] THE VIEWING AUDIENCE, THE PUBLIC
[00:01:19] MEMBER OF THE AUDIT COMMITTEE IS
[00:01:20] NOT A VOTING MEMBER FOR THE
[00:01:22] PURPOSES OF CASTING VOTES ON
[00:01:23] MOTIONS MADE PER THE COMMITTEE'S
[00:01:25] RULES. SO ARE THERE ANY
[00:01:28] CORRECTIONS TO THE MINUTES?
[00:01:32] SEEING NONE. ARE THERE ANY
[00:01:34] OBJECTIONS TO APPROVAL OF THE
[00:01:35] MINUTES AS PRESENTED? HEARING
[00:01:37] NONE. THE MINUTES ARE APPROVED
[00:01:41] AND WE CAN GO STRAIGHT INTO OUR
[00:01:44] FIRST PRESENTATION. WE HAVE THE
[00:01:46] OFFICE OF THE WASHINGTON STATE
[00:01:47] AUDITORIUM PRESENTING ON
[00:01:50] PERFORMANCE AUDIT RESULTS ON
[00:01:52] CIVIL ASSET FORFEITURE. WE HAVE
[00:01:54] TANYA FLEMING, THE PRINCIPAL
[00:01:56] PERFORMANCE AUDITOR, AS WELL AS
[00:01:58] SAHARA MONAHAN, SENIOR
[00:02:00] PERFORMANCE AUDITOR.
[00:02:03] SO IF YOU'D LIKE TO COME AND
[00:02:04] JOIN US, THANK YOU FOR BEING
[00:02:07] WITH US TODAY.
[00:02:13] YOU HAVE THE FLOOR.
[00:02:35] GOOD MORNING, MADAM CHAIR AND
[00:02:37] MEMBERS OF THE COMMITTEE. THANK
[00:02:39] YOU FOR THE OPPORTUNITY TO
[00:02:41] PRESENT OUR AUDIT REPORT. I AM
[00:02:43] SOHARA MONAHAN, SENIOR
[00:02:44] PERFORMANCE AUDITOR WITH THE
[00:02:45] OFFICE OF THE WASHINGTON STATE
[00:02:47] AUDITOR, AND WITH ME TODAY IS
[00:02:48] TANIA FLEMINGS, PRINCIPAL
[00:02:49] PERFORMANCE AUDITOR. BEFORE I

[00:02:52] MOVE FORWARD, I WOULD LIKE TO
[00:02:53] THANK ONCE AGAIN TO STAFF AND
[00:02:55] MANAGEMENT AT THE PORT OF
[00:02:56] SEATTLE FOR THEIR FULL
[00:02:57] COOPERATIONS AND ASSISTANCE
[00:02:59] THROUGHOUT THE COURSE OF THIS
[00:03:00] AUDIT. THIS PERFORMANCE AUDIT
[00:03:03] EXAMINED THE CHARACTERISTICS OF
[00:03:05] CIVIL ASSET FORFEITURES
[00:03:07] CONDUCTED IN WASHINGTON. IT ALSO
[00:03:09] IDENTIFIED OPPORTUNITIES TO
[00:03:11] ADDRESS DUE PROCESS CONCERNS FOR
[00:03:13] PEOPLE FACING CIVIL ASSET
[00:03:15] FORFEITURE. NEXT,
[00:03:19] THE AUDIT INCLUDED EIGHT
[00:03:21] AGENCIES, AS YOU CAN SEE ON THE
[00:03:23] SLIDE, FOUR POLICE DEPARTMENTS,
[00:03:24] THE BOARD OF SEATTLE PDV IN ONE
[00:03:26] OF THEM, TWO SHERIFF OFFICES,
[00:03:29] AND ONE STATE AGENCY IN ONE TASK
[00:03:31] FORCE. NEXT,
[00:03:36] A LITTLE BIT OF BACKGROUND
[00:03:38] BEFORE GETTING INTO THE DETAILS.
[00:03:39] CIVIL ASSET FORFEITURE IS A
[00:03:41] LEGAL TOOL THAT ALLOWS THE
[00:03:42] POLICE TO SEIZE AND FORFEIT
[00:03:44] PROPERTY THAT THEY BELIEVE HAS
[00:03:46] BEEN INVOLVED IN OR IS THE
[00:03:47] PROCEEDS OF A CRIME. BACK IN THE
[00:03:50] 1980S, THIS TOOL WAS INTENDED TO
[00:03:54] DETER CRIMINAL ORGANIZATIONS
[00:03:56] SUCH AS DRUG CARTELS AND LARGE
[00:03:58] SCALE DRUG DISTRIBUTORS. BUT THE
[00:04:01] USE OF THE TOOL HAS EVOLVED OVER
[00:04:02] TIME TO DETER ANY LEVEL OF
[00:04:04] CRIMINAL ACTIVITY EXAMPLES OF
[00:04:07] PROPERTY THAT POLICE CAN SEIZE
[00:04:08] AND FORFEIT WITH THIS TOOL
[00:04:10] INCLUDE CASH, EQUIPMENT,
[00:04:12] VEHICLES, HOMES AND PERSONAL
[00:04:13] ITEMS. UNDER WASHINGTON DRUG
[00:04:16] FORFEITURE STATUTE, WHICH IS THE
[00:04:19] ONE POLICE AGENCIES MOST
[00:04:20] FREQUENTLY USED, AND THE
[00:04:22] EMPHASIS FOR THIS AUDIT, THE
[00:04:24] POLICE CAN SEIZE AND FORFEIT
[00:04:26] PROPERTY WITHOUT SECURING AN
[00:04:28] ARREST, CHARGE OR CRIMINAL
[00:04:30] CONVICTION OF THE PROPERTY
[00:04:31] OWNER. DURING THE REVIEW PERIOD,
[00:04:35] POLICE AGENCIES ACROSS THE STATE
[00:04:36] RECEIVED NEARLY 40 MILLION IN
[00:04:38] REVENUE FROM CIVIL ASSET
[00:04:39] FORFEITURES. NEXT,
[00:04:44] SEVERAL STATES HAVE EXAMINED THE
[00:04:47] USE OF CIVIL ASSET FORFEITURES
[00:04:48] AND RAISED SIGNIFICANT CONCERNS
[00:04:51] THAT HAVE LED TO LEGISLATIVE
[00:04:52] REFORMS ABOUT HOW THAT TOOL IS
[00:04:55] USED. WE WILL TALK ABOUT SOME OF
[00:04:57] THOSE REFORMS LATER IN THE
[00:04:58] PRESENTATION, BUT A FEW EXAMPLES
[00:05:01] OF THOSE KEY CONCERNS INCLUDE

[00:05:03] THE LACK OF A CRIMINAL
[00:05:04] CONVICTION REQUIREMENT TO
[00:05:06] DEPRIVE PEOPLE OF THEIR
[00:05:07] PROPERTY, THE INHERENT CONFLICT
[00:05:10] OF INTEREST THAT EXISTS WHEN THE
[00:05:11] SAME POLICE AGENCY THAT SEES
[00:05:12] THIS PROPERTY IS ALSO ALLOWED TO
[00:05:14] MAKE THE DECISION THAT THEY HAVE
[00:05:16] SUFFICIENT EVIDENCE TO RETAIN
[00:05:17] THAT PROPERTY, AND THE
[00:05:19] DISPROPORTIONATE EFFECT CIVIL
[00:05:21] ASSET FORFEITURE HAS ON SOME
[00:05:23] RACIAL AND ETHNIC GROUPS.
[00:05:26] NEXT SO WE
[00:05:30] EXAMINED THE USE OF CIVIL ASSET
[00:05:31] FORFEITURE IN WASHINGTON TO
[00:05:33] BETTER UNDERSTAND THE
[00:05:35] CHARACTERISTICS OF CIVIL ASSET
[00:05:36] FORFEITURE LAW ENFORCEMENT
[00:05:37] AGENCIES CONDUCT AND TO IDENTIFY
[00:05:39] OPPORTUNITIES TO ADDRESS DUE
[00:05:41] PROCESS CONCERNS WITH WASHINGTON
[00:05:42] CIVIL ASSET FORFEITURE SYSTEM.
[00:05:46] NEXT THIS SLIDE HAS HIGH LEVEL
[00:05:49] SUMMARY OF OUR KEY RESULTS. WE
[00:05:52] FOUND THAT THE POLICE AGENCIES
[00:05:54] ON THIS AUDIT PRIMARILY USE
[00:05:56] CIVIL ASSET FORFEITURE TO SEIZE
[00:05:59] CASH IN OTHER PROPERTY OF LOW
[00:06:01] MONETARY VALUE AND SOME
[00:06:03] COMMUNITIES CIVIL ASSET
[00:06:05] FORFEITURES DISPROPORTIONATELY
[00:06:07] AFFECTED SOME RACIAL AND ETHNIC
[00:06:09] GROUPS. THE STATE CIVIL ASSET
[00:06:11] FORFEITURE LAWS GIVE THE POLICE
[00:06:13] BROAD AUTHORITY TO CEASE AND
[00:06:15] FORFEIT PROPERTY AND FEW
[00:06:17] PROTECTIONS TO PROPERTY OWNERS.
[00:06:20] THE POLICE AGENCIES IN THIS
[00:06:22] AUDIT FOLLOW DUE PROCESS
[00:06:24] REQUIREMENTS IN STATE LAW, BUT
[00:06:26] WE FIND THEY CAN DO MORE TO HELP
[00:06:27] ENSURE THAT PEOPLE RECEIVE
[00:06:29] NOTICE OF THE POLICE INTENT TO
[00:06:31] FORFEIT PROPERTY AND TO HELP
[00:06:34] PEOPLE BETTER UNDERSTAND WHAT
[00:06:35] THEY NEED TO DO TO RECLAIM THEIR
[00:06:36] PROPERTY. AND LAST, STATE LAW
[00:06:39] DOES NOT REQUIRE POLICE AGENCIES
[00:06:41] TO COLLECT KEY DATA ON CIVIL
[00:06:43] ASSET FORFEITURES NOR MAKE THE
[00:06:45] DATA THEY DO COLLECT AVAILABLE
[00:06:46] ONLINE, BOTH STEPS THAT ARE
[00:06:47] NECESSARY TO IMPROVE
[00:06:49] TRANSPARENCY. IN THE NEXT FEW
[00:06:52] SLIDES, I'M GOING TO PROVIDE A
[00:06:53] HIGH LEVEL OVERVIEW OF THE TYPE
[00:06:55] OF PROPERTY POLICE AGENCIES
[00:06:58] SEIZE, THE VALUE OF THAT
[00:06:59] PROPERTY AND FROM WHOM POLICE
[00:07:01] AGENCIES ARE SEIZING PROPERTY.
[00:07:04] WE FOUND THAT CASH IS THE MOST
[00:07:06] COMMON TYPE OF PROPERTY POLICE

[00:07:09] AGENCIES SEIZED FROM PROPERTY
[00:07:10] OWNERS. IT ACCOUNTED FOR NEARLY
[00:07:12] THREE FOUR OF ALL PROPERTY
[00:07:13] SEIZED DURING THE REVIEW PERIOD.
[00:07:15] AGENCY OFFICIALS SAID THAT
[00:07:17] OFFICERS PRIMARILY SEIZE CASH
[00:07:19] BECAUSE IT'S THE MOST COMMON
[00:07:20] TYPE OF EVIDENCE OF SUSPECTED
[00:07:23] ILLEGAL ACTIVITY THEY FIND AT
[00:07:24] THE SCENE THE
[00:07:29] PORT OF SEATTLE IS A LITTLE BIT
[00:07:31] DIFFERENT THAN THE OTHER
[00:07:32] AGENCIES ON THIS AUDIT REGARDING
[00:07:34] THAT TYPE OF PROPERTY SEIZED IN
[00:07:36] THAT THE PORT OF SEATTLE ONLY
[00:07:37] SEES CATCH DURING THE REVIEW
[00:07:38] PERIOD, WHILE THE OTHER
[00:07:39] AGENCIES, AS YOU CAN SEE ON THIS
[00:07:41] GRAPHIC, SEES A VARIETY OF
[00:07:43] ITEMS. NEXT WHEN
[00:07:48] EXAMINING THE VALUE OF PROPERTY
[00:07:50] SEIZED, WE FOUND THAT MORE THAN
[00:07:52] HALF OF ALL CIVILIZED FORFEITURE
[00:07:55] CASES INVOLVE PROPERTY WORTH
[00:07:57] LESS THAN \$2,000. WHILE SOME
[00:07:59] HIGH DOLLAR VALUE CASES DID
[00:08:01] OCCUR, ONE AGENCY, THE PORT OF
[00:08:03] CLPD, ACCOUNTED FOR MOST OF THE
[00:08:05] HIGH DOLLAR VALUE CASES
[00:08:07] PRIMARILY DUE TO ITS
[00:08:09] JURISDICTION AT THE SEATTLE
[00:08:10] TACOMA INTERNATIONAL AIRPORT.
[00:08:13] 98% OF THE CIVIL
[00:08:16] ASSET FORFEITURE CASES FOR THE
[00:08:18] PORT OF SEATTLE PDE INVOLVED
[00:08:20] CASH VALUED AT \$8,000 OR MORE.
[00:08:24] NEXT. SO VARIOUS FACTORS
[00:08:29] CONTRIBUTE TO THAT TREND WHEN
[00:08:30] NOTED FOR MOST OF THE AGENCIES
[00:08:33] IN THIS AUDIT OF LOW VALUE
[00:08:34] PROPERTY SEIZURES, INCLUDING THE
[00:08:37] NATURE OF COMMON CIRCUMSTANCES
[00:08:39] WHERE SEIZURES HAPPEN, SUCH AS
[00:08:40] AT A TRAFFIC STOP WHEN THE
[00:08:42] POLICE PULL SOMEONE OVER FOR A
[00:08:44] TRAFFIC INFRACTION, OR DURING A
[00:08:46] POLICE ENCOUNTER WITH SOMEONE
[00:08:48] THAT IS SUSPECTED OF SELLING
[00:08:49] DRUGS ON THE STREET, OR THROUGH
[00:08:52] A POLICE INVESTIGATION OF
[00:08:53] SOMEBODY THAT IS SUSPECTED OF
[00:08:54] GROWING CANNABIS ON THEIR HOME.
[00:08:57] SOME AGENCY OFFICIALS SAID THAT
[00:08:59] THEY FIND LOW VALUE PROPERTY
[00:09:01] SEIZURES WITH CLEAR OWNERSHIP
[00:09:03] EASIER TO PROVE COMPARED TO LIKE
[00:09:05] LARGE SCALE CASES THAT INVOLVE
[00:09:08] TRAFFICKERS THAT ARE SKILL
[00:09:10] ELEVATING DETECTIONS. AND LAST,
[00:09:13] LOW VALUE PROPERTY SEIZURES MAY
[00:09:16] BE MORE COMMON BECAUSE NEITHER A
[00:09:17] STATE LAW NOR INTERNAL AGENCY
[00:09:19] POLICIES FORBID THEM.

[00:09:22] NEXT,
[00:09:26] THE POLICE AGENCIES ON THIS
[00:09:28] AUDIT DO NOT COLLECT DATA ON THE
[00:09:30] RACE AND ETHNICITY OF PEOPLE
[00:09:31] THAT HAVE HAD THEIR PROPERTY
[00:09:33] SEIZED. SO TO IDENTIFY WHO IS
[00:09:36] AFFECTED BY CIVILIZED
[00:09:37] FORFEITURES, WE USE A METHOD
[00:09:40] THAT ANALYZES US CENSUS DATA ON
[00:09:42] SURNAMENES AND RACIAL AND ETHNIC
[00:09:46] MAKEUP OF GEOGRAPHIC LOCATIONS
[00:09:48] WHERE PEOPLE LIVE TO PREDICT
[00:09:49] SOMEONE'S PROBABLE RACE AND
[00:09:51] ETHNICITY. THIS METHOD HAS BEEN
[00:09:53] USED BY RESEARCH INSTITUTIONS
[00:09:55] AND GOVERNMENT AGENCIES,
[00:09:57] INCLUDING THE CONSUMER FINANCIAL
[00:09:59] PROTECTION BUDDHA, WHEN DATA ON
[00:10:02] PEOPLE'S RACE AND ETHNICITY IS
[00:10:03] NOT AVAILABLE, IT'S THE SAME
[00:10:05] METHOD THE STATE AUDITOR USED TO
[00:10:07] ESTIMATE THE RACE AND ETHNICITY
[00:10:10] OF VOTERS IN THE REJECTED
[00:10:11] BALLOTS PERFORMANCE AUDIT.
[00:10:14] NEXT, WE FOUND THAT IN
[00:10:18] SOME COMMUNITIES, CERTAIN RACIAL
[00:10:20] AND ETHNIC GROUPS EXPERIENCE
[00:10:21] CIVIL ASSET FORFEITURES AT
[00:10:22] SIGNIFICANTLY HIGHER RATES WHEN
[00:10:24] COMPARED TO THEIR PRESENCE IN
[00:10:25] THE LOCAL POPULATION. FOR
[00:10:28] EXAMPLE, WITH FIVE OF THE
[00:10:29] AUDITED AGENCIES, WHICH INCLUDE
[00:10:31] THE PART OF SEATTLE, THE SHARE
[00:10:34] OF CIVIL ASSET FORFEITURES THAT
[00:10:36] INCLUDED PEOPLE WHO WERE BLACK,
[00:10:37] HISPANIC, OR OF ASIAN AND
[00:10:39] PACIFIC ISLANDER DESCENT
[00:10:41] SURPASSED THEIR REPRESENTATION
[00:10:42] IN THE LOCAL POPULATION BY MORE
[00:10:44] THAN TEN PERCENTAGE POINTS.
[00:10:46] WITH TWO OF THE AUDITED
[00:10:48] AGENCIES, THE SHARE OF CIVIL
[00:10:50] ASSET FORFEITURES INVOLVING
[00:10:51] PEOPLE WHO WERE WHITE SURPASSED
[00:10:53] THEIR REPRESENTATION IN THE
[00:10:54] LOCAL POPULATION BY NINE
[00:10:55] PERCENTAGE POINTS. NEXT,
[00:11:00] ALL OF THE AGENCIES IN THIS
[00:11:02] AUDIT HAD AT LEAST ONE RACIAL OR
[00:11:05] ETHNIC GROUP THAT WAS
[00:11:07] OVERREPRESENTED IN THEIR CIVIL
[00:11:08] ASSET FORFEITURE CASES, BUT THAT
[00:11:10] DEGREE OF OVER REPRESENTATION
[00:11:12] VARIED BY AGENCY AND BY GROUP.
[00:11:15] FOR EXAMPLE, FOR THE PORT OF
[00:11:17] SEATTLE PD, PEOPLE OF ASIAN AND
[00:11:20] PACIFIC ISLANDER DESCENT WERE
[00:11:21] OVERREPRESENTED BY JUST ONE
[00:11:23] PERCENTAGE POINT COMPARED TO
[00:11:27] BLACK PEOPLE, WHO WERE
[00:11:28] OVERREPRESENTED BY 17 PERCENTAGE
[00:11:30] POINTS.

[00:11:34] NEXT, AS PREVIOUSLY
[00:11:37] MENTIONED, A KEY CONCERN ABOUT
[00:11:39] CIVIL ASSET FORFEITURES IS THE
[00:11:41] LACK OF A CRIMINAL CONVICTION
[00:11:42] REQUIREMENT TO DEPRIVE PEOPLE OF
[00:11:44] THEIR PROPERTY. WE FOUND THAT OF
[00:11:47] THE NEARLY 1000 PEOPLE THAT
[00:11:49] FACED CIVILIZED FORFEITURES WITH
[00:11:50] THE AUDITED AGENCIES, ONLY 25%
[00:11:52] OF THEM WERE CONVICTED OF A
[00:11:53] CRIME RELATED TO THAT
[00:11:55] FORFEITURE. NEXT,
[00:11:59] THE CONVICTION RATE DID VARY
[00:12:01] SIGNIFICANTLY BY AGENCIES. FOR
[00:12:03] EXAMPLE, THE GRAYS HARBOR COUNTY
[00:12:05] DRUG TASK FORCE AND THE
[00:12:07] CENTRALIA POLICE DEPARTMENT HAD
[00:12:08] THE HIGHEST CONVICTION RATE, AS
[00:12:09] YOU CAN SEE ON THIS GRAPHIC. IN
[00:12:12] CONTRAST, THE PORT OF SEATTLE
[00:12:13] PD HAD NOW CONVICTIONS RELATED
[00:12:15] TO FORFEITURES. DURING THE
[00:12:16] REVIEW PERIOD, AGENCY OFFICIALS
[00:12:19] SAID THAT THIS IS BECAUSE PEOPLE
[00:12:22] TRANSPORT MONEY AND DRUGS
[00:12:23] SEPARATE THROUGH THE AIRPORT AND
[00:12:25] CONVICTIONS USUALLY HAPPEN WHEN
[00:12:27] DRUGS ARE FOUND.
[00:12:30] I'M GOING TO PASS THE
[00:12:31] PRESENTATION TO TANIA, WHO IS
[00:12:33] GOING TO PROVIDE AN OVERVIEW OF
[00:12:35] ASPECTS OF STATE LAW AND
[00:12:37] AGENCY'S PROCESSES WHERE WE
[00:12:38] IDENTIFIED OPPORTUNITIES TO
[00:12:39] STRENGTHEN PROTECTIONS FOR
[00:12:40] PROPERTY OWNERSHIP. THANK YOU.
[00:12:43] THERE ARE THREE STRUCTURAL
[00:12:44] ASPECTS OF STATE LAW THAT I'LL
[00:12:46] FOCUS ON TODAY. THE FIRST IS A
[00:12:49] LOW STANDARD OF EVIDENCE. THE
[00:12:51] SECOND IS HOW, IN MOST CASES,
[00:12:53] FORFEITURE DECISIONS ARE MADE BY
[00:12:54] THE POLICE AGENCY. AND LAST,
[00:12:56] HOW PROCEEDS FROM FORFEITURE
[00:12:58] CASES CAN CREATE A FINANCIAL
[00:12:59] INCENTIVE. STATE LAW STATE
[00:13:04] LAW GIVES POLICE BROAD AUTHORITY
[00:13:07] BY HAVING A RELATIVELY LOW
[00:13:08] STANDARD OF EVIDENCE, KNOWN AS A
[00:13:10] PREPONDERANCE OF EVIDENCE. THIS
[00:13:12] MEANS THAT EVIDENCE MUST ONLY
[00:13:14] SHOW THAT IT IS MORE LIKELY THAN
[00:13:15] NOT THAT PROPERTY WAS USED FOR
[00:13:18] OR WAS BOUGHT WITH PROCEEDS FROM
[00:13:20] A CRIMINAL ACTIVITY. 29 STATES
[00:13:22] AND THE DISTRICT OF COLUMBIA
[00:13:24] REQUIRE A HIGHER STANDARD OF
[00:13:25] EVIDENCE THAN WASHINGTON. AS
[00:13:27] SEEN IN THE NEXT SLIDE, THEY
[00:13:30] REQUIRE UP TO A CRIMINAL
[00:13:33] CONVICTION BEFORE FORFEITING
[00:13:35] PROPERTY. THESE HIGHER STANDARDS
[00:13:37] OF EVIDENCE ARE MEANT TO PROVIDE

[00:13:40] GREATER PROTECTIONS FOR PROPERTY
[00:13:42] OWNERS. NEXT, SLIDE.
[00:13:46] ONE ESSENTIAL ELEMENT OF DUE
[00:13:49] PROCESS.
[00:13:53] I THINK I'VE GOT THE WRONG SLIDE
[00:13:55] UP HERE. CAN YOU GO TO SLIDE 17?
[00:13:57] OH, THAT IS SLIDE 17. OKAY.
[00:14:00] WELL, ONE ESSENTIAL ELEMENT OF
[00:14:02] DUE PROCESS IS TO ENSURE THAT
[00:14:03] CASES ARE HEARD BY AN IMPARTIAL
[00:14:05] DECISION MAKER. HOWEVER, STATE
[00:14:07] LAW GIVES BROAD AUTHORITY TO
[00:14:09] POLICE AGENCIES BY ALLOWING THE
[00:14:10] SAME AGENCY THAT SEIZES PROPERTY
[00:14:13] TO ALSO DECIDE IF THEY HAVE
[00:14:14] ENOUGH EVIDENCE TO KEEP IT. WE
[00:14:16] REVIEWED 40 FORFEITURE CASES
[00:14:18] DURING OUR REVIEW PERIOD, AND IN
[00:14:20] ALMOST ALL, SOMEONE EMPLOYED BY
[00:14:22] OR CONTRACTED BY THE AGENCY MADE
[00:14:25] THE DECISION THAT THEY HAD
[00:14:26] ENOUGH EVIDENCE TO KEEP THE
[00:14:27] PROPERTY FOR THE PORT.
[00:14:29] SPECIFICALLY, THE CHIEF OF
[00:14:31] POLICE OR DESIGNEE DECIDED CASES
[00:14:33] THAT WERE NOT CONTESTED.
[00:14:36] CONTRACTED HEARING EXAMINER
[00:14:38] DECIDED CASES WHEN THE CLAIMANT
[00:14:40] REQUESTED A HEARING. STATE LAW
[00:14:43] ALSO ALLOWS POLICE TO FORFEIT OR
[00:14:45] DISPOSE OF SEIZED PROPERTY BY
[00:14:47] DEFAULT. THIS TYPICALLY HAPPENS
[00:14:49] IF A PROPERTY OWNER DOES NOT
[00:14:51] FILE A CLAIM OR IF THEY FILE A
[00:14:54] CLAIM LATE. FOR MANY OF THE
[00:14:55] CASES THAT WE REVIEWED,
[00:14:57] AGENCIES RETAINED PROPERTY BY
[00:14:59] DEFAULT BECAUSE AN OWNER DID NOT
[00:15:01] FILE A CLAIM. STATUTE ALSO
[00:15:04] ALLOWS THESE CASES TO BE DECIDED
[00:15:06] JUDICIALLY BY A COURT, BUT THIS
[00:15:08] ONLY HAPPENS IF A PROPERTY KNOWS
[00:15:10] THAT THIS IS AN OPTION AND THEY
[00:15:12] USE THAT OPTION AND THEY REQUEST
[00:15:14] THAT OPTION. EXCUSE ME. IN THE
[00:15:16] CASES WE REVIEWED, NO PROPERTY
[00:15:18] OWNERS HAD THEIR CASE REVIEWED
[00:15:19] BY COURT. NEXT SLIDE.
[00:15:25] SOME STATES HAVE ADDRESSED
[00:15:26] CONFLICT OF INTEREST CONCERNS BY
[00:15:28] REQUIRING THAT AGENCIES
[00:15:30] INDEPENDENT OF LAW ENFORCEMENT
[00:15:32] MAKE FORFEITURE DECISIONS. THEY
[00:15:33] REQUIRE THAT THESE CASES GO
[00:15:36] THROUGH THE COURT SYSTEM OR
[00:15:37] ANOTHER ADMINISTRATIVE PROCESS
[00:15:38] INSTEAD OF THE POLICE AGENCY.
[00:15:40] HERE IN WASHINGTON, JUST ONE
[00:15:42] STATE AGENCY, THE STATE PATROL,
[00:15:44] FOLLOWS A HYBRID APPROACH THAT
[00:15:46] PARTIALLY ADDRESSES THESE
[00:15:47] CONCERNS BY HAVING A SEPARATE
[00:15:49] STATE AGENCY, THE OFFICE OF

[00:15:50] ADMINISTRATION. ADMINISTRATIVE
[00:15:51] HEARINGS, DECIDE SOME OF THE
[00:15:53] CASES IF AN OWNER FILES A CLAIM
[00:15:55] AND REQUESTS A HEARING. IN ALL
[00:15:57] OTHER CASES, STATE PATROL MAKES
[00:15:58] THOSE DECISIONS. NO OTHER AGENCY
[00:16:01] THAT WE AUDITED USES THAT HYBRID
[00:16:02] APPROACH. NEXT SLIDE.
[00:16:06] THIS THIRD AND LAST AREA OF LAW
[00:16:08] THAT I'LL TALK ABOUT PROVIDES
[00:16:09] POLICE BROAD AUTHORITY AND
[00:16:11] CREATES CONCERNS ABOUT FINANCIAL
[00:16:13] INCENTIVES. STATE LAW ALLOWS
[00:16:15] AGENCIES TO KEEP KEEP 90% OF THE
[00:16:18] PROCEEDS FROM FORFEITURES. THE
[00:16:20] REMAINING 10% GOES TO THE STATE
[00:16:22] TREASURER'S OFFICE. COMBINED,
[00:16:24] THE EIGHT AGENCIES REPORTED
[00:16:26] RECEIVING MORE THAN \$13 MILLION
[00:16:29] FROM CIVIL ASSET FORFEITURES
[00:16:30] DURING THE REVIEW PERIOD. TO BE
[00:16:33] CLEAR, THIS WAS NOT A
[00:16:34] PARTICULARLY LARGE SHARE OF
[00:16:35] THEIR REVENUE. FOR MOST OF THESE
[00:16:38] AGENCIES, THIS REPRESENTED A
[00:16:40] FAIRLY SMALL AMOUNT, TYPICALLY
[00:16:41] LESS THAN 1% OF THE AGENCY'S
[00:16:43] TOTAL SPENDING. IN THE CASE OF
[00:16:47] THE PORT OF SEATTLE, THIS
[00:16:48] REPRESENTED ABOUT 7% OF THEIR
[00:16:50] TOTAL EXPENDITURES. MOST
[00:16:53] AGENCIES SAID THEY USE THOSE
[00:16:55] PROCEEDS TO BUY ADDITIONAL
[00:16:56] EQUIPMENT FOR SALARIES AND OTHER
[00:16:58] OPERATING COSTS. FOR THE PORT OF
[00:17:00] SEATTLE, THEY REPORTED USING
[00:17:02] THESE FUNDS FOR DETECTIVE WAGES,
[00:17:05] NARCOTICS INVESTIGATIONS AND
[00:17:08] TRAINING, HEARING EXAMINER FEES,
[00:17:10] AND ALSO LIFESAVING TOOLS.
[00:17:13] SOME STATES AND THE DISTRICT OF
[00:17:15] COLUMBIA HAVE TRIED TO ADDRESS
[00:17:17] THESE CONCERNS BY REQUIRING THAT
[00:17:19] ALL OR A SIGNIFICANT PORTION OF
[00:17:21] THOSE FUNDS ARE DEPOSITED INTO
[00:17:23] NEUTRAL ACCOUNTS THAT AREN'T
[00:17:24] MANAGED BY POLICE. THESE MIGHT
[00:17:27] INCLUDE THINGS LIKE A SUBSTANCE
[00:17:28] USE CONTROL PROGRAM, VICTIM
[00:17:30] COMPENSATION FUNDS, OR EVEN THE
[00:17:32] EDUCATION OR GENERAL FUND.
[00:17:35] NEXT SLIDE. NOW I'LL WALK
[00:17:39] THROUGH HOW AGENCIES MEASURE UP
[00:17:41] AGAINST STATE REQUIREMENTS
[00:17:42] AROUND DUE PROCESS. AS A QUICK
[00:17:44] SUMMARY, WE DIDN'T SEE ANY
[00:17:46] SIGNIFICANT ISSUES WHERE
[00:17:48] AGENCIES WEREN'T FOLLOWING THE
[00:17:50] LAW. POLICE AGENCIES ESSENTIALLY
[00:17:52] NEED TO DO TWO THINGS BEFORE
[00:17:53] THEY CAN FORFEIT PROPERTY. TWO
[00:17:55] MAJOR THINGS AT LEAST. FIRST IS
[00:17:56] TO SEND A NOTICE TO THE PROPERTY

[00:17:58] OWNER AND THEN SECOND, INFORM
[00:17:59] THE OWNER THAT THEY HAVE A RIGHT
[00:18:01] TO A HEARING. IN THE 40 CASES
[00:18:03] THAT WE LOOKED AT ACROSS ALL OF
[00:18:04] THE AGENCIES WE REVIEWED, THEY
[00:18:06] GENERALLY FOLLOWED THESE AND
[00:18:08] OTHER REQUIREMENTS.
[00:18:10] NEXT SLIDE SO WE KNOW
[00:18:14] THAT AGENCIES FOLLOWED STATE
[00:18:16] LAWS, BUT EXPERTS RECOMMEND
[00:18:18] ADDITIONAL PRACTICES TO HELP
[00:18:20] PROVIDE CIVIL PROTECTIONS TO
[00:18:22] PROPERTY OWNERS. THESE AREN'T
[00:18:24] REQUIRED BY ANY MEANS, BUT THEY
[00:18:25] WOULD PROVIDE MORE PROTECTIONS
[00:18:26] TO OWNERS. THEY SUGGEST, FIRST,
[00:18:28] MAKING SURE THAT NOTICES ARE
[00:18:30] DELIVERED. SECOND, MAKING SURE
[00:18:32] THAT NOTICES ARE UNDERSTANDABLE
[00:18:34] SO THAT OWNERS KNOW HOW TO
[00:18:35] RECLAIM THEIR PROPERTY. WE FOUND
[00:18:37] SOME STRONG INDICATIONS THAT
[00:18:39] SOME PEOPLE DID NOT RECEIVE THIS
[00:18:40] NOTICE. OF THE 40 CASES WE
[00:18:42] REVIEWED, FIBER RETURNED AND
[00:18:44] NEARLY 10% HAD MISSING ITEMS
[00:18:47] LIKE ZIP CODES OR BUILDING
[00:18:49] NUMBERS, GIVING SOME INDICATIONS
[00:18:50] THAT THEY WERE NOT DELIVERED OR
[00:18:52] RECEIVED. IN OTHER CASES, TO
[00:18:55] IMPROVE THE CHANCES OF
[00:18:56] SUCCESSFUL DELIVERY, WE FOUND
[00:18:58] THAT SOME AGENCIES, INCLUDING
[00:19:00] THE PORT, DELIVERED NOTICES IN
[00:19:02] PERSON OR SENT CERTIFIED
[00:19:03] LETTERS, WHICH IS IN LINE WITH
[00:19:04] LEADING PRACTICES. ONLY A FEW
[00:19:07] AGENCIES HAD PRACTICES TO MAKE
[00:19:09] THEIR NOTICES UNDERSTANDABLE,
[00:19:11] INCLUDING MAKING IT STANDARD
[00:19:13] PRACTICE TO PROVIDE NOTICES IN
[00:19:15] LANGUAGES OTHER THAN ENGLISH AND
[00:19:17] ALSO USING PLAIN TALK STANDARDS.
[00:19:19] NONE MENTION RIGHTS LIKE THE
[00:19:21] POSSIBILITY OF GETTING
[00:19:22] ATTORNEY'S FEES REIMBURSED IF
[00:19:24] THE PROPERTY OWNER PREVAILS.
[00:19:29] NEXT SLIDE AGENCIES
[00:19:34] ARE REQUIRED TO SEND REPORTS TO
[00:19:36] THE STATE TREASURER EVERY
[00:19:37] QUARTER WITH LIMITED INFORMATION
[00:19:39] LIKE BASIC DESCRIPTIONS OF
[00:19:41] PROPERTY FORFEITED AND THE
[00:19:43] AMOUNT OF MONEY RECEIVED.
[00:19:44] LEADING PRACTICES, HOWEVER,
[00:19:46] SUGGEST THAT THEY ALSO INCLUDE
[00:19:49] TRACKING DETAILED DATA AND
[00:19:51] TRACKING HOW PROCEEDS ARE SPENT,
[00:19:53] AND ALSO MAKING SURE THAT THOSE
[00:19:54] STATEWIDE REPORTS ARE PUBLICLY
[00:19:56] AVAILABLE ONLINE. ASIDE FROM THE
[00:20:00] LIMITED DATA THAT AGENCIES
[00:20:01] REPORT, WASHINGTON DOES NOT

[00:20:03] REQUIRE COLLECTING OR REPORTING
[00:20:05] ANY OF THESE OTHER ITEMS. NEXT
[00:20:07] SLIDE WE MADE
[00:20:11] A SERIES OF RECOMMENDATIONS FOR
[00:20:12] THE LEGISLATURE AND POLICE
[00:20:14] AGENCIES, MORE DETAILS OF WHICH
[00:20:16] ARE AVAILABLE IN OUR REPORT,
[00:20:17] BUT AS A SUMMARY, WE RECOMMEND
[00:20:19] THE LEGISLATURE CONVENE A
[00:20:20] WORKGROUP TO ADDRESS ISSUES SUCH
[00:20:22] AS PRACTICES AROUND CONFLICT OF
[00:20:26] INTEREST CONCERNS AND WHO MAKES
[00:20:27] FORFEITURE DECISIONS, POTENTIAL
[00:20:30] FINANCIAL INCENTIVES AND
[00:20:32] PRACTICES AROUND DELIVERING
[00:20:33] NOTICES AND MAKING THEM
[00:20:34] UNDERSTANDABLE. IN ADDITION TO
[00:20:36] THAT WORK GROUP, WE RECOMMEND
[00:20:37] THAT AGENCIES DEVELOP WRITTEN
[00:20:39] GUIDANCE FOR DELIVERING NOTICES,
[00:20:41] SEND NOTICES IN PLAIN TALK AND
[00:20:43] PROVIDE INFORMATION TO OWNERS
[00:20:45] ABOUT ESSENTIAL RIGHTS. ONE NOTE
[00:20:48] THAT I LIKE TO OFFER ABOUT THESE
[00:20:49] RECOMMENDATIONS, WE CONSIDERED
[00:20:51] THEM BROAD ENOUGH THAT WE
[00:20:54] RECOMMEND. WE ESSENTIALLY
[00:20:57] RECOMMEND THAT ALL AGENCIES
[00:20:58] ACROSS THE STATE CONSIDER THE
[00:21:00] PRACTICES THAT WE PROVIDE
[00:21:01] THROUGHOUT THE REPORT. WITH THAT
[00:21:05] THAT ENDS OUR PREPARED COMMENTS
[00:21:07] AND ARE HAPPY TO SEE THE
[00:21:11] REST OF ANY TIME THAT WE HAVE
[00:21:12] TO. BACK TO YOU. WELL, THANK YOU
[00:21:15] BOTH VERY MUCH. I THINK AT THIS
[00:21:17] TIME, WE CAN GO AHEAD AND TAKE
[00:21:18] SOME QUESTIONS AND COMMENTS FROM
[00:21:20] THE DAIS. BEGIN WITH MISS
[00:21:22] HOLMSTROM. NO QUESTIONS.
[00:21:25] COMMISSIONER HOBBITS. OKAY,
[00:21:28] I'VE GOT A FEW. IT SEEMS LIKE I
[00:21:30] REALLY HAD WRITTEN NOTES ABOUT.
[00:21:32] SORT OF FEELS LIKE WE'VE GOT TWO
[00:21:34] AREAS WE NEED TO FOCUS ON. ONE
[00:21:36] IS RECOMMENDATIONS TO THE
[00:21:38] LEGISLATURE AND RECOMMENDATIONS
[00:21:40] FOR US INDIVIDUALLY AT THE PORT
[00:21:41] OF SEATTLE AND OUR POLICE
[00:21:43] AGENCY. AND SINCE YOUR WRAP UP
[00:21:46] WAS REALLY HELPFUL, ANSWERED
[00:21:47] SOME OF MY QUESTIONS. I AM
[00:21:48] CURIOUS ABOUT OUR PARTICULAR
[00:21:50] SAMPLE SET OF FORFEITURES.
[00:21:55] SO, WHEN WE LOOK AT THE DATA
[00:21:57] THAT YOU PROVIDED, KIND OF IN
[00:21:59] AGGREGATE, IS THAT THE
[00:22:04] PROPORTIONS THAT YOU SHOWED, IS
[00:22:05] THAT LET'S SAY, A POLICE AGENCY
[00:22:08] REPRESENTING, LET'S SAY IT'S THE
[00:22:10] KING COUNTY SHERIFF'S OFFICE.
[00:22:11] SO THEIR SAMPLE SET WOULD BE
[00:22:15] EVERYONE. ALL FORFEITURES THAT

[00:22:17] THEY TOOK WITHIN A LARGER
[00:22:19] POPULATION, AND THE POPULATION
[00:22:22] BREAKDOWN BY DEMOGRAPHIC GROUP
[00:22:24] IN KING COUNTY.
[00:22:28] LET'S SEE IF I AM FOLLOWING YOU.
[00:22:31] I THINK IT'S SLIDE TWELVE.
[00:22:39] I THINK IF THAT'S THE
[00:22:42] DEMOGRAPHIC RESULTS. KEEP GOING
[00:22:44] BACK A COUPLE MORE.
[00:22:49] LET ME FIND IT. OH, MAYBE THAT
[00:22:50] WAS THE ONE I WAS LOOKING AT.
[00:22:53] YEAH, I THINK MY.
[00:22:56] TO GET TO THE HEART OF MY
[00:22:57] QUESTION. OKAY. SO FOR
[00:23:02] MOST OF OUR ANALYSIS, WE ASKED
[00:23:05] AGENCIES TO PROVIDE US WITH ALL
[00:23:06] CIVIL ASSET FORFEITURES THEY
[00:23:08] CONDUCTED DURING THE THREE YEAR
[00:23:10] REVIEW PERIOD OF 2020 TO 2022.
[00:23:14] SO IT WOULD HAVE INCLUDED ALL OF
[00:23:16] THEIR FORFEITURES.
[00:23:18] ONLY THE CASE FILE REVIEW LATER
[00:23:22] ON, TO EXAMINE IF THE AGENCIES
[00:23:24] WERE FOLLOWING, LIKE DUE PROCESS
[00:23:25] REQUIREMENTS, WAS BASED ON A
[00:23:26] SAMPLE OF A FEW CASES PER
[00:23:28] AGENCY. BUT THE REST OF THE
[00:23:30] ANALYSIS ARE BASED ON THE ENTIRE
[00:23:32] POPULATION OF FORFEITURES THEY
[00:23:34] HAD DURING THAT REVIEW PERIOD.
[00:23:36] SO, MY QUESTION, LOOKING AT
[00:23:39] THIS SLIDE, THE PERCENTAGE OF
[00:23:42] LOCAL POPULATION. LET'S LOOK AT
[00:23:43] THE ONE THAT'S MOST GLARING.
[00:23:44] 13% OF THE LOCAL POPULATION IS
[00:23:47] BLACK. HOWEVER, I IMAGINE ALMOST
[00:23:50] ALL OF OUR FORFEITURES ARE AMONG
[00:23:53] FOLKS TRAVELING THROUGH SEA,
[00:23:55] CORRECT? YEAH. SO FOR THE. I
[00:23:58] KNOW IT SAYS LOCAL POPULATION
[00:23:59] RIGHT THERE, BUT FOR THE PORT OF
[00:24:00] SEATTLE, WE DID ADJUSTED OUR
[00:24:02] METHODOLOGY TO CREATE A
[00:24:05] COMPARISON POPULATION THAT
[00:24:07] BETTER REFLECT THE DEMOGRAPHICS
[00:24:09] OF THE PLACES WHERE THE PEOPLE
[00:24:12] THAT FACE FORFEITURES WITH THE
[00:24:14] PORT OF SEATTLE LEAVE. SO WE
[00:24:15] CREATED A WEIGHTED AVERAGE OF
[00:24:17] THE DEMOGRAPHICS OF THE STATES
[00:24:20] WHERE THE PEOPLE THAT HAD
[00:24:22] FORFEITURES WITH THE PORT OF
[00:24:23] SEATTLE LEAVE TO COME UP WITH,
[00:24:25] LIKE, A COMPARISON POPULATION.
[00:24:29] AND ARE. MAYBE THIS
[00:24:32] IS A MISCONCEPTION ON MY PART,
[00:24:33] BUT I. I THOUGHT THAT
[00:24:37] MANY OF THESE ARE PROMPTED BY
[00:24:39] CBP FINDING
[00:24:44] CASH IN LUGGAGE,
[00:24:47] WHICH WOULD INDICATE THAT IT
[00:24:48] WOULD BE A LOT OF FOLKS
[00:24:49] TRAVELING INTERNATIONALLY.

[00:24:50] CORRECT. I THINK THE POOR IS
[00:24:54] BETTER. OFFICIALS ARE BETTER
[00:24:55] FITTED TO TALK ABOUT THEIR
[00:24:57] SPECIFIC METHODS. I'D LIKE TO
[00:24:59] WELCOME CHIEF VILLA TO THE
[00:25:00] STAND, ALSO TO BE ABLE TO TAKE
[00:25:02] QUESTIONS. AND THEN I'D ALSO
[00:25:05] LIKE TO SEE IF OUR
[00:25:07] REPRESENTATIVES FROM PORT OF
[00:25:08] SEATTLE POLICE HAVE ANY RESPONSE
[00:25:11] THAT THEY'D LIKE TO PROVIDE.
[00:25:13] AND CAN YOU PLEASE STATE YOUR
[00:25:15] NAME FOR THE RECORD? YES. GOOD
[00:25:17] MORNING, MADAM CHAIR. DO I HAVE
[00:25:20] TO TURN THIS ON?
[00:25:23] GOOD MORNING, MADAM CHAIR AND
[00:25:25] COMMITTEE MEMBERS. I'M MIKE
[00:25:27] VILLA, PORT OF SEATTLE CHIEF OF
[00:25:28] POLICE. AND HERE WITH ME TODAY
[00:25:30] IS KYLE YOSHIMIRA, COMMANDER FOR
[00:25:32] OUR CRIMINAL INVESTIGATIONS
[00:25:34] DIVISION. I'D LIKE TO THANK THE
[00:25:37] COMMITTEE FOR GIVING US AN
[00:25:38] OPPORTUNITY TO MAKE SOME BRIEF
[00:25:40] COMMENTS AND THEN ALSO TO
[00:25:41] RESPOND TO QUESTIONS. AND I
[00:25:44] BELIEVE THAT WE CAN ALL AGREE
[00:25:46] THAT THE ILLEGAL DRUG TRADE IS
[00:25:49] HARMING OUR COMMUNITIES. AND
[00:25:51] EVEN IN 2023, OVER 1300
[00:25:56] PEOPLE IN KING COUNTY ALONE DIED
[00:25:58] OF DRUG OVERDOSE DURING THAT
[00:26:01] TIME. AND ALL OF US HAVE
[00:26:03] PROBABLY SEEN THE DEVASTATING
[00:26:05] EFFECTS OF DRUGS IN OUR
[00:26:06] COMMUNITIES, AND MAYBE SOME OF
[00:26:08] US EVEN MORE CLOSER TO HOME,
[00:26:10] WITH FAMILY OR WITH FRIENDS.
[00:26:12] FIRST, JUST. I'D LIKE TO PROVIDE
[00:26:14] SOME INFORMATION JUST REGARDING
[00:26:16] OUR CRIMINAL INVESTIGATIONS THAT
[00:26:18] WE DO, OR OUR TEAM, OUR
[00:26:20] INTERDICTION TEAM. IT WAS IN
[00:26:21] 2018 THAT THE PORT OF SEATTLE
[00:26:24] CREATED A DRUG INTERDICTION TEAM
[00:26:27] OVERSEEN BY OUR CRIMINAL
[00:26:28] INVESTIGATIONS DIVISION, AND
[00:26:31] THAT CONSISTED OF TWO NARCOTIC
[00:26:33] DETECTIVES AND THEIR PARTNER,
[00:26:36] CANINES. THE TEAM HAS
[00:26:38] ACCOMPLISHED SIGNIFICANT RESULTS
[00:26:40] BETWEEN THE YEARS OF 2019 AND
[00:26:42] 2022, LEADING TO 76 CRIMINAL
[00:26:45] ARREST FOR DRUG TRAFFICKING.
[00:26:49] THEY SEIZED OVER 2090 3 GRAMS OF
[00:26:52] COCAINE, 300 DOSAGE UNITS OF
[00:26:55] OXYCODONE, 795 GRAMS OF HEROIN,
[00:27:00] 2375 POUNDS OF MARIJUANA,
[00:27:03] 23 METHAMPHETAMINE, AND 253,868
[00:27:11] FENTANYL PILLS DURING THAT
[00:27:13] PERIOD, AND THE STREET VALUE OF
[00:27:15] THESE ILLICIT SUBSTANCES IS MORE
[00:27:17] THAN \$9 MILLION DOLLARS.

[00:27:19] REMOVING THESE ILLICIT NARCOTICS
[00:27:22] STOP THEM FROM ENTERING INTO THE
[00:27:24] PUBLIC AND FURTHER HARMING OUR
[00:27:26] COMMUNITIES. OUR INTERDICTION
[00:27:29] UNIT, ALSO BETWEEN THOSE YEARS
[00:27:30] OF 2019 AND 2022, THEY SEIZED
[00:27:34] OVER \$7.42 MILLION OF CASH
[00:27:37] THAT WAS FUELING THE ILLICIT
[00:27:40] DRUG TRADE. SECOND, MOVING FROM
[00:27:43] THAT, I'D LIKE TO JUST TALK
[00:27:44] ABOUT, ABOUT THE UNIQUE
[00:27:46] OPERATING ENVIRONMENT IN WHICH
[00:27:47] THE PORT OF SEATTLE AND OUR
[00:27:49] DETECTIVES WORK. OUR DEPARTMENT
[00:27:51] REALLY IS UNLIKE ANY OTHER
[00:27:53] JURISDICTION THAT WAS AUDITED OR
[00:27:55] THAT IS IN OR CITY OR COUNTY IN
[00:27:58] WASHINGTON STATE. YOU KNOW, WE
[00:28:00] PROVIDE LAW ENFORCEMENT SERVICES
[00:28:02] TO ONE OF THE BUSIEST AIRPORTS
[00:28:04] IN NORTH AMERICA AND A MAJOR
[00:28:06] GATEWAY FOR DOMESTIC AND
[00:28:08] INTERNATIONAL TRAVEL. THERE WERE
[00:28:09] OVER 50 MILLION PASSENGERS THAT
[00:28:12] TRAVELED THROUGH SEA IN 2023.
[00:28:15] SIMILARLY, OUR ASSET FORFEITURES
[00:28:18] ARE UNIQUE COMPARED TO OTHER
[00:28:20] POLICING AGENCIES IN THE STATE,
[00:28:24] AND WE BELIEVE THAT IT WOULD BE
[00:28:25] INCORRECT TO COMPARE OUR
[00:28:27] DEPARTMENT WITH OTHER POLICING
[00:28:29] AGENCIES. WE PREVIOUSLY
[00:28:31] ADDRESSED THIS UNIQUENESS IN OUR
[00:28:33] RESPONSE TO THE STATE AUDITOR'S
[00:28:34] OFFICE OR RESPONSES, AND WE CAN
[00:28:37] DISCUSS THAT MORE WITH THE PORT
[00:28:40] OF SEATTLE AUDIT COMMITTEE, IF
[00:28:42] YOU WOULD LIKE US TO DO SO.
[00:28:44] THIRD, AND FINALLY, PER THE
[00:28:46] AUDITOR'S RECOMMENDATION THAT
[00:28:48] THEY SHOW IT, I THINK IT WAS IN
[00:28:49] OUR LAST SLIDE OR CLOSER LAST
[00:28:51] SLIDE, THE PORT OF SEATTLE. WE
[00:28:53] ARE READY AND WILLING TO
[00:28:54] ACTIVELY PARTICIPATE IN ANY WORK
[00:28:57] GROUP THAT THE LEGISLATURE WOULD
[00:28:59] CONVENE TO CONSIDER POTENTIAL
[00:29:02] IMPROVEMENTS TO THE CIVIL ASSET
[00:29:04] FORFEITURE PROCESS IN THE STATE.
[00:29:06] AND THEN WE'LL GET BACK, WE'LL
[00:29:08] ANSWER THAT QUESTION THAT YOU
[00:29:09] HAD, COMMISSIONER CALKINS, BUT
[00:29:12] THEN WE'RE HAPPY TO TAKE ANY
[00:29:13] OTHER QUESTIONS THAT YOU MIGHT
[00:29:14] HAVE. AND SO. AND I'M GOING TO
[00:29:16] TURN SOME OF THE TECHNICAL
[00:29:17] QUESTIONS OVER TO COMMANDER
[00:29:19] YOSHIMIRA. I THINK I CAN ANSWER
[00:29:21] THAT QUESTION YOU HAD ABOUT CBP
[00:29:23] IN THAT MOST OF OUR DRUG
[00:29:25] INTERDICTION, IT'S NOT
[00:29:27] NECESSARILY CBP COMING FROM
[00:29:29] INTERNATIONAL TRAVELERS, BUT

[00:29:30] IT'S REALLY THE WORK OF THE TWO.
[00:29:34] THE WORK OF THE TWO DETECTIVES
[00:29:35] AND THOSE TEAMS THAT ARE
[00:29:38] RECEIVING TIPS FROM VARIOUS
[00:29:41] PERSONS. SOME OF THOSE COULD BE
[00:29:43] FROM CBP, BUT I THINK A LARGE
[00:29:44] PORTION OF THOSE ARE DOMESTIC
[00:29:46] TRAVEL. IS THAT CORRECT IN
[00:29:47] SAYING THAT, COMMANDER? YES.
[00:29:49] GOOD MORNING, MADAM
[00:29:50] COMMISSIONER, MADAM CHAIR,
[00:29:51] COMMISSIONERS AND MEMBERS OF THE
[00:29:52] COMMITTEE. YES. SO, AGAIN, MY
[00:29:54] NAME IS COMMANDER KYLIE
[00:29:55] OSHIMURA. AS CHIEF EO WAS
[00:29:57] SAYING, MOST OF OUR CASES ARE
[00:29:58] GENERATED DOMESTICALLY, AND
[00:30:01] ALTHOUGH WE DO RECEIVE TIPS FROM
[00:30:02] CBP, WE RECEIVE VARIOUS TIPS
[00:30:05] FROM OTHER LAW ENFORCEMENT
[00:30:06] AGENCIES ACROSS THE STATE. SO
[00:30:07] IT'S NOT JUST LIMITED TO CBP.
[00:30:12] SO I WANT TO BE CLEAR. THIS IS
[00:30:16] OUR GOAL TODAY IS NOT TO INHIBIT
[00:30:19] GOOD LAW ENFORCEMENT ACTIONS
[00:30:21] THAT HELP TO SLOW OR STOP THE
[00:30:23] TRADE OF ILLICIT DRUGS. NOR DO I
[00:30:26] HAVE ANY CONCERN ABOUT
[00:30:28] FORFEITURES OF ILLICIT GAINS.
[00:30:31] WHAT I WANT TO TRY TO FIGURE OUT
[00:30:33] IS HOW DO WE ENSURE THAT WE'RE
[00:30:34] NOT CASTING TOO BROAD A NET IN
[00:30:36] THE WAY WE DO THAT, AND THAT
[00:30:39] WHEN WE DO
[00:30:45] RETAIN FUNDS FROM SOMEBODY WHO
[00:30:46] WAS NOT ENGAGED IN ANY SORT OF
[00:30:48] LEGAL ACTIVITY, THAT THERE IS A
[00:30:51] SIMPLE AND RELATIVELY PAINLESS
[00:30:53] WAY FOR THEM TO MAKE A CLAIM AND
[00:30:55] GET THAT BACK. AND I THINK YOUR
[00:30:56] RECOMMENDATIONS ARE EXCELLENT ON
[00:30:58] THAT. PART OF WHAT I'M TRYING TO
[00:31:00] UNDERSTAND IS THE
[00:31:02] DISPROPORTIONALITY THAT WE SEE
[00:31:04] IN THAT FIGURE, AN ACCURATE
[00:31:05] REPRESENTATION OF OUR UNIQUE
[00:31:07] POLICE DEPARTMENT OR POLICE
[00:31:09] JURISDICTION. OR IT MIGHT
[00:31:11] ACTUALLY BE WORSE, EVEN MORE
[00:31:13] SKEWED, THAT, YOU KNOW, OUR
[00:31:14] TRAVELING PUBLIC MIGHT THE
[00:31:17] NUMBERS THAT WE'RE USING THERE
[00:31:18] BASED ON LOCAL POPULATION. AND
[00:31:20] IT SOUNDS LIKE YOU DID WAIT
[00:31:21] THAT. AND SO I APPRECIATE
[00:31:22] KNOWING THAT. BUT SO
[00:31:26] IN TERMS OF ADDITIONAL
[00:31:28] RECOMMENDATIONS, I WOULD HOPE
[00:31:32] THAT THERE IS SOME EFFORT,
[00:31:33] WHETHER IT'S BY US AS A PORT OR
[00:31:36] IN COLLABORATION WITH THE
[00:31:38] COMMERCIAL AVIATION INDUSTRY,
[00:31:40] TO HELP PEOPLE UNDERSTAND THAT

[00:31:43] MOVING THESE QUANTITIES OF
[00:31:44] MONEY, PARTICULARLY
[00:31:46] INTERNATIONALLY, IS PROHIBITED
[00:31:49] AND SO THAT SOMEONE DOESN'T
[00:31:50] INADVERTENTLY. IS THAT NOT TRUE?
[00:31:51] I SEE SOMEBODY SHAKING THEIR
[00:31:53] HEAD. I MEAN,
[00:31:56] INTERNATIONALLY, IT SAYS, YOU
[00:31:58] HAVE TO DECLARE IF YOU'RE GOING
[00:32:00] TO BRING THAT MONEY. AND SO NOW,
[00:32:04] THANKFULLY, ENGLISH IS THE
[00:32:06] LINGUA FRANCA. SO I CAN READ ALL
[00:32:07] THE SIGNS THAT, WHETHER IT'S
[00:32:09] HERE OR IN OTHER COUNTRIES. BUT
[00:32:11] I WONDER ABOUT SOMEONE
[00:32:14] WHO IS MIGRATING TO THE UNITED
[00:32:16] STATES. HAS THEIR LIFE SAVINGS
[00:32:20] GRABBED AT THE AIRPORT BECAUSE
[00:32:22] THEY TRIPPED A THRESHOLD THAT
[00:32:25] THEY WERE UNAWARE OF? AND THOSE
[00:32:28] TYPES OF. THAT'S WHERE MY
[00:32:30] CONCERN IS TODAY, IS US PUTTING
[00:32:32] SOMEBODY INTO INDIGENCY BECAUSE
[00:32:34] WE SEIZED FUNDING AND THEY HAD
[00:32:36] NOT DONE ANYTHING WRONG OTHER
[00:32:37] THAN TO TRANSPORT THAT. CHIEF
[00:32:38] VIA, WOULD YOU LIKE TO RESPOND?
[00:32:41] YEAH, I THINK WE CAN RESPOND A
[00:32:43] LITTLE BIT OR TALK A LITTLE BIT
[00:32:45] ABOUT OUR, WHEN WE DO THESE
[00:32:47] SEIZURES, KIND OF HOW WE, NOT TO
[00:32:50] GET INTO TOO MANY DETAILS, BUT
[00:32:51] ESSENTIALLY HOW DO WE RECEIVE
[00:32:52] THE TIP? WHEN DO OUR OFFICERS
[00:32:54] RESPOND OR DETECTIVES RESPOND
[00:32:56] AND INITIATE AN INVESTIGATION?
[00:32:58] IT MIGHT ADDRESS SOME OF THE
[00:32:59] CONCERNS THAT YOU, THAT YOU
[00:33:01] HAVE. AND THEN YOU ALSO DID
[00:33:03] TOUCH ON NOTICES AND APPEAL
[00:33:06] PROCESS. SO IF WE HAVE TIME,
[00:33:08] I'D LIKE COMMANDER YOSHIMIRA TO
[00:33:10] KIND OF TOUCH ON THAT, TOO. AND
[00:33:11] I COULD SPEAK TO COMMANDER
[00:33:12] YOSHIMIRA, BUT YOU'RE MUCH MORE
[00:33:14] DIALED INTO THIS PARTICULAR
[00:33:16] TOPIC. SO IF YOU DON'T MIND,
[00:33:17] COMMANDER, PLEASE.
[00:33:21] SURE. SO IF WE WANTED TO ADDRESS
[00:33:22] THE FIRST CONCERN ABOUT HOW DO
[00:33:24] WE RECEIVE THESE TIPS? SO OUR
[00:33:27] DETECTIVES OPERATE OFF OF
[00:33:28] PROBABLE CAUSE STANDARD, AND SO
[00:33:30] THEY ARE LOOKING FOR MORE THAN
[00:33:31] JUST THE FAMILY THAT IS COMING
[00:33:33] IN WITH THEIR LIFE SAVINGS.
[00:33:34] THERE'S A LOT OF OTHER FACTORS
[00:33:35] THAT THEY'RE LOOKING AT TO
[00:33:36] DETERMINE WHERE THIS MONEY IS
[00:33:38] COMING FROM. YOU KNOW, AGAIN,
[00:33:40] WITHOUT GOING INTO ALL OF THE
[00:33:42] DETAILS, THE COURTS HAVE ALREADY
[00:33:45] ACCEPTED, THERE ARE CERTAIN

[00:33:46] FACTORS, SUCH AS PURCHASING
[00:33:48] TICKET AT THE LAST MINUTE,
[00:33:50] DOING IT AS A CASH TRANSACTION,
[00:33:54] A LAST MINUTE PURCHASE. THAT'S
[00:33:55] ONLY ONE WAY. SO THESE FACTORS
[00:33:57] ARE KEY FACTORS THAT PLAY INTO
[00:34:00] THE MONEY. AND WE, AGAIN, SOME
[00:34:01] OF THE TIPS THAT WE RECEIVE,
[00:34:03] THEY'RE NOT JUST, HEY, THIS
[00:34:04] PERSON COULD BE CARRYING MONEY
[00:34:06] OR THEY ARE CARRYING MONEY.
[00:34:07] IT'S JUST TIPS THAT THIS PERSON
[00:34:08] COULD BE COMING WITH DRUGS OR
[00:34:10] MONEY. SO WE'RE NOT JUST LOOKING
[00:34:13] FOR THE MONEY. AND HOPEFULLY
[00:34:14] THAT ANSWERS YOUR QUESTION.
[00:34:15] PARTLY THAT, YEAH,
[00:34:19] IT DOES. AND AGAIN, IT SOUNDS
[00:34:21] LIKE THE VAST MAJORITY OF THESE
[00:34:22] ARE UNCONTROVERSIAL SEIZURE
[00:34:26] OF FUNDS THAT WERE SOMEHOW
[00:34:29] INVOLVED IN ILLICIT ACTIVITIES.
[00:34:30] NOT CONCERNED ABOUT THOSE. AND I
[00:34:32] DON'T WANT YOU TO DIVULGE WHAT
[00:34:33] METHODS YOU'RE USING TO DISCOVER
[00:34:36] THE ILLICIT TRANSFER OF MONEY
[00:34:37] THROUGH THE AIRPORT. I THINK
[00:34:38] THAT'S GREAT. AND I WANT TO
[00:34:42] CONTINUE TO DRILL DOWN INTO WHAT
[00:34:45] WE CAN DO TO ENSURE THOSE WHO
[00:34:46] ARE IN GOOD FAITH SIMPLY TRYING
[00:34:49] TO, AND MAYBE THEY'RE UNBANKED
[00:34:52] FROM WHERE THEY'RE TRAVELING
[00:34:54] FROM OR JUST SIMPLY UNAWARE OF
[00:34:57] THAT KIND OF REGULATION THAT
[00:35:00] EITHER REQUIRES YOU REPORT IT OR
[00:35:02] FIND A DIFFERENT WAY TO MOVE IT
[00:35:03] OTHER THAN IN YOUR LUGGAGE. SO
[00:35:05] IT SOUNDS LIKE THAT'S A
[00:35:06] RELATIVELY SMALL NUMBER OF THE
[00:35:07] TOTAL POTENTIAL CASES, BUT WE
[00:35:09] WANT TO PREVENT THAT FROM
[00:35:10] HAPPENING WHEN POSSIBLE AND HAVE
[00:35:12] AN OUTLET FOR THOSE FOLKS WHO
[00:35:15] SHOULD BE ABLE TO LAWFULLY CLAIM
[00:35:16] THEIR MONEY. THAT'S AS SIMPLE AS
[00:35:18] POSSIBLE. AND IT SOUNDS LIKE
[00:35:20] WE'RE AMONG THE BETTER INSTANCES
[00:35:22] OF POLICE AGENCIES. AND SO
[00:35:24] MOVING FORWARD, WHAT I WANT TO
[00:35:25] FIGURE OUT IS WHAT CAN WE DO TO
[00:35:26] GO FROM BETTER TO BEST, AND WHAT
[00:35:29] CAN WE DO TO ADVOCATE AT THIS
[00:35:30] STATE LEVEL FOR THESE
[00:35:32] LEGISLATIVE RECOMMENDATIONS?
[00:35:33] AND MAYBE THAT'S JUST ADDING IT
[00:35:34] TO OUR LEGISLATIVE AGENDA.
[00:35:36] COMMISSIONER HASEGAWA. THANK
[00:35:38] YOU, COMMISSIONER CALKINS, MISS
[00:35:39] HOLMSTROM, ANY QUESTIONS OR
[00:35:41] COMMENTS? NOW?
[00:35:44] THAT'S JUST FINE. I HAVE A FEW
[00:35:46] OF MY OWN THEN. THANK YOU SO

[00:35:47] MUCH FOR THE PRESENTATION. AN
[00:35:50] INTERESTING THING ABOUT A
[00:35:51] STATEWIDE AUDIT IS IT WILL COME
[00:35:54] WITH SOME HIGH LEVEL, I THINK,
[00:35:55] OVERARCHING THEMES AND
[00:35:56] RECOMMENDATIONS. AND SO I
[00:35:58] APPRECIATE THAT INFORMATION.
[00:35:59] FOR ME, AS AN AUDIT COMMITTEE
[00:36:02] MEMBER WITH THE PORT OF SEATTLE,
[00:36:04] I'M INTERESTED AT SOME OF THOSE
[00:36:06] SUBGROUPS THAT WERE
[00:36:08] PARTICIPATING IN THE AUDIT. AND
[00:36:09] SO, CHIEF VILLA, COMMANDER
[00:36:11] YOSHIMIRA, I REALLY APPRECIATE
[00:36:13] YOUR BEING HERE TO TALK A LITTLE
[00:36:15] BIT MORE ABOUT HOW WE'RE SORT OF
[00:36:18] AN OUTLIER, I THINK, IN TERMS OF
[00:36:20] VOLUME, IN TERMS OF PRACTICES,
[00:36:23] IN TERMS OF JURISDICTION. SO IF
[00:36:26] WE COULD TURN TO SLIDE SIX,
[00:36:30] I JUST WANT TO TALK ABOUT THE
[00:36:32] DATA, IF WE COULD. WHEN YOU TALK
[00:36:34] ABOUT THAT, THEY DON'T COLLECT
[00:36:36] KEY DATA. I HEARD YOU PULL OUT
[00:36:39] RACE AND ETHNICITY. ARE THERE
[00:36:40] ANY OTHER CATEGORIES THAT YOU
[00:36:42] WERE RECOMMENDING THAT LAW
[00:36:44] ENFORCEMENT AGENCIES DO COLLECT?
[00:36:47] SURE. SOME OF THE LEADING
[00:36:49] PRACTICES, IN ADDITION TO RACE
[00:36:50] AND ETHNICITY, SUGGEST THAT
[00:36:52] AGENCIES SHOULD COLLECT CRIMINAL
[00:36:55] CONVICTION INFORMATION, WHETHER
[00:36:57] OR NOT A PERSON WAS CONVICTED OF
[00:36:59] A CRIME AND AT WHAT STAGE THEY,
[00:37:02] I GUESS, WENT UP TO ASSOCIATED
[00:37:05] WITH THE SPECIFIC INCIDENT.
[00:37:06] CORRECT. AM I MISSING ANY?
[00:37:08] SAHARA? YEAH, THERE'S A HOST OF
[00:37:11] DATA THAT LEADING PRACTICES
[00:37:13] RECOMMEND. LIKE, WHAT WAS THE
[00:37:14] CIVIL OUTCOME OF THE CASE? WAS
[00:37:16] THE PROPERTY FORFEITED BY
[00:37:17] DEFAULT OR AFTER A HEARING?
[00:37:21] THEY ALSO RECOMMEND TO COLLECT
[00:37:23] DATA ON WHO MADE THE DECISION.
[00:37:26] WAS THAT MADE ON AN
[00:37:27] ADMINISTRATIVE HEARING OR WAS IT
[00:37:30] MADE BY THE COURT IN A JUDICIAL
[00:37:33] WAY? SO, AND I THINK THE REPORT
[00:37:37] PAGE, WHERE WE HAVE THE
[00:37:38] RECOMMENDATIONS, KIND OF LISTS
[00:37:40] SOME OF THOSE KEY DATA POINTS
[00:37:42] THAT LEADING PRACTICES RECOMMEND
[00:37:44] AGENCIES COLLECT TO STRENGTHEN
[00:37:47] TRANSPARENCY ABOUT CIVIL ASSET
[00:37:48] FORFEITURE. AND THEN IN TERMS OF
[00:37:50] THE PARTICIPATING POLICE
[00:37:51] DEPARTMENTS THAT WERE AUDITED,
[00:37:53] WAS IT A RANDOM SELECTION? I
[00:37:54] MEAN, THERE ARE HUNDREDS OF
[00:37:55] POLICE DEPARTMENTS IN THE STATE
[00:37:56] OF WASHINGTON. WE SELECTED

[00:38:00] AGENCIES BASED ON A VARIETY OF
[00:38:02] FACTORS, SUCH AS THEIR LEVEL
[00:38:05] OF CIVIL ASSET FORFEITURE
[00:38:07] ACTIVITY DURING THAT THREE YEAR
[00:38:09] PERIOD, THE AMOUNT OF REVENUE
[00:38:12] THEY WERE RECEIVING FROM CIVIL
[00:38:13] ASSET FORFEITURE. AND WE ALSO
[00:38:17] WANTED VARIOUS TYPES OF
[00:38:19] AGENCIES. WE WANTED, LIKE
[00:38:21] POLICE. DON'T MIND THE TRAIN.
[00:38:23] OKAY. SORRY. WE WANTED TO.
[00:38:27] IN ORDER TO COME UP WITH, LIKE,
[00:38:28] OVERALL RECOMMENDATIONS, WE
[00:38:29] WANTED, LIKE, TO INCLUDE A MIX
[00:38:31] DEPARTMENTS, SHERIFF'S OFFICES,
[00:38:33] STATE AGENCY, LIKE THE STATE
[00:38:34] PATROL, AND LIKE, A DRUG TASK
[00:38:36] FORCE. BECAUSE THERE ARE SEVERAL
[00:38:37] DRUG TASK FORCES THAT CONDUCT
[00:38:39] CIVIL ASSET FORFEITURE IN THE
[00:38:42] STATE. SO THOSE THREE FACTORS
[00:38:44] WERE PRIMARILY DRIVING OUR
[00:38:46] SELECTION. AND THEN I KNOW
[00:38:49] MULTIPLE OF THESE POLICE
[00:38:51] DEPARTMENTS IN THEIR
[00:38:52] JURISDICTION ALSO HAVE AN
[00:38:53] OPERATING PORT IN SOME CAPACITY.
[00:38:55] SO DO YOU KNOW, FOR EXAMPLE, IF
[00:38:57] SPOKANE SHERIFF'S OFFICE ALSO
[00:39:00] RESPONDS TO THE AIRPORT THERE OF
[00:39:02] YAKIMA PD?
[00:39:07] I'M SORRY, NOT YAKIMA.
[00:39:12] SPOKANE THAT
[00:39:15] HAS AN AIRPORT DOES. SO DOES
[00:39:18] SPOKANE SHERIFF'S OFFICE RESPOND
[00:39:19] TO THE AIRPORT THERE?
[00:39:24] I'M NOT SURE. WHAT I KNOW FROM
[00:39:27] THE DATA IS THAT IT'S VERY CLEAR
[00:39:29] IF. IF THE AGENCY WAS JUST THE
[00:39:35] POLICE DEPARTMENT OR A
[00:39:39] TASK FORCE MADE OF THAT POLICE
[00:39:42] DEPARTMENT AND SOME OTHER
[00:39:43] AGENCIES, LIKE, FOR EXAMPLE,
[00:39:44] WITH THE CENTRALIA POLICE
[00:39:45] DEPARTMENT, YOU GOT THE CIVIL
[00:39:47] ASSET FORFEITURES CONDUCTED BY
[00:39:49] THE CENTRALIA POLICE DEPARTMENT.
[00:39:50] BUT THERE IS ALSO A TASK FORCE
[00:39:52] IN THAT AREA THAT THOSE
[00:39:54] FORFEITURES THAT INCLUDE
[00:39:56] THE CENTRALIA POLICE DEPARTMENT
[00:39:57] AND OTHER AGENCIES. I DON'T
[00:40:00] RECALL FROM THE DATA SEEING,
[00:40:03] LIKE, OTHER PORTS. OKAY. YEAH,
[00:40:07] BUT I CAN'T ANSWER WITH 100%
[00:40:10] CERTAINTY ON THAT. COMMANDER,
[00:40:11] DO YOU HAVE SOMETHING TO ADD?
[00:40:12] YES, MADAM CHAIR. SO JUST TO
[00:40:14] ANSWER YOUR QUESTION, SPOKANE
[00:40:15] AIRPORT DOES HAVE THEIR OWN
[00:40:16] POLICE DEPARTMENT THAT IS
[00:40:18] SEPARATE FROM THE SHERIFF'S
[00:40:19] OFFICE AND THEN THE CITY POLICE

[00:40:20] DEPARTMENT. THANK YOU. AND THEN
[00:40:23] IF WE CAN GO TO SLIDE TWELVE,
[00:40:24] PLEASE. I'M LOOKING AT RACE AND
[00:40:26] ETHNIC DATA.
[00:40:31] SO I'M
[00:40:35] WONDERING IF YOU'VE CAPTURED
[00:40:38] INFORMATION FOR WESTERN, ASIAN
[00:40:41] OR ARAB POPULATIONS. AND IF
[00:40:44] SO, HOW THEY'RE GROUPED. I KNOW
[00:40:46] HISTORICALLY, PERHAPS
[00:40:48] ERRONEOUSLY, THEY'VE BEEN
[00:40:50] CATEGORIZED ON A RACIAL BASIS BY
[00:40:51] THE CENSUS AS CAUCASIAN.
[00:40:54] PROPERLY. THEY'RE FROM THE ASIAN
[00:40:56] CONTINENT. AND I ASK BECAUSE IF
[00:40:59] WE'RE RAISING POTENTIAL ISSUES
[00:41:01] OF DISPARATE PRACTICES,
[00:41:04] PARTICULARLY ON A RACE OR ETHNIC
[00:41:07] BASIS, THERE ARE ONGOING
[00:41:09] REPERCUSSIONS FROM 911
[00:41:12] AND, AND DISCRIMINATORY
[00:41:15] PRACTICES AGAINST ARAB AND
[00:41:17] MUSLIM PEOPLE WITH RELIGIOUS,
[00:41:20] WHO BEAR RELIGIOUS INDICATORS.
[00:41:22] AND SO I'M
[00:41:26] WONDERING IF THAT THEIR DATA IS
[00:41:28] CAPTURED HERE.
[00:41:33] IT COULD BE, BUT IT'S HARD TO
[00:41:36] TELL. IT LENDS ITSELF TOWARDS
[00:41:38] THE QUESTION OF IMPORTANCE OF
[00:41:40] GOOD DATA. RIGHT? IT COULD BE,
[00:41:42] BUT WE, YOU KNOW, WE HAD TO USE
[00:41:44] THESE, THIS MORE LIKE CLEARLY
[00:41:46] DEFINED RACE AND ETHNIC GROUPS
[00:41:49] BY THE US CENSUS. AND ALSO LIKE
[00:41:51] THE METHODOLOGY THAT WE USED TO,
[00:41:52] LIKE, ESTIMATE PEOPLE'S PROBABLE
[00:41:54] RACE AND ETHNICITY ALSO USES
[00:42:00] THESE SAME KIND OF, LIKE,
[00:42:01] CATEGORIES. SO IT'S POSSIBLE
[00:42:05] THAT IT INCLUDES PEOPLE OF THOSE
[00:42:07] RACES AND ETHNICITIES, BUT HARD
[00:42:10] TO TELL.
[00:42:14] MADAM CHAIR, CAN I MAKE A
[00:42:15] COMMENT JUST ON. NOT NECESSARILY
[00:42:18] SPECIFIC TO THAT, BUT TWO
[00:42:20] COMMENTS. ONE IS, IN GOING BACK
[00:42:21] TO COMMISSIONER CALKINS COMMENT
[00:42:23] PREVIOUSLY, IS THAT OUR
[00:42:25] INVESTIGATIONS DON'T START WITH
[00:42:28] SOMEBODY DECLARING FUNDS. SO WE
[00:42:30] DO HAVE PEOPLE COMING THROUGH
[00:42:31] THE AIRPORT OR INTO THE AIRPORT,
[00:42:32] AND THEY DECLARE THAT THEY HAVE
[00:42:34] X AMOUNT OF DOLLARS AND THEY'RE
[00:42:36] COMING IN. OUR INVESTIGATIONS
[00:42:38] REALLY START FROM TIPS THAT WE
[00:42:40] RECEIVE, AND WE INITIATE AN
[00:42:42] INVESTIGATION BASED ON TRAVELER
[00:42:44] CHARACTERISTICS AND ABOUT, I
[00:42:47] THINK I CAN SAFELY SAY 100% OF
[00:42:48] THE TIME, WE DON'T KNOW WHAT
[00:42:51] ETHNICITY OR NATIONALITY OR RACE

[00:42:55] SOMEBODY IS. WE'RE LOOKING AT,
[00:42:57] AS COMMITTED COMMANDER YOSHIMIRA
[00:42:58] MENTIONED, SOME OF THOSE
[00:43:00] CHARACTERISTICS. WE'RE LOOKING
[00:43:01] AT DRUG TRADE ROUTES AND THINGS
[00:43:03] OF THOSE NATURES AS WELL. AND
[00:43:05] THEN WE INITIATE, MAKE A
[00:43:06] DETERMINATION IF WE'RE GOING TO
[00:43:08] INITIATE AN INVESTIGATION, AND
[00:43:10] THEN WE'LL MAKE CONTACT WITH THE
[00:43:13] PERSON TRAVELING THROUGH AND
[00:43:16] CONTINUE THAT INVESTIGATION
[00:43:18] THROUGH INTERVIEW, AND
[00:43:20] POTENTIALLY BRING IN ONE OF OUR
[00:43:22] CANINE DOGS, DRUG DOGS AND AYE.
[00:43:23] GETTING ON THE MONEY OR A
[00:43:25] SUITCASE THAT MIGHT HAVE DRUGS
[00:43:26] IN IT AND THINGS OF THAT NATURE.
[00:43:27] AND SO WHILE CERTAINLY WE WANT
[00:43:29] TO DO EVERYTHING WE CAN NOT TO
[00:43:31] DISPROPORTIONATELY IMPACT ANY
[00:43:33] GROUP, REALLY, OUR
[00:43:34] INVESTIGATIONS ARE A LOT
[00:43:36] DIFFERENT FROM, AND VERY UNIQUE
[00:43:37] FROM WHAT YOU MIGHT FIND IN A
[00:43:39] CITY OR A COUNTY WHERE THEY'RE
[00:43:41] STOPPING PEOPLE FINDING DRUGS ON
[00:43:43] THEM, OR THEY'RE TARGETING A
[00:43:45] PARTICULAR LOCATION WHERE DRUGS
[00:43:47] MIGHT, THEY SUSPECT DRUGS MAY BE
[00:43:49] KILLED COMING OUT OF OR
[00:43:50] PARTICULAR NEIGHBORHOODS AND
[00:43:51] THINGS OF THAT SORT. SO I CAN'T
[00:43:52] SPEAK FOR THOSE OTHER AGENCIES,
[00:43:54] BUT JUST MAKE, JUST WANTED TO
[00:43:56] MAKE SURE IT WAS CLEAR THAT IT
[00:43:58] IS REALLY UNIQUE HOW WE CONDUCT
[00:43:59] THESE INVESTIGATIONS. THAT'S
[00:44:01] HELPFUL. THANK YOU. CHIEF DIAS.
[00:44:03] SLIDE SEVEN, IS THERE A
[00:44:06] REASON WHY DRUGS WERE NOT ONE OF
[00:44:08] THE CATEGORIES THAT YOU SCREENED
[00:44:10] FOR? WERE AUDITING SOUGHT
[00:44:16] TO IDENTIFY, LIKE THE TYPE OF
[00:44:18] PROPERTY THAT IS BEING SEIZED?
[00:44:20] BECAUSE THIS IS THE KIND OF
[00:44:22] PROPERTY THAT PEOPLE CAN, LIKE,
[00:44:25] RECLAIM BACK. IF THE PROPERTY
[00:44:28] WAS NOT INVOLVED OR ASSOCIATED
[00:44:30] WITH CRIME WHEN IT COMES TO
[00:44:31] DRUGS, I BELIEVE THAT
[00:44:35] THEY HAVE TO BE DISPOSED, BUT
[00:44:39] I'LL LET THE OFFICER SPEAK
[00:44:40] BETTER ABOUT THAT. SO DRUGS IS
[00:44:42] NOT SOMETHING THAT PEOPLE CAN
[00:44:43] RECLAIM BACK, AM I? THAT'S
[00:44:46] CORRECT. YOU CAN'T CLAIM BACK
[00:44:47] YOUR DRUGS? YEAH. JUST WONDERING
[00:44:50] IF WE'RE TAKING A LOOK AT THE
[00:44:54] FULL PICTURE OF THE OPERATION OF
[00:44:56] STOPPING SEIZING AND THEN HOW
[00:44:59] THAT'S HANDLED ALSO, I THINK,
[00:45:01] BECOMES A LEGAL QUESTION,

[00:45:02] INCLUDING THE WAY IT'S DICTATED
[00:45:05] THROUGH RCW. AND THAT'S
[00:45:06] SOMETHING THAT WE'VE TAKEN A
[00:45:07] LOOK AT AND HAD SOME PRETTY
[00:45:08] THOROUGH CONVERSATIONS ABOUT
[00:45:11] HERE AT THE PORT OF SEATTLE IS
[00:45:14] WHAT HAPPENS ONCE, INCLUDING
[00:45:16] WITH GUNS AS WELL. I MEAN, YOU
[00:45:19] HAVE WEAPONS LISTED HERE. SO
[00:45:22] THAT'S HELPFUL FOR ME TO
[00:45:25] UNDERSTAND THE SCOPE AND THE
[00:45:27] PURPOSE. AND, MADAM CHAIR, JUST
[00:45:29] TO BE CLEAR, THE PERSON DOESN'T
[00:45:31] GET THEIR DRUGS BACK, BUT WE
[00:45:32] DON'T JUST DISPOSE OF THEM.
[00:45:33] THEY HAVE TO GO THROUGH THE
[00:45:34] LEGAL PROCEEDINGS OF GOING
[00:45:35] THROUGH COURT AND HAVING THE
[00:45:36] CASE ADJUDICATED AND FINALIZED.
[00:45:38] AND THEN ONCE THAT'S CLEAR, I
[00:45:41] SIGN OFF ON THE DESTRUCTION
[00:45:43] METHOD. BUT, YES, WE HOLD ON TO
[00:45:44] IT UNTIL IT'S SEATED. THERE'S A
[00:45:45] DIFFERENCE BETWEEN SOMEBODY
[00:45:46] DECLARING A WEAPON, HAVING IT
[00:45:47] SEIZED, AND THEN SEEKING TO BE
[00:45:49] ABLE TO RECUPERATE THAT VERSUS
[00:45:50] GETTING A TIP FROM SOMEBODY
[00:45:52] SAYING THAT SOMEBODY'S PROBABLY
[00:45:54] CARRYING WEAPONS AND THEN
[00:45:55] INTERCEPTING THAT AND THEN
[00:45:56] SEIZING THEM. AND THEN WHAT
[00:45:59] HAPPENED SUBSEQUENTLY TO THOSE,
[00:46:02] TO THE ARMS THAT WERE SEIZED
[00:46:03] THAT WERE PLAUSIBLY BEING
[00:46:05] PROLIFERATED INTO OUR SOCIETY
[00:46:06] FOR NEFARIOUS OR UNDERGROUND
[00:46:09] PURPOSES. SO I JUST ASKED THE
[00:46:12] SAME QUESTIONS ABOUT DRUGS,
[00:46:13] NARCOTICS, BECAUSE SO MUCH OF
[00:46:15] THE PROBLEM IS THROUGH LEGALLY
[00:46:17] PRESCRIPTIONS AS WELL. MOVING
[00:46:20] FORWARD. SLIDE 22,
[00:46:25] SCREENING FOR PLAIN TALK AND
[00:46:27] TRANSLATION. WHO ARE,
[00:46:30] HOW DOES THE PORT OF SEATTLE DO,
[00:46:32] CHIEF? DO WE USE PLAIN TALK?
[00:46:35] AND DO WE HAVE TRANSLATED
[00:46:37] MATERIALS THAT CAN POINT PEOPLE
[00:46:38] TOWARDS RECOVERING THEIR
[00:46:41] PROPERTY? YEAH, AND YOU CAN
[00:46:43] EXPAND ON THIS, COMMANDER, BUT
[00:46:44] BECAUSE WE'RE MAKING CONTACT
[00:46:46] WITH THE PERSON WHO HAS THE CASH
[00:46:48] AND THAT'S ALL WE'RE SEIZING,
[00:46:50] WE, ALMOST ALL OF OURS ARE IN
[00:46:52] PERSON NOTICES. AND IF THERE IS
[00:46:54] A LANGUAGE BARRIER, THEN WE
[00:46:57] HAVE HAD SOME OF THOSE, BUT
[00:46:58] WE'VE HAD STAFF THAT CAN SPEAK
[00:47:00] THOSE PARTICULAR LANGUAGES. AND
[00:47:01] SO WE'VE UTILIZED STAFF OR OTHER
[00:47:05] PARTNERS THAT WE WORK WITH. IF

[00:47:07] WE NEEDED TO. WE COULD CALL THE
[00:47:09] LANGUAGE LINE AND WORK THROUGH
[00:47:11] THEM TO DO THAT. AS FAR AS OUR
[00:47:12] NOTICES GO, THAT IS AN AREA THAT
[00:47:15] WE CERTAINLY COULD IMPROVE IN,
[00:47:16] IS THAT. I WOULD SAY IT IS PLAIN
[00:47:18] TALK LOOKING THROUGH THAT NOTICE
[00:47:19] FORM, BUT WE DON'T HAVE IT IN
[00:47:23] ADDITIONAL LANGUAGES AT THIS
[00:47:24] TIME. AND THAT ALIGNS WITH OUR
[00:47:28] FINDINGS ON THE REVIEW OF THE
[00:47:30] PORT OF SEATTLE NOTICES. THEY
[00:47:32] ARE ONLY IN ENGLISH AND THEY
[00:47:39] ARE NOT WRITTEN IN PLAIN TALK.
[00:47:40] BASED ON THE TEST THAT WE DID,
[00:47:43] THERE WAS ONLY ONE AGENCY THAT
[00:47:45] HAD A LETTER THAT GOT CLOSER TO
[00:47:47] THAT PLAIN TALK STANDARD OF
[00:47:50] WRITING LETTERS TO AN 8TH
[00:47:53] GRADE READING LEVEL. SO WHAT'S
[00:47:56] NEXT FOR THE STATE AUDITOR'S
[00:47:58] OFFICE? YOU GO, YOU PUBLISH YOUR
[00:48:00] REPORT, YOU MAKE SURE THE
[00:48:01] STAKEHOLDERS HAD A CHANCE TO BE
[00:48:03] ABLE TO SEE IT AS WELL. IS THIS
[00:48:04] THE FINAL REPORT? IS THIS A
[00:48:05] DRAFT REPORT THAT WE'RE
[00:48:06] PROVIDING INPUT ON? THE REPORT
[00:48:09] IS ALREADY FINAL, HAS ALREADY
[00:48:11] BEEN PUBLISHED, AND WE ALREADY
[00:48:12] ALSO PRESENTED IT TO A
[00:48:16] LEGISLATIVE COMMITTEE, THE JOINT
[00:48:18] LEGISLATIVE AUDIT AND REVIEW
[00:48:19] COMMITTEE. SO AS FAR AS THE WORK
[00:48:22] OF THE STATE AUDITOR WITH THIS
[00:48:24] AUDIT, WE'RE DONE. BUT ARE YOU
[00:48:27] MAKING LEGISLATIVE
[00:48:28] RECOMMENDATIONS AS WELL? WE MADE
[00:48:30] A RECOMMENDATION FOR THE
[00:48:32] LEGISLATURE TO CONVENE A
[00:48:33] WORKGROUP TO DELIBERATE
[00:48:38] ON WHETHER THE SYSTEM IS WORKING
[00:48:40] AS INTENDED AND TO CONSIDER
[00:48:42] POTENTIAL RECOMMENDATIONS THAT
[00:48:43] WE HAVE ON THE REPORT TO ADDRESS
[00:48:47] ISSUES WITH THE CIVIL ASSET
[00:48:48] FORFEITURE ISSUES OF CONCERNS
[00:48:50] WITH THE CIVIL ASSET FORFEITURE
[00:48:51] SYSTEM. SO THERE IS VARIOUS
[00:48:54] RECOMMENDATIONS, POTENTIAL
[00:48:56] RECOMMENDATIONS ON THAT REPORT
[00:48:58] FOR THE LEGISLATIVE WORKGROUP TO
[00:48:59] CONSIDER AS THEY DELIBERATE ANY
[00:49:01] CHANGES TO THE SYSTEM. OKAY, SO
[00:49:03] WE MAY. YOU MADE THAT
[00:49:05] RECOMMENDATION AND THEN HOW'S
[00:49:06] THAT? HOW IS THAT MOVING THROUGH
[00:49:09] THE LEGISLATION? HAS IT BEEN
[00:49:11] INTRODUCED IN THE LAST SESSION
[00:49:13] OR IS THAT COMING UP? WE
[00:49:16] PRESENTED THIS REPORT AFTER THE
[00:49:18] LEGISLATIVE SESSION WAS
[00:49:20] COMPLETED. SO IF THERE IS ANY.

[00:49:24] DOES IT NAME MEMBERSHIP? ARE YOU
[00:49:26] RECOMMENDING MEMBERSHIP?
[00:49:28] PERHAPS THE PARTICIPATING POLICE
[00:49:31] DEPARTMENTS THAT WERE SUBJECT TO
[00:49:32] THIS AUDIT? WE DIDN'T SPECIFY
[00:49:37] WHO SHOULD BE PART OF THE
[00:49:38] WORKGROUP, BUT WE DID MENTION
[00:49:42] DURING OUR LEGISLATIVE HEARING
[00:49:43] THAT WE WOULD EXPECT THAT LAW
[00:49:45] ENFORCEMENT AGENCIES WOULD BE A
[00:49:47] KEY MEMBER ON THAT WORK GROUP.
[00:49:51] BUT IT'S GOING TO BE UP TO THE
[00:49:53] LEGISLATURE WHO THEY INVOLVE IN
[00:49:55] THE WORK GROUP. OKAY,
[00:49:59] WELL, THAT CONCLUDES MY
[00:50:01] QUESTIONS. DOES ANYBODY ELSE
[00:50:03] HAVE ANYTHING TO ADD? GIVES US A
[00:50:05] LOT TO THINK ABOUT. THANK YOU SO
[00:50:08] MUCH. APPRECIATE YOUR
[00:50:09] PRESENTATION. THANK YOU. THANK
[00:50:10] YOU. ALL RIGHT, SO WE'RE
[00:50:14] GOING TO MOVE FORWARD. OUR NEXT
[00:50:15] EXTERNAL AUDIT IS FROM MOSS
[00:50:16] ADAMS REGARDING THE RESULTS OF
[00:50:18] THE 2023 FINANCIAL STATEMENTS
[00:50:20] AUDIT. MR. FERNANDEZ, PLEASE
[00:50:23] INTRODUCE OUR SPEAKERS. THANK
[00:50:24] YOU, COMMISSIONERS. TODAY WE
[00:50:25] HAVE OLGA DARLINGTON AND ANNA
[00:50:28] WALDRON FROM MOSS ADAMS, AND
[00:50:30] THEY'LL BE TALKING NOT ONLY
[00:50:31] ABOUT OUR FINANCIAL STATEMENT
[00:50:33] AUDIT, BUT WHAT THEY DID, THE
[00:50:35] WORK THAT THEY DID, AND WHAT'S
[00:50:37] COMING DOWN THE PIPELINE. SO
[00:50:38] WITH THAT, I'LL PASS IT ON TO
[00:50:40] OLGA AND ANNA TO INTRODUCE
[00:50:42] YOURSELVES AND MOVE FORWARD.
[00:50:43] THANK YOU, GLENN. GOOD MORNING,
[00:50:45] MEMBERS OF THE AUDIT COMMITTEE.
[00:50:47] IT IS GREAT TO BE WITH YOU HERE
[00:50:50] TODAY. WE COMPLETED THE
[00:50:53] 2023 AUDIT IN APRIL AND
[00:50:57] ISSUED OUR REPORT. SO TODAY IS
[00:50:59] JUST OUR BRIEF SUMMARY OF THE
[00:51:01] AUDIT RESULTS FOR YOU.
[00:51:07] IF WE JUMP TO THE SLIDE THAT'S
[00:51:10] TITLED AUDITOR REPORTS ISSUED.
[00:51:13] THIS IS A HIGHLIGHT OF OUR
[00:51:15] PRESENTATION, ALL THE REPORTS
[00:51:16] THAT WE HAVE ISSUED AS A RESULT
[00:51:18] OF OUR WORK SUMMARIZED HERE.
[00:51:20] FIRST IS THE AUDITOR REPORT ON
[00:51:22] THE FINANCIAL STATEMENTS
[00:51:24] PROVIDING AN UNMODIFIED OPINION,
[00:51:26] WHICH MEANS IT'S A CLEAN OPINION
[00:51:28] ON THE FINANCIAL STATEMENTS.
[00:51:30] THE FINANCIAL STATEMENTS ARE
[00:51:32] MATERIALLY ACCURATE AND THE
[00:51:33] FOOTNOTE DISCLOSURES ARE IN
[00:51:35] ACCORDANCE WITH GENERALLY
[00:51:36] ACCEPTED ACCOUNTING PRINCIPLES.
[00:51:39] THE SECOND REPORT WAS ISSUED AS

[00:51:41] A REQUIREMENT OF THE
[00:51:42] GOVERNMENTAL AUDITING STANDARDS
[00:51:44] UNDER WHICH WE PERFORM THE
[00:51:45] AUDIT. THAT IS A REPORT ON
[00:51:47] INTERNAL CONTROLS AND COMPLIANCE
[00:51:51] AND OTHER MATTERS. WE DID NOT
[00:51:53] IDENTIFY ANY MATERIAL WEAKNESSES
[00:51:55] OR ANY FINDINGS THAT NEEDED TO
[00:51:57] BE INCLUDED IN THAT REPORT. SO
[00:51:59] ALL IN ALL, ONCE AGAIN, CLEAN
[00:52:01] REPORT THERE. THE THIRD REPORT
[00:52:03] IS REPORT ON COMPLIANCE OVER
[00:52:05] MAJOR FEDERAL PROGRAMS AND
[00:52:07] INTERNAL CONTROLS AND
[00:52:09] COMPLIANCE, MORE COMMONLY KNOWN
[00:52:11] AS A REPORT ON FEDERAL GRANTS
[00:52:13] THAT WERE EXPANDED DURING 2023
[00:52:17] BY THE PORT. THERE WERE SEVERAL
[00:52:19] PROGRAMS THAT GRANTS THAT ARE
[00:52:22] INCLUDED IN THAT REPORT. WE DID
[00:52:25] NOT IDENTIFY ANY ISSUES, ANY
[00:52:27] COMPLIANCE FINDINGS OR INTERNAL
[00:52:29] CONTROL FINDINGS IN THAT REPORT
[00:52:31] AS WELL. SO ONCE AGAIN, CLEAN
[00:52:33] REPORT THERE. COUPLE OF MORE
[00:52:37] REPORTS ON THE NEXT SLIDE.
[00:52:40] WE ALSO AUDITED THE PFC PROGRAM,
[00:52:43] WHICH IS A PASSENGER FACILITY
[00:52:44] CHARGE THAT'S COLLECTED THROUGH
[00:52:47] TICKET PURCHASES BY THE
[00:52:48] TRAVELING PUBLIC.
[00:52:51] THAT'S A FEDERAL PROGRAM.
[00:52:53] THERE'S A SPECIAL FEDERAL AUDIT
[00:52:54] GUIDE THAT WE FOLLOW IN
[00:52:55] PERFORMING THAT AUDIT. ONCE
[00:52:58] AGAIN, NO FINDINGS UNDER THAT
[00:53:00] PROGRAM EITHER. THAT REPORT DOES
[00:53:02] GO TO THE FEDERAL AGENCIES AND
[00:53:04] THE FAA. SO NO FINDINGS THERE.
[00:53:07] CLEAN REPORT THE FINAL REPORT ON
[00:53:10] THAT SLIDE IS A REPORT ON
[00:53:12] SCHEDULE OF NET REVENUES
[00:53:14] AVAILABLE FOR BOND DEBT SERVICE.
[00:53:16] SO AS PART OF OUR AUDIT, ONE OF
[00:53:17] THE THINGS WE'LL LOOK AT IS
[00:53:19] MAKING SURE THAT DEBT COVENANTS
[00:53:20] ARE MET BY THE PORT FOR ALL OF
[00:53:23] ITS OUTSTANDING DEBT BONDS AND
[00:53:26] SO FORTH. THIS PARTICULAR REPORT
[00:53:29] GOES INTO A LITTLE BIT MORE
[00:53:31] DETAIL OVER THE SCHEDULE THAT
[00:53:33] CALCULATES THAT COMPLIANCE FOR
[00:53:36] BOND AND AVAILABLE FUNDING. SO
[00:53:38] CLEAN REPORT THERE AS WELL.
[00:53:41] NEXT SLIDE. COUPLE MORE REPORTS
[00:53:43] ON AGREED UPON PROCEDURES.
[00:53:45] THESE ARE TWO VERY SPECIFIC
[00:53:48] REPORTS THAT GO TO THE AGENCIES,
[00:53:51] THE DEPARTMENT OF ECOLOGY WITH
[00:53:53] WASHINGTON STATE AND THE
[00:53:54] ENVIRONMENTAL PROTECTION AGENCY,
[00:53:56] SPECIFIC MORE TO THE
[00:53:57] ENVIRONMENTAL OBLIGATIONS THAT

[00:53:59] THE PORT HAS AND SOME OF THE
[00:54:01] FUNDING THAT'S REQUIRED TO BE
[00:54:04] REPORTED ON TO THOSE AGENCIES.
[00:54:07] ONCE AGAIN, NO ISSUES IN THOSE
[00:54:09] REPORTS. SO ALL IN ALL, IN ALL
[00:54:12] OF THE REPORTS THAT I ISSUED OR
[00:54:14] THAT WE ISSUED AND I SUMMARIZED,
[00:54:16] ALL CLEAN REPORTS, NO
[00:54:18] SIGNIFICANT FINDINGS, NO
[00:54:19] MATERIAL WEAKNESSES AND INTERNAL
[00:54:20] CONTROL. SO ONCE AGAIN, A CLEAN
[00:54:22] REPORT CARD FOR THE PORT ON 2023
[00:54:25] FINANCIAL RESULTS. AND THEN ANNA
[00:54:29] WILL HELP ME SUMMARIZE THE
[00:54:31] OVERVIEW OF SOME OF THE
[00:54:32] SIGNIFICANT AREAS OF FOCUS THAT
[00:54:34] WE COVERED DURING OUR AUDIT.
[00:54:36] GREAT, WE CAN. YEAH, MOVE TO THE
[00:54:37] NEXT SLIDE. SO, JUST TO KIND OF
[00:54:39] FURTHER ELABORATE ON WHAT THE
[00:54:41] SCOPE OF OUR AUDIT ENTAILS, WE
[00:54:43] DO OUTLINE JUST WHAT OF THE
[00:54:45] AREAS OF FOCUS ARE FOR YOUR
[00:54:47] BENEFIT. SO WE DO START OUR WORK
[00:54:49] IN THE FALL. WE CALL IT OUR
[00:54:51] INTERIM FIELD WORK. DURING THAT
[00:54:52] TIME, WE'RE FOCUSED ON TESTING
[00:54:55] THE PORT'S INTERNAL CONTROL
[00:54:57] ENVIRONMENT. THIS IS THE BASIS
[00:54:59] FOR THEN US DESIGNING OUR
[00:55:00] TESTING PROCEDURES FOR FINAL
[00:55:01] FIELD WORK. WE SPEND TIME
[00:55:03] LOOKING AT THE PORT'S IT
[00:55:05] COMPUTER, GENERAL CONTROLS FOR
[00:55:07] ANY IT SYSTEMS THAT ARE
[00:55:09] IMPORTANT FOR THE FINANCIAL
[00:55:11] REPORTING PROCESS, LOOKING AT
[00:55:13] CONTROLS AROUND CAPITAL ASSETS
[00:55:14] AS WELL AS PROJECT MANAGEMENT
[00:55:17] CONTROLS OVER BOTH CASH RECEIPTS
[00:55:19] AND CASH DISBURSEMENTS,
[00:55:20] PAYROLL, AND THEN ALSO SOME
[00:55:23] EXTRA TIME SPENT ON THE CONTROLS
[00:55:25] AROUND THE ADMINISTRATION OF
[00:55:27] FEDERAL AWARDS AS PART OF THAT
[00:55:28] SINGLE AUDIT THAT WE ALSO
[00:55:29] PERFORM. ANOTHER AREA OF
[00:55:32] EMPHASIS FOR US IS AREAS WHERE
[00:55:34] THERE IS MANAGEMENT ESTIMATED,
[00:55:36] AS THIS CAN HAVE SOME INHERENT
[00:55:38] RISKS FOR MANAGEMENT BIAS FOR
[00:55:41] THE PORT OF SEATTLE, SOME OF THE
[00:55:44] LARGER AREAS OF ESTIMATION WOULD
[00:55:46] BE AROUND THE ALLOWANCE FOR
[00:55:47] DOUBTFUL ACCOUNTS FOR
[00:55:48] RECEIVABLES, THE PORT'S
[00:55:51] ENVIRONMENTAL REMEDIATION
[00:55:52] LIABILITIES, LEGAL
[00:55:53] CONTINGENCIES, AND THEN INPUTS
[00:55:56] FOR THE PENSION AND POST
[00:55:58] EMPLOYMENT BENEFITS. NEXT SLIDE,
[00:56:01] PLEASE. PLEASE. WE DO ALSO SPEND
[00:56:05] SOME TIME EACH YEAR JUST

[00:56:07] AUDITING THE BALANCE THAT'S
[00:56:08] REPORTED AS THE JOINT VENTURE
[00:56:10] WITH THE NORTHWEST SEAPORT
[00:56:11] ALLIANCE. THE NWSA DOES HAVE A
[00:56:14] SEPARATE AUDIT, SO WE'RE ABLE TO
[00:56:16] LOOK AT THOSE AUDITED FINANCIAL
[00:56:18] STATEMENTS AND ENSURE THAT THE
[00:56:19] PORT OF SEATTLE IS PROPERLY
[00:56:20] CLAIMED, THEIR PORTION UNDER THE
[00:56:22] JOINT VENTURE. AND THEN CAPITAL
[00:56:24] ASSETS IS GENERALLY ONE OF THE
[00:56:26] LARGEST AREAS OF FOCUS FOR US.
[00:56:28] EVERY YEAR, JUST GIVEN THE
[00:56:29] AMOUNT OF ONGOING PROJECTS THAT
[00:56:31] THE AIRPORT HAS, WE DO LOOK AT
[00:56:34] THE CAPITALIZATION POLICIES,
[00:56:35] ENSURING THAT THOSE ARE BEING
[00:56:36] CONSISTENT YEAR OVER YEAR AND
[00:56:39] ARE IN ALIGNMENT WITH AUDITING
[00:56:41] STANDARD ACCOUNTING STANDARDS,
[00:56:44] AND THEN DO LOOK AT ADDITIONS TO
[00:56:46] CAPITAL ASSETS FOR THE YEAR,
[00:56:48] ANY SIGNIFICANT RETIREMENTS,
[00:56:50] ENSURING THAT PROJECTS THAT ARE
[00:56:53] IN PROCESS PROCESS THAT HAVE
[00:56:54] BEEN COMPLETED ARE BEING CLOSED
[00:56:55] TIMELY INTO ACTUAL IN SERVICE
[00:56:58] ASSETS. NEXT SLIDE.
[00:57:03] BOND ACTIVITY CAN BE ANOTHER
[00:57:05] AREA OF EMPHASIS THIS YEAR, A
[00:57:07] LITTLE BIT LIGHTER. THERE WERE
[00:57:08] NO SIGNIFICANT NEW DEBT
[00:57:10] ISSUANCES SO OUR PROCEDURES
[00:57:12] MOSTLY FOCUS AROUND CONFIRMING
[00:57:14] DIRECTLY WITH THE FINANCIAL
[00:57:15] INSTITUTIONS THE AMOUNT OF
[00:57:17] LIABILITIES THAT ARE HELD ON
[00:57:18] BEHALF OF THE PORT OF SEATTLE
[00:57:20] AND THEN THE ENVIRONMENTAL
[00:57:21] REMEDIATION LIABILITY. THIS IS
[00:57:23] AN AREA OF EMPHASIS, ESPECIALLY
[00:57:24] AS I MENTIONED, IT IS AN AREA OF
[00:57:26] MANAGEMENT ESTIMATION. SO WE
[00:57:28] SPEND TIME TALKING WITH THE
[00:57:29] INDIVIDUALS WHO ARE INVOLVED IN
[00:57:32] ESTIMATING THE COST EXPECTED FOR
[00:57:34] SIGNIFICANT PROJECTS, LOOKING AT
[00:57:35] WHAT'S CHANGED YEAR OVER YEAR,
[00:57:36] AND MAKING SURE THAT WE'RE
[00:57:38] REACHING OUT TO ATTORNEYS AND
[00:57:40] OTHER THIRD PARTIES THAT MAY BE
[00:57:42] AWARE OF ONGOING ENVIRONMENTAL
[00:57:43] REMEDIATION LIABILITIES THAT ARE
[00:57:45] OUTSIDE NEXT SLIDE REVENUE
[00:57:50] RECOGNITION AGAIN, THIS IS AN
[00:57:52] AREA OF SOME INHERENT RISK FOR
[00:57:54] INFLATING REVENUES. WE DO A
[00:57:56] COMBINATION OF BOTH ANALYTICAL
[00:57:59] TREND ANALYSIS AS WELL AS
[00:58:01] DETAILED TESTING OF INVOICES AND
[00:58:03] CONFIRMATIONS FOR THE AIRLINE
[00:58:06] REVENUE. SPECIFICALLY, WE DO
[00:58:08] SEND CONFIRMATIONS DIRECTLY TO

[00:58:10] THE AIRLINES TO TO CONFIRM THE
[00:58:11] AMOUNT OF REVENUE REPORTED. WE
[00:58:13] GET SOMETHING LIKE 90% COVERAGE
[00:58:15] FROM THAT AND THEN DO SOME
[00:58:16] ANALYTICAL PROCEDURES AS WELL,
[00:58:18] JUST LOOKING AT THE RATES AND
[00:58:19] CHARGES AND HOW THOSE ARE
[00:58:20] DISTRIBUTED. NEXT SLIDE.
[00:58:25] GASB 87 WAS A BIG HOT TOPIC LAST
[00:58:28] YEAR. IF YOU RECALL, IT WAS
[00:58:30] ADOPTED IN THE PRIOR YEAR. SO
[00:58:32] THIS WAS THE SECOND YEAR. NOW
[00:58:34] THAT THE PORT OF SEATTLE HAS
[00:58:35] BEEN REPORTING ITS LEASES ON ITS
[00:58:37] FINANCIAL STATEMENTS. JUST
[00:58:40] CONTINUED LOOKING AT NEW LEASES
[00:58:41] THAT ARE COMING ON DURING 2023,
[00:58:43] ENSURING THAT MANAGEMENT IS
[00:58:45] PROPERLY APPLYING THE GASB 87
[00:58:47] GUIDANCE AND IDENTIFYING THOSE
[00:58:49] NEW LEASES AND PROPERLY
[00:58:50] CALCULATING THE ASSETS TO BE
[00:58:53] PLACED ON THE FINANCIAL
[00:58:55] STATEMENTS. AND THEN ON THE NEXT
[00:58:58] SLIDE, WE DID HAVE ANOTHER
[00:59:00] SIGNIFICANT ADOPTION FOR FOR THE
[00:59:02] CURRENT YEAR, WHICH WAS GASB 96,
[00:59:04] WHICH IS REFERRED TO AS SPEEDA
[00:59:06] OR SOFTWARE BASED SUBSCRIPTION
[00:59:09] ASSETS. SO VERY SIMILAR TO GASB
[00:59:11] 87, BUT SPECIFICALLY FOCUSED ON
[00:59:14] IT ARRANGEMENTS AND SO AGAIN,
[00:59:16] LOOKING FOR IT CONTRACTS,
[00:59:17] IDENTIFYING IF THEY MEET THE
[00:59:19] CRITERIA FOR GASB 96, IN WHICH
[00:59:21] CASE THERE IS AN ASSET AND A
[00:59:23] LIABILITY RECORDED ON THE
[00:59:25] FINANCIAL STATEMENTS.
[00:59:26] MANAGEMENT, AS USUAL, WAS VERY
[00:59:29] MUCH THINKING ABOUT THIS IN
[00:59:31] ADVANCE. WE WERE ABLE TO GET
[00:59:32] SOME TESTING DONE BEFORE OUR
[00:59:35] YEAR END FIELD WORK AND REALLY
[00:59:36] APPRECIATED THE HARD WORK THAT
[00:59:38] MANAGEMENT PUT INTO THAT
[00:59:39] ADOPTION. IT WENT VERY SMOOTHLY.
[00:59:41] NEXT SLIDE. LAST COUPLE OF
[00:59:44] THINGS. SO FIDUCIARY ACTIVITIES
[00:59:48] AS PART OF OUR AUDIT PROCEDURES,
[00:59:50] WE DO AUDIT THE WAREHOUSEMAN
[00:59:52] PENSION TRUST FUND. NOT A TON
[00:59:55] OF ACTIVITY GOING INTO THAT NOW,
[00:59:57] BUT WE DO CONFIRM INVESTMENT
[00:59:59] BALANCES THAT THE PLAN HOLDS,
[01:00:00] LOOK AT CONTRIBUTIONS AND
[01:00:02] DISTRIBUTIONS FOR THE YEAR. AND
[01:00:04] THEN ON THE SINGLE AUDIT SIDE,
[01:00:05] AS OLGA MENTIONED, WE DO ISSUE
[01:00:07] SOME REPORTS RELATED TO THE
[01:00:09] PORT'S EXPENDITURE OF FEDERAL
[01:00:12] AWARDS. THE PRIMARY FEDERAL
[01:00:14] AWARD THAT THE PORT GETS IS THE
[01:00:16] AIRPORT IMPROVEMENT PROGRAM,

[01:00:17] WHICH COMES FROM THE FAA. THAT
[01:00:19] DOES MAKE UP ABOUT ALMOST 100%
[01:00:21] OF THEIR FEDERAL AWARDS. SO THAT
[01:00:24] WAS THE MAJOR PROGRAM WE
[01:00:25] SELECTED FOR TESTING AND HAVE
[01:00:27] TESTED THAT FOR A NUMBER OF
[01:00:28] YEARS NOW AND DID NOT BECOME
[01:00:30] AWARE OF ANY FINDINGS OR
[01:00:31] REPORTABLE INSTANCES. ALL RIGHT,
[01:00:34] THANK YOU, ANNA. OKAY, ON THE
[01:00:36] NEXT SLIDE OR NEXT SECTION, I
[01:00:37] SHOULD SAY WE HAVE SOME REQUIRED
[01:00:40] COMMUNICATIONS. AND WHEN I SAY
[01:00:41] REQUIRED, THESE ARE REQUIRED OF
[01:00:43] US TO BE COMMUNICATED TO YOU AS
[01:00:46] THOSE CHARGED WITH GOVERNANCE,
[01:00:48] BECAUSE WE CONSIDER THESE TO BE
[01:00:50] IMPORTANT FOR YOU TO BE CARRYING
[01:00:52] OUT YOUR FIDUCIARY
[01:00:53] RESPONSIBILITIES. OUR
[01:00:56] RESPONSIBILITIES AS AN AUDITOR
[01:00:57] TO AUDIT THE FINANCIAL
[01:00:59] STATEMENTS. MANAGEMENT ACTUALLY
[01:01:01] TAKES RESPONSIBILITY FOR THOSE
[01:01:03] FINANCIAL STATEMENTS AND FOR
[01:01:06] ESTABLISHING A SYSTEM OF
[01:01:07] INTERNAL CONTROLS TO ENSURE THAT
[01:01:08] THE NUMBERS IN THE FINANCIAL
[01:01:10] STATEMENTS ARE ACCURATE. AND I
[01:01:13] DO HAVE TO SAY THAT MANAGEMENT
[01:01:14] TAKES THAT RESPONSIBILITY VERY,
[01:01:16] VERY SERIOUSLY. WE, AS A
[01:01:19] RESULT OF OUR AUDIT, ACTUALLY,
[01:01:20] I'M JUMPING AHEAD A LITTLE BIT,
[01:01:21] BUT WE DID NOT HAVE ANY
[01:01:22] SIGNIFICANT AUDIT ADJUSTMENTS OR
[01:01:25] PROPOSED AUDIT ADJUSTMENTS,
[01:01:27] WHICH MEANS THE INFORMATION WE
[01:01:28] WERE PRESENTED FOR THE AUDIT WAS
[01:01:30] ACCURATE, CLEAR AND CONCISE AND
[01:01:32] SUPPORTABLE. SO IT SOUNDS
[01:01:34] UNEVENTFUL, BUT IT IS REALLY BIG
[01:01:36] UNDERTAKING FOR AN ORGANIZATION
[01:01:37] OF THE PORT SIZE AND THE NUMBER
[01:01:39] OF TRANSACTIONS THAT IT
[01:01:40] PROCESSES TO MAKE SURE THAT
[01:01:42] THINGS ARE ACCURATELY REPORTED.
[01:01:45] SO ON THE NEXT SLIDE, A COUPLE
[01:01:48] OF MORE THINGS. WE PERFORMED OUR
[01:01:50] AUDIT IN ACCORDANCE WITH PLAN,
[01:01:52] SCOPE AND TIMING AS WE PLANNED.
[01:01:54] AS ANNA MENTIONED, WE START OUR
[01:01:55] AUDIT PLANNING IN THE FALL,
[01:01:57] BEFORE THE END OF THE FISCAL
[01:01:58] YEAR. WHAT THAT MEANS IS THAT
[01:02:02] NO SURPRISES CAME UP IN THE
[01:02:03] MIDDLE OF THE AUDIT. SO THAT
[01:02:05] MEANS MANAGEMENT WAS VERY
[01:02:06] PROACTIVE IN SHARING INFORMATION
[01:02:07] WITH US. WE WERE ABLE TO
[01:02:09] ORGANIZE AND PLAN THE AUDIT AND
[01:02:13] DID NOT HAVE ANY OUT OF SCOPE
[01:02:15] ADJUSTMENTS TO OUR PLAN. THE

[01:02:18] FINANCIAL STATEMENT DISCLOSURES
[01:02:20] ARE CONSISTENT, CLEAR,
[01:02:21] UNDERSTANDABLE, NOT A LOT OF
[01:02:22] CHANGES FROM PRIOR YEARS OTHER
[01:02:25] THAN IMPLEMENTATION OF NEW
[01:02:26] STANDARD THAT ANNA MENTIONED
[01:02:28] EARLIER ON SUBSCRIPTION BASED
[01:02:30] INFORMATION TECHNOLOGY
[01:02:31] ARRANGEMENTS. WE'RE REQUIRED TO
[01:02:33] LET YOU KNOW IF WE HAVE ANY
[01:02:34] DISAGREEMENTS WITH MANAGEMENT
[01:02:35] WITH RESPECT TO APPLICATION OF
[01:02:37] ACCOUNTING STANDARDS OR ANY
[01:02:39] POLICIES AND PROCEDURES WITH
[01:02:41] RESPECT TO FINANCIAL MANAGEMENT
[01:02:43] AND FINANCIAL REPORTING. AND I'M
[01:02:44] PLEASED TO REPORT WE DID NOT
[01:02:46] HAVE ANY DISAGREEMENTS. AS A
[01:02:47] MATTER OF FACT, THE WORK THAT WE
[01:02:50] HAVE WITH THE PORT OF SEATTLE
[01:02:52] FINANCE AND ACCOUNTING TEAM IS
[01:02:54] VERY CLOSE AND VERY DOESN'T JUST
[01:02:57] COVER THE AUDIT PERIOD, BUT WE
[01:02:59] COMMUNICATE THROUGHOUT THE YEAR,
[01:03:00] SO IT REALLY HELPS US FOR THE
[01:03:01] YEAR IN PLANNING NEXT SLIDE.
[01:03:07] AS FAR AS WE KNOW, MANAGEMENT
[01:03:09] DOES NOT CONSULT WITH ANY OTHER
[01:03:11] ACCOUNTANTS OR AUDITORS
[01:03:13] THROUGHOUT THE YEAR. THIS WOULD
[01:03:14] BE A CONCERN IF
[01:03:18] WE KNEW OF ANOTHER COMMUNICATION
[01:03:20] WAS AN AUDITOR WITH RESPECT TO
[01:03:23] APPLICATION OF ACCOUNTING
[01:03:24] STANDARDS, FOR EXAMPLE, SUCH AS
[01:03:25] OPINION SHOPPING. AND IF THEY'RE
[01:03:28] NOT, THEY'RE ALLOWED TO DO THAT.
[01:03:30] JUST WE NEED TO MAKE SURE THAT
[01:03:31] THE FACTS AND CIRCUMSTANCES THAT
[01:03:33] PRESENTED TO ANOTHER ACCOUNTANT
[01:03:35] ARE SIMILAR TO WHAT WE'RE
[01:03:37] FAMILIAR WITH AS PART OF OUR
[01:03:39] AUDIT. BUT ONCE AGAIN, THAT WAS
[01:03:40] NOT AN ISSUE TO OUR KNOWLEDGE.
[01:03:43] ALSO, WE DID NOT DISCOVER IN THE
[01:03:45] COURSE OF OUR AUDIT ANY MATTERS
[01:03:47] THAT WE WOULD CONSIDER ILLEGAL
[01:03:49] ACTS OR INSTANCES OF
[01:03:51] NONCOMPLIANCE WITH LAWS AND
[01:03:53] REGULATIONS THAT NEED TO BE
[01:03:54] BROUGHT TO YOU TODAY. WE DON'T
[01:03:56] DESIGN OUR AUDIT TO FIND THOSE
[01:03:58] KINDS OF ISSUES, BUT WE DO
[01:03:59] DESIGN SOME PROCEDURES TO SEE IF
[01:04:01] THERE'S ANY INDICATION OF THOSE
[01:04:02] ACTIVITIES THAT WE WOULD BE ABLE
[01:04:04] TO REPORT TO YOU. SO, NOTHING
[01:04:06] THERE TO REPORT. NEXT SLIDE.
[01:04:11] AS I MENTIONED EARLIER, WE DID
[01:04:13] NOT HAVE ANY UNCORRECTED AUDIT
[01:04:15] ADJUSTMENTS. THESE ARE, YOU
[01:04:17] KNOW, AUDIT OR ANY ERRORS IN THE
[01:04:19] FINANCIAL STATEMENTS THAT NEEDED

[01:04:20] TO BE CORRECTED OR THAT
[01:04:22] MANAGEMENT DID NOT WANT TO
[01:04:23] CORRECT. SO NOTHING IN THAT.
[01:04:26] THERE IS OTHER INFORMATION
[01:04:27] INCLUDED IN THE ANNUAL REPORT.
[01:04:29] SO IT HAS MANY, SEVERAL PARTS.
[01:04:31] IT'S A QUITE LENGTHY REPORT. IT
[01:04:33] DOES INCLUDE THE FINANCIAL
[01:04:34] STATEMENTS, MANAGEMENT,
[01:04:35] DISCUSSION, ANALYSIS. IT HAS
[01:04:37] OTHER REPORTS, REPORTS OR OTHER
[01:04:38] INFORMATION AS WELL, SUCH AS
[01:04:42] SUPPLEMENTARY INFORMATION, THE
[01:04:43] INTRODUCTORY SECTION, AS WELL AS
[01:04:46] SOME STATISTICAL SECTIONS THAT
[01:04:47] ARE NOT COVERED BY OUR AUDIT
[01:04:49] REPORT. BUT WE DO LOOK AT IT TO
[01:04:51] MAKE SURE IT'S CONSISTENT WITH
[01:04:52] THE INFORMATION THAT WE DID
[01:04:53] COVER IN THE AUDIT. NEXT SLIDE,
[01:05:00] JUST A FEW MORE ACCOUNTING
[01:05:03] AUDITING THINGS. ON THIS SLIDE,
[01:05:05] WE HAVE A LIST OF ACCOUNTING
[01:05:07] PRONOUNCEMENTS THAT WERE
[01:05:08] APPLICABLE FOR IMPLEMENTATION IN
[01:05:09] 2023. OF THAT LIST, JUST REALLY,
[01:05:12] JUST THE SECOND ONE DOWN THERE
[01:05:14] IS THE ONE THAT WAS IMPLEMENTED
[01:05:16] AND HAD AN IMPACT ON THE
[01:05:17] FINANCIAL STATEMENTS. THE OTHERS
[01:05:20] WERE QUITE UNEVENTFUL, SO NOT A
[01:05:22] LOT OF CHANGES THERE. AND ON THE
[01:05:25] NEXT SLIDE, WE HAVE A LIST OF A
[01:05:27] FEW UPCOMING ACCOUNTING
[01:05:28] STANDARDS IN THE NEXT TWO TO
[01:05:31] THREE YEARS. PLEASED TO REPORT
[01:05:33] THAT THESE ARE NOT GOING TO BE
[01:05:35] AS SIGNIFICANT, AS BIG OF AN
[01:05:36] UNDERTAKING AS WE'VE HAD WITH
[01:05:38] LEASING STANDARD AND THE SPEEDA
[01:05:39] STANDARD. SO HOPEFULLY A LITTLE
[01:05:41] BIT OF A CHANCE FOR THE TEAM
[01:05:43] HERE TO CATCH THEIR BREATH AND
[01:05:45] IMPLEMENTING NEW ACCOUNTING
[01:05:46] STANDARDS AND JUST CONTINUE WITH
[01:05:49] THEIR REGULAR REPORTING. AND
[01:05:52] THAT COMPLETES OUR PRESENTATION.
[01:05:55] OH, JUST ONE LAST FINAL NOTE. A
[01:05:58] HUGE THANK YOU TO THE TEAM HERE.
[01:06:00] AS I SAID, JUST GREAT PLEASURE
[01:06:01] WORKING WITH THE ACCOUNTING AND
[01:06:03] FINANCIAL REPORTING TEAM. WE DO
[01:06:05] TALK WITH THE INDIVIDUALS
[01:06:07] THROUGHOUT THE ORGANIZATIONS,
[01:06:08] PARTICULARLY THE EXECUTIVE TEAM,
[01:06:11] DIFFERENT DEPARTMENT MANAGERS,
[01:06:13] AND EVERYBODY HAS BEEN VERY
[01:06:14] COOPERATIVE AND HELPFUL IN
[01:06:16] RESPONSES TO OUR QUESTIONS. WE
[01:06:19] DO HAVE TWO, TWO SUBCONTRACTOR
[01:06:21] FIRMS THAT WE EMPLOY AS PART OF
[01:06:23] OUR AUDIT TEAM. ONE OF THEM IS
[01:06:26] THE WOMAN OWNED ENTERPRISE, AND

[01:06:29] THAT'S RYLAND CONSULTING. THE
[01:06:31] OTHER ONE IS BRANCH RICHARDS IS
[01:06:33] A LONG TERM PARTNER WITH OUR
[01:06:35] FIRM. THEY USED TO BE A MINORITY
[01:06:37] OWNED AND A SMALL FIRM. THEY
[01:06:39] HAVE OUTGROWN THAT STATUS.
[01:06:40] HOWEVER, WE STILL CONTINUE OUR
[01:06:42] WORK WITH THEM JUST BECAUSE
[01:06:43] WE'VE HAD SUCH A GREAT
[01:06:44] RELATIONSHIP. PEOPLE THAT WERE
[01:06:46] ON THAT TEAM CONTINUE WORKING ON
[01:06:48] THE PORT OF SEATTLE AUDIT JUST
[01:06:49] BECAUSE THEY HAVE THE EXPERTISE
[01:06:51] AND THEY HAVE GROWN INTO
[01:06:52] MANAGEMENT POSITIONS AND IN OUR
[01:06:54] AUDITS. SO ALL IN ALL, ABOUT 16%
[01:06:57] OF OUR TOTAL CONTRACT VALUE GOES
[01:06:59] TO THOSE TWO FIRMS. GREAT.
[01:07:01] THANK YOU. I'LL TURN TO MY
[01:07:03] COLLEAGUES FOR QUESTIONS AND
[01:07:04] COMMENTS. BUT FIRST, JUST A
[01:07:05] MATTER OF PERSONAL PRIVILEGE. I
[01:07:07] FIND PAGE NUMBERS TO BE
[01:07:08] INCREDIBLY HELPFUL, BUT WHEN
[01:07:09] THEY'RE ON THE BOTTOM LEFT, YOU
[01:07:12] CAN'T SEE THEM ON PRESENTATION
[01:07:14] MODE. SO CAN YOU PUT YOUR PAGE
[01:07:15] NUMBERS ON THE BOTTOM RIGHT
[01:07:16] MOVING FORWARD? STRANGELY NICHE
[01:07:18] AND OBNOXIOUS. REQUEST. I KNOW.
[01:07:19] WILL DO. THANK YOU. ALL RIGHT.
[01:07:22] TO MY COLLEAGUES. GO AHEAD,
[01:07:24] COMMISSIONER, CAUCUS. TWO
[01:07:27] QUESTIONS, MOSTLY OUT OF
[01:07:29] CURIOSITY. ON SLIDE TEN, THE
[01:07:32] ENVIRONMENTAL REMEDIATION
[01:07:33] LIABILITY. THAT IS ONE OF THE
[01:07:35] MOST CLOAKED TOPICS. I WOULD
[01:07:39] SAY, THAT I'VE EXPERIENCED THE
[01:07:41] PORT OF SEATTLE BECAUSE OF HOW
[01:07:42] LITIGIOUS IT IS AND HOW
[01:07:44] IMPORTANT IT IS FOR THE PORT TO
[01:07:45] BE ABLE TO MAINTAIN PRIVACY
[01:07:47] AROUND CERTAIN INFORMATION. IN
[01:07:49] OUR NEGOTIATIONS WITH OTHER
[01:07:50] PARTIES, DOES THAT LIMIT YOUR
[01:07:53] ABILITY TO REALLY DIG DEEP, OR
[01:07:55] ARE YOU ABLE TO GET INTO ALL
[01:07:56] THAT INFORMATION THAT YOU NEED
[01:07:59] EITHER WITH OUR ATTORNEYS, OUR
[01:08:02] PORT ATTORNEYS, OR WITHOUT SIDE
[01:08:03] COUNSEL? IS THERE. DO YOU FEEL
[01:08:04] LIKE THERE'S ANY LACK OF
[01:08:05] INFORMATION BECAUSE OF HOW
[01:08:08] SECRET THAT AREA IS? I WOULD SAY
[01:08:12] NO. WE ARE ABLE TO ACCESS
[01:08:14] SENSITIVE INFORMATION AS PART OF
[01:08:16] THE KIND OF CLIENT PRIVILEGE
[01:08:18] THAT WE HAVE. AND SO WE DO TALK
[01:08:20] TO INTERNAL COUNSEL. WE DO GET
[01:08:23] INFORMATION FROM EXTERNAL
[01:08:25] COUNSEL. CERTAINLY THERE'S EXTRA
[01:08:28] CARE IN HAND HANDLING SOME OF

[01:08:29] THE DATA THAT WE'RE GIVEN THAT
[01:08:30] MAY BE IN PERSON CONVERSATIONS
[01:08:32] OR MAKING SURE STEPH'S GETTING
[01:08:34] ON THE SECURE PORTAL VERSUS
[01:08:36] EMAIL. BUT WE'VE NOT BEEN
[01:08:38] LIMITED IN ANY OF OUR REQUESTS,
[01:08:40] AND THEY'VE BEEN ABLE TO FIND
[01:08:41] WAYS TO GET US THE INFORMATION
[01:08:42] WE NEED, EVEN IF IT'S SENSITIVE.
[01:08:44] OKAY, THANKS. YEAH, THAT IS A.
[01:08:48] IT IS A BIG LINE ITEM, SO I
[01:08:50] THINK IT'S REALLY IMPORTANT THAT
[01:08:52] WE HAVE GOOD, ACCURATE
[01:08:53] ACCOUNTING FOR THAT. THE SECOND
[01:08:55] ONE IS GASB 96. I GUESS I JUST.
[01:08:57] THIS IS MORE OUT OF CURIOSITY,
[01:08:58] BUT SO IS IT THAT WHEN
[01:09:02] WE SIGN UP, WHEN WE TAKE ON A
[01:09:04] LONG TERM LIABILITY, OR WE
[01:09:05] SUBSCRIBE TO AN ASSET OVER THE
[01:09:07] LONG TERM, THEY'RE NOW SAYING
[01:09:08] THAT YOU HAVE TO TREAT THAT AS
[01:09:10] IF IT WERE A PHYSICAL ASSET
[01:09:11] RATHER THAN AN EXPENSE THAT
[01:09:13] COMES ALONG MONTHLY OR YEARLY.
[01:09:15] IS THAT THE IDEA? CORRECT. WHAT
[01:09:16] THE STANDARD DRIVES TO IS WHEN
[01:09:19] YOU SIGN AN AGREEMENT THAT
[01:09:21] COVERS SEVERAL YEARS, YOU HAVE
[01:09:23] THE RIGHT TO USE THAT ASSET.
[01:09:26] AND NOT ONLY THE ASSET
[01:09:30] SIDE, BUT YOU ALSO HAVE AN
[01:09:31] OBLIGATION TO PAY FOR THAT. SO
[01:09:33] HISTORICALLY THOSE TYPES OF
[01:09:34] ACTIVITIES WERE JUST ON PAY AS
[01:09:35] YOU GO BASIS. SO IT COUNTED AS A
[01:09:38] PERIOD EXPENSE. BUT IF YOU HAVE
[01:09:39] A FIVE YEAR AGREEMENT THAT'S
[01:09:41] OFTEN NON CANCELABLE, IT'S
[01:09:44] ESSENTIALLY TREATED THE SAME AS
[01:09:45] LEASE IN TERMS OF ACCOUNTING.
[01:09:49] SO THE ENTIRE AMOUNT OF THE
[01:09:51] LIABILITY GETS GROSSED UP,
[01:09:53] DISCOUNTED FOR THAT PERIOD AND
[01:09:55] RECORDED AS AN OBLIGATION. AND
[01:09:57] IS THERE AN OBVIOUS REASON WHY
[01:09:58] IT WOULD CHANGE THE NET POSITION
[01:10:00] ONCE THAT WHAT CAUSES THAT
[01:10:03] INCREASE IN THAT POSITION? WHEN
[01:10:05] YOU SHIFT IT FROM AN EXPENSE TO
[01:10:07] A LONG TERM LIABILITY, IT'S THE
[01:10:09] DISCOUNT APPLIED TO THE FUTURE
[01:10:10] PAYMENTS. THANKS MISS
[01:10:15] HOLMSTROM, AND NOTHING FROM
[01:10:19] ME. THANK YOU SO MUCH FOR YOUR
[01:10:21] PRESENTATION TODAY. THANK YOU.
[01:10:22] APPRECIATE IT. THANK YOU FOR
[01:10:23] YOUR WORK.
[01:10:27] SO I GUESS WE CAN GO AHEAD AND
[01:10:30] MOVE ON TO THE NEXT TOPIC.
[01:10:31] MR. FERNANDEZ, WOULD YOU LIKE
[01:10:35] TO MOVE US THROUGH ITEMS FIVE
[01:10:37] THROUGH SEVEN? ABSOLUTELY,

[01:10:38] COMMISSIONER. SO ITEMS FIVE
[01:10:40] THROUGH SEVEN ESSENTIALLY FOR
[01:10:43] YOUR BENEFIT, TALK ABOUT WHO WE
[01:10:46] ARE, WHAT ARE WE SEEING OUT
[01:10:48] THERE AND WHAT ARE WE DOING.
[01:10:49] AND MICHELLE, IF YOU CAN MOVE
[01:10:51] FORWARD TO THE NEXT SLIDE,
[01:10:53] ESSENTIALLY IS WHO WE ARE.
[01:10:54] COMMISSIONER FOR TRANSPARENCY
[01:10:58] FOR YOU AND FOR THE PUBLIC. WE
[01:11:00] LOOK INTERNAL AUDIT HERE. WE
[01:11:03] REPORT FUNCTIONALLY TO THE
[01:11:05] COMMITTEE HERE TO YOU AND
[01:11:06] ADMINISTRATIVELY TO STEVE
[01:11:08] METRUCK, WHO'S THE EXECUTIVE
[01:11:09] DIRECTOR OF THE PORT. WE HAVE
[01:11:12] PERFORMANCE AUDITS THAT ARE
[01:11:13] MANAGED BY DAN CHASE. WE HAVE
[01:11:15] CAPITAL AUDITS THAT ARE MANAGED
[01:11:17] BY SPENCER BRIGHT AND IT AUDITS
[01:11:19] THAT ARE MANAGED BY RIDICULE
[01:11:21] MARWAHA TECHNOLOGY AUDITS.
[01:11:25] NEXT SLIDE PLEASE. AND THERE'S
[01:11:27] THREE PACKETS. ONE OF THE THINGS
[01:11:29] WE DO IS NOT ONLY DO WE DO
[01:11:32] AUDITS, BUT THERE ARE MANAGEMENT
[01:11:35] COMMITMENTS IN THEIR ACTION
[01:11:37] PLANS FOR THE FINDINGS. WHAT ARE
[01:11:38] THEY DOING TO ADDRESS THE
[01:11:39] FINDINGS? AND HISTORICALLY WE'VE
[01:11:41] HAD QUITE A LARGE LIST. THEY
[01:11:43] TEND TO, THERE'S QUITE A FEW IN
[01:11:45] INFORMATION TECHNOLOGY, BUT
[01:11:46] THEY'RE SECURITY SENSITIVE. SO
[01:11:48] THOSE ARE ONLY DISCUSSED IN NON
[01:11:50] PUBLIC SESSION, WHICH THE NEXT
[01:11:52] NON PUBLIC SESSION IS GOING TO
[01:11:53] BE IN SUPPORT. THE PUBLIC
[01:11:56] SESSION ON PERFORMANCE AUDITS
[01:11:58] AND THE FINDINGS THAT ARE PUBLIC
[01:12:00] ARE BEING, YOU KNOW, THIS SLIDE
[01:12:02] ESSENTIALLY TELLS YOU THAT THEY
[01:12:04] ARE BEING ADDRESSED. AND OF ALL
[01:12:07] THE FINDINGS THAT HAVE BEEN OUT
[01:12:08] THERE, WE HAD QUITE A BACKLOG
[01:12:10] AFTER COVID AND MANAGEMENT HAS
[01:12:12] ADDRESSED THEM OR MITIGATED THE
[01:12:14] RISK IN SOME MANNER. SO MUCH SO
[01:12:16] THAT WE'VE KIND OF REDUCED THE.
[01:12:21] BASICALLY THERE ARE NO OPEN
[01:12:22] FINDINGS ANYMORE. THEY'RE JUST
[01:12:24] NOT DUE BECAUSE THE COMMITMENT
[01:12:25] DATE IS IN THE FUTURE. SO THAT'S
[01:12:28] ESSENTIALLY WHAT YOU SEE IN THIS
[01:12:29] CHART. I WILL MOVE
[01:12:34] TO THE NEXT SLIDE AND I'LL TAKE
[01:12:37] QUESTIONS AT THE END. SO,
[01:12:40] COMMISSIONER HASEGAWA,
[01:12:41] COMMISSIONER CALKINS, AND SARAH,
[01:12:44] IN DECEMBER, WE WILL PRESENT AN
[01:12:46] AUDIT PLAN TO YOU FOR YOU TO
[01:12:47] APPROVE. THIS IS WHAT WAS
[01:12:49] APPROVED IN DECEMBER OF 2023 AS

[01:12:52] OUR 2024 AUDIT PLAN. WE ALSO,
[01:12:57] ON THE FAR LEFT, WE'VE GOT
[01:12:58] LIMITED CONTRACT COMPLIANCE
[01:12:59] AUDITS, AND THOSE ARE
[01:13:00] ESSENTIALLY CONCESSIONAIRES AT
[01:13:02] THE AIRPORT THAT PAY US A
[01:13:04] PERCENTAGE OF THEIR RENT. AND
[01:13:06] IT'S FOR THE MOST PART, THROUGH
[01:13:08] AN HONOR SYSTEM. SO WHAT WE DO
[01:13:10] IS WE CYCLE THROUGH THOSE AND
[01:13:12] MAKE SURE THAT THEY TRULY ARE
[01:13:13] PAYING US WHAT THEY'RE SUPPOSED
[01:13:14] TO BE PAYING US PER THE
[01:13:15] CONTRACT. IN THE MIDDLE,
[01:13:19] YOU'VE GOT PERFORMANCE AUDITS,
[01:13:22] AND THERE'S TWO TYPES OF
[01:13:23] PERFORMANCE AUDITS, THE
[01:13:24] TRADITIONAL PERFORMANCE AUDITS.
[01:13:26] AND BECAUSE OF THE SCALE OF
[01:13:27] CAPITAL AT THE PORT, WE DO QUITE
[01:13:28] A FEW CAPITAL AUDITS. AND YOU'LL
[01:13:31] SEE THOSE THERE. AND THEN
[01:13:32] THERE'S MORE THAT WE OUTSOURCE
[01:13:34] AS WELL. SO WE'LL TALK ABOUT
[01:13:35] THOSE IN A LITTLE BIT. AND THEN
[01:13:38] FINALLY, OUR INFORMATION
[01:13:39] TECHNOLOGY AUDITS. INFORMATION
[01:13:40] TECHNOLOGY IS HUGE JUST BECAUSE
[01:13:43] OF THE BACKBONE THAT RUNS THE
[01:13:44] AIRPORT AND RUNS EVERYTHING WE
[01:13:46] DO HERE, FROM THE BAGGAGE
[01:13:49] SYSTEMS TO THE RUNWAY LIGHTS,
[01:13:51] THOSE ARE ALL RUN AND THE TRAINS
[01:13:52] ARE ALL RUNNING IT SYSTEMS. SO
[01:13:54] THE IMPORTANCE OF THOSE ARE
[01:13:56] CRITICAL. WE ALSO AM HAPPY
[01:14:00] TO SAY WE'RE ON TRACK ON OUR
[01:14:01] PLAN AS OF THIS POINT IN THE
[01:14:04] YEAR. AND WE'LL PROBABLY BE ABLE
[01:14:05] TO, WE HAVE A FEW CONTINGENCY
[01:14:07] AUDITS THAT WERE APPROVED BY THE
[01:14:08] COMMISSION. SO WE'LL ESPECIALLY
[01:14:11] ON THE LIMITED CONTRACT
[01:14:12] COMPLIANCE SIDE, WE'LL LIKELY
[01:14:13] MOVE A FEW OF THOSE UP AND GET A
[01:14:15] FEW MORE DONE THAN WE'VE
[01:14:17] ORIGINALLY PLANNED. NEXT SLIDE,
[01:14:20] PLEASE. MICHELLE. SO THIS SLIDE,
[01:14:23] COMMISSIONERS AND MISS HOLMSTROM
[01:14:25] ARE ESSENTIALLY THE GCCM AUDITS
[01:14:28] THAT ARE REQUIRED BY STATE LAW.
[01:14:31] WHEN WE DO HAVE A CONSTRUCTION
[01:14:34] PROJECT THAT'S MANAGED THROUGH
[01:14:35] THE GCCM OR GENERAL CONTRACTOR
[01:14:38] CONSTRUCTION MANAGEMENT TYPE
[01:14:39] PROCESS, RCW 3910.385
[01:14:44] REQUIRES AN INDEPENDENT AUDIT TO
[01:14:45] BE DONE ON THESE TYPES OF
[01:14:48] CONSTRUCTION PROJECTS. SO THE
[01:14:50] CHART OVER HERE THAT YOU SEE,
[01:14:52] WE'VE GOT QUITE A FEW IN PROCESS
[01:14:54] AND WE'VE GOT OUTSIDE
[01:14:57] CONTRACTORS THAT WORK ON THESE.

[01:14:58] BUT WE SELECT THE CONTRACTOR AND
[01:15:00] WE WORK VERY CLOSELY WITH THEM
[01:15:01] THROUGH THE COURSE WHEN THEY
[01:15:03] LOOK AT THE DETAILED INVOICES
[01:15:05] THAT SUBCONTRACTORS ARE
[01:15:07] SUBMITTING UP TO GENERAL
[01:15:08] CONTRACTORS AND THEREFORE TO THE
[01:15:10] PORT EVENTUALLY FOR PAYMENT. SO
[01:15:12] THE RCW JUST SAYS YOU HAVE TO
[01:15:15] LOOK AT THOSE TO MAKE SURE THAT
[01:15:16] THEY'RE ACCURATE BEFORE YOU PAY
[01:15:17] THEM. SO WE'RE LOOKING AT THOSE.
[01:15:19] AND. AND SOME OF THESE PROJECTS
[01:15:21] ARE MULTI YEAR. THEY GO ON FOR
[01:15:24] SUCH AS THE SOUTH CONCOURSE.
[01:15:26] EVOLUTION WILL GO ON FOR TEN
[01:15:28] YEARS. PLUS. WE'LL BE LOOKING AT
[01:15:30] THAT DURING THAT TIMEFRAME AND
[01:15:32] ADDING MORE AS THEY COME. SO
[01:15:33] IT'S A CONTINUOUS PROCESS OF
[01:15:35] MAKING SURE WE HAVE
[01:15:37] INDEPENDENTLY GONE OUT AND
[01:15:38] THROUGH BIDDING METHODS THAT WE
[01:15:41] WORK WITH CPO ON, SELECT A FIRM
[01:15:44] THAT'S THE BEST VALUE TO THE
[01:15:45] PORT AND MONITOR THEIR WORK.
[01:15:47] AND THEN AT THE END OF THE YEAR,
[01:15:50] USUALLY IN DECEMBER, WE HAVE
[01:15:52] THOSE FIRMS COME IN AND PRESENT
[01:15:53] TO YOU THE RESULTS IN THE
[01:15:55] FINDINGS. THEIR FINDINGS. NEXT
[01:15:58] SLIDE, PLEASE, MICHELLE. AND MY
[01:16:00] LAST SLIDE IS JUST A GANTT
[01:16:02] CHART, WHICH REALLY SHOWS WHERE
[01:16:03] WE ARE IN OUR AUDIT PLAN, THE
[01:16:05] ONE I JUST SHARED WITH YOU. AND
[01:16:07] ARE WE ON TRACK TO FINISH IT?
[01:16:09] AND EVERYTHING IN GREEN
[01:16:11] COMPLETED. EVERYTHING IN YELLOW
[01:16:13] IS IN PROCESS. AND THE PINKISH
[01:16:16] BEIGE ISH COLOR IS THINGS
[01:16:20] THAT WILL BE DONE IN THE THIRD
[01:16:22] AND FOURTH QUARTER. SO WE ARE ON
[01:16:24] TRACK, I'M HAPPY TO SAY, TO
[01:16:25] FINISH THE PLAN. WITH THAT.
[01:16:26] I'LL TAKE QUESTIONS IN THIS
[01:16:28] SECTION.
[01:16:32] MISS HOLMSTROM, JUST A QUICK
[01:16:34] QUESTION. ON THE STRUCTURE
[01:16:37] VACANT, SENIOR INTERNAL AUDITOR.
[01:16:39] IS THAT UNDER IT OR WHAT? IS
[01:16:41] THAT? SO, YOU KNOW, IT'S,
[01:16:43] HISTORICALLY, IT'S BEEN A
[01:16:45] PERFORMANCE AUDIT POSITION THAT
[01:16:47] WE'VE HAD OPENED. AND IF YOU
[01:16:49] REMEMBER, RUMI OKUMA, WHO WAS
[01:16:51] OUR SENIOR INTERNAL AUDITOR,
[01:16:54] DID A LOT OF, BESIDES DOING
[01:16:56] AUDITS, COMPLIANCE WITH
[01:16:58] STANDARDS, AND ALSO A VARIETY OF
[01:17:02] OTHER THINGS. SHE RECENTLY
[01:17:04] RETIRED, SO HER POSITION IS
[01:17:05] OPENED, AND AS WE FILL, THAT

[01:17:07] WILL DETERMINE WHERE WE BEST
[01:17:08] NEED THE RESOURCES AND PUT THAT
[01:17:10] PERSON APPROPRIATELY. BUT RUMI
[01:17:12] WAS A PERFORMANCE AUDITOR, SO BY
[01:17:14] DEFAULT, IT WOULD BE PERFORMANCE
[01:17:15] AUDITING. OKAY. AND THEN ONE
[01:17:18] OTHER THING I NOTICED ON THE
[01:17:19] AGING REPORT, AS YOU MENTIONED,
[01:17:20] WE'VE SEPARATED OUT IT. THAT'S
[01:17:22] HELPFUL BECAUSE IT HELPS ME KNOW
[01:17:24] THAT, LIKE, THE CONCENTRATION OF
[01:17:26] ADDRESSED SEEM TO BE
[01:17:27] CONCENTRATED THERE. SO OUTSIDE
[01:17:29] OF THAT, WE SEEM TO BE DOING
[01:17:30] REALLY WELL. SO THAT'S REALLY
[01:17:31] GOOD TO SEE. THANK YOU. THANK
[01:17:35] YOU, COMMISSIONER CALKINS. AND
[01:17:37] NONE FOR ME EITHER. THANK YOU SO
[01:17:38] MUCH, GLENN. SO WE'LL MOVE ON TO
[01:17:42] UPDATES AND APPROVALS. ITEMS
[01:17:43] NUMBER FIVE THROUGH SEVEN ON THE
[01:17:45] AGENDA, THE INTERNAL AUDIT
[01:17:47] ORGANIZATIONAL STRUCTURE. OH,
[01:17:49] WE JUST WENT THROUGH THAT. WE
[01:17:50] WENT THROUGH THAT. WE'RE MOVING
[01:17:53] FASTER THAN I CAN KEEP UP WITH.
[01:17:56] ALL RIGHT. AND THEN TIME
[01:17:57] APPROVAL CONTROLS. WONDERFUL.
[01:17:59] GO FOR IT. THAT IS NEXT. SO THE
[01:18:01] NEXT AUDIT IS TIME APPROVALS,
[01:18:03] CONTROLS. TIME, APPROVALS,
[01:18:05] CONTROLS. THIS IS A PERFORMANCE
[01:18:06] AUDIT. DAN CHASE AND MY TEAM,
[01:18:09] WHO'S THE MANAGER OF PERFORMANCE
[01:18:12] AUDIT, COMPLETED THE WORK WITH
[01:18:15] NICOLE YU, WHO'S THE SENIOR
[01:18:17] INTERNAL AUDITOR. DAN'S GOING TO
[01:18:18] PRESENT. DAN,
[01:18:21] HAVE A SEAT AND INTRODUCE
[01:18:22] YOURSELF. BUT BEFORE DAN GETS
[01:18:24] STARTED, I ALSO WANT TO JUST
[01:18:25] PROVIDE A LITTLE BACKGROUND AND
[01:18:27] CONTEXT. YOU KNOW, THE PORT IS
[01:18:30] VERY COMPLICATED WITH A LOT OF
[01:18:32] BARGAINING AGREEMENTS AND
[01:18:34] DIFFERENT WAYS OF DOING THINGS
[01:18:35] THROUGHOUT THE ORGANIZATION.
[01:18:37] AND THAT ALL FUNNELS UP TO A
[01:18:39] PAYROLL DEPARTMENT AFR THAT HAS
[01:18:41] TO MANAGE ALL OF THIS. AND WHEN
[01:18:43] THERE ARE A LOT OF MANUAL
[01:18:44] ADJUSTMENTS EVERY TWO WEEKS,
[01:18:46] IT'S A MAD SCRAMBLE TO GET
[01:18:48] THINGS DONE AND MAKE SURE PEOPLE
[01:18:49] HAVE THEIR TIME IN. SO, YOU
[01:18:53] KNOW, THE AUDIT LOOKED AT OUR,
[01:18:55] WHAT CAN WE DO? WE LOOKED AT ONE
[01:18:57] OF THE LARGEST DEPARTMENTS, AND
[01:18:59] WHAT CAN WE DO TO BREAK THIS
[01:19:02] DOWN TO BITE SIZED CHUNKS AND
[01:19:04] TRY TO FIX THE PROCESS AND HELP
[01:19:07] THE BOARD OUT IN THE PROCESS.
[01:19:08] SO WITH THAT, DAN, THE FLOOR IS

[01:19:09] YOURS. GOOD MORNING OR GOOD
[01:19:12] NAME IS DAN CHASE. I'M AN
[01:19:13] INTERNAL AUDIT MANAGER WITH THE
[01:19:15] GROUP. THANKS, GLENN.
[01:19:18] AND SO THE PORT OF SEATTLE HAS
[01:19:21] APPROXIMATELY 2500 EMPLOYEES,
[01:19:23] BOTH REPRESENTED AND NON
[01:19:24] REPRESENTED, AS YOU PROBABLY
[01:19:25] KNOW. AND OUR AUDIT FOCUSED
[01:19:28] PRIMARILY ON AVIATION
[01:19:29] MAINTENANCE AND THE THREE
[01:19:31] HIGHEST, FROM A HEADCOUNT
[01:19:33] STANDPOINT. SO THE THREE HIGHEST
[01:19:35] DEPARTMENTS, THE ELECTRICAL AND
[01:19:37] ELECTRONIC ELECTRONICS SYSTEMS
[01:19:39] GROUP, MECHANICAL SYSTEMS AND
[01:19:42] FACILITIES, FLEET SYSTEMS AND
[01:19:44] GROUNDS. AND COLLECTIVELY, IT'S
[01:19:46] ABOUT 375 EMPLOYEES. NEXT SLIDE.
[01:19:53] SO THE EMPLOYEES ARE SUPPOSED TO
[01:19:55] ENTER THEIR TIME INTO MAXIMO,
[01:19:57] AND THAT'S A SUBSYSTEM, AND THEY
[01:20:02] HAVE TO ACCOUNT FOR 40 HOURS,
[01:20:04] REGARDLESS IF THEY ACTUALLY WORK
[01:20:05] 40 HOURS. SO IF THERE'S
[01:20:07] OVERTIME, VACATION, SICK LEAVE,
[01:20:09] IT HAS TO EQUAL AT LEAST 40
[01:20:11] HOURS. IDEALLY, THE SUPERVISORS
[01:20:14] WILL REVIEW THEIR TIME, THEIR
[01:20:16] PEOPLE'S TIME, ON A WEEKLY
[01:20:19] BASIS, AND THEN AT THE END OF
[01:20:21] TWO WEEKS, IT'S SUBMITTED FROM
[01:20:24] MAXIMO AND UPLOADED INTO
[01:20:26] PEOPLESOFT. THERE'S AN
[01:20:29] AV TIME ADMINISTRATOR THAT'S.
[01:20:32] AND I'LL EXPLAIN THAT A LITTLE
[01:20:33] BIT. IT'S KIND OF AN
[01:20:34] INTERMEDIARY STEP WHERE BETWEEN
[01:20:37] THE EMPLOYEE THAT'S SUBMITTING
[01:20:38] THE TIME AND THE ACTUAL MANAGER
[01:20:40] WHO'S REVIEWING THAT TIME, AND
[01:20:42] THAT TIME ADMINISTRATOR LOOKS
[01:20:45] FOR, YOU KNOW, ERRORS OR
[01:20:48] ADJUSTMENTS THAT NEED TO OCCUR,
[01:20:50] AND THEN THEY WILL EMAIL THE
[01:20:53] EMPLOYEE AND THE SUPERVISOR FOR
[01:20:55] THEM TO REMEDIATE, YOU KNOW,
[01:20:58] WHATEVER NEEDS TO BE DONE. NEXT
[01:21:00] SLIDE. AND SO SOME
[01:21:04] OF THE ERRORS OR THE ADJUSTMENTS
[01:21:06] THAT ARE CAUGHT, THERE HAS TO BE
[01:21:09] 40 HOURS OF TIME ACCOUNTED FOR.
[01:21:12] AND SO SOMETIMES EMPLOYEES WILL
[01:21:14] ENTER 20 HOURS, AND SO THEY'LL
[01:21:15] NEED TO TRACK THAT DOWN.
[01:21:18] THERE'S ALL EMPLOYEES ARE
[01:21:20] SUPPOSED TO ENTER AT LEAST EIGHT
[01:21:21] OR 10 HOURS PER DAY, DEPENDING
[01:21:23] ON THEIR SCHEDULE.
[01:21:27] AND THEN, AS I SAID, THE
[01:21:29] ADJUSTMENTS ARE EMAILED BACK TO
[01:21:30] THE EMPLOYEE AND THE MANAGER TO
[01:21:33] RESOLVE TO GIVE YOU SOME

[01:21:36] IDEA OF THE NUMBER OF
[01:21:37] ADJUSTMENTS THAT WERE REQUIRED.
[01:21:39] IN 2023, THERE WERE 3400
[01:21:41] ADJUSTMENTS. AND SO THAT MEANS
[01:21:43] THAT IT GOES TO PEOPLESOFT, AND
[01:21:46] THEN THERE'S A NEED TO GO BACK
[01:21:48] AND CHANGE AND READJUST AND
[01:21:52] CORRECT WHAT HAD BEEN PREVIOUSLY
[01:21:54] SUBMITTED. THERE'S BEEN SOME
[01:21:57] WORK DONE BY OUR PROCESS
[01:21:59] IMPROVEMENT TEAM, AND SO I THINK
[01:22:01] IT'S TRENDING DOWN. THERE WERE
[01:22:03] 430 ADJUSTMENTS NEEDED THROUGH
[01:22:05] APRIL OF 2024. SO THAT'S AN
[01:22:07] IMPROVEMENT. NEXT SLIDE.
[01:22:12] SO WE DID HAVE A COUPLE HIGH
[01:22:14] RATED ISSUES THAT I'LL GO OVER
[01:22:15] NOW, AND I BELIEVE WE HAVE
[01:22:17] BRENDA LYNN, WHO'S OUR SENIOR
[01:22:19] MANAGER WITHIN THE AVM GROUP,
[01:22:21] AND THEN MIKE TASKER, THE
[01:22:23] DIRECTOR OVER AVM, ARE ON THE
[01:22:25] LINE AS WELL. SO WHY DON'T I GO
[01:22:28] THROUGH THE ISSUE AND THEN PAUSE
[01:22:29] FOR MANAGEMENT TO RESPOND?
[01:22:32] SO REALLY, THERE'S NO REALLY
[01:22:34] FORMAL, SUSTAINABLE PROCESS THAT
[01:22:38] EXISTS RIGHT NOW. IT'S A BIT
[01:22:42] DISJOINTED AND FRAGMENTED.
[01:22:45] SOME, WHEN YOU ASK, YOU KNOW,
[01:22:47] WHEN THE FOREMEN ARE REVIEWING
[01:22:48] TIME, SOME SAY THEY DO IT DAILY,
[01:22:51] OTHERS SAY THEY DO IT WEEKLY.
[01:22:53] SOME SAY THEY DON'T. THEY WAIT
[01:22:55] FOR THE AV ADMINISTRATOR TO
[01:22:57] PERFORM THAT REVIEW BEFORE THEY.
[01:22:59] BEFORE THEY'LL GO IN AND APPROVE
[01:23:02] PAYROLL.
[01:23:05] AND SO THERE IS KIND OF
[01:23:07] INCONVENIENCE, CONSISTENCY WITH,
[01:23:09] FROM PERIOD TO PERIOD HOW MANY
[01:23:12] ERRORS ARE OCCURRING.
[01:23:15] WE REALLY WANT TO ESTABLISH,
[01:23:16] YOU KNOW, A SUSTAINABLE AND
[01:23:18] REPEATABLE PROCESS THAT
[01:23:20] EVERYBODY UNDERSTANDS AND
[01:23:21] FOLLOWS. THAT'S KIND OF WHAT
[01:23:23] THIS GETS TO. SO NEXT SLIDE,
[01:23:27] PLEASE. SO THE RECOMMENDATIONS
[01:23:31] THAT WE HAVE IS, ONE OF THE
[01:23:32] THINGS THAT WE HEARD IS, YOU
[01:23:34] KNOW, IF WE HAD A TIME, A PUNCH
[01:23:37] TIME SYSTEM FOR THIS TYPE OF
[01:23:40] WORK, IT WOULD BE VERY HELPFUL.
[01:23:41] AND I THINK IT'S PRETTY COMMON
[01:23:42] IN THE INDUSTRY FOR THAT TYPE OF
[01:23:45] SYSTEM TO BE IN PLACE. FORMAL
[01:23:48] TRAINING IS ALWAYS A GOOD THING
[01:23:49] TO REMIND HOW IMPORTANT IT IS
[01:23:51] FOR EMPLOYEES TO ENTER THEIR
[01:23:52] TIME CORRECTLY. ONE OF THE
[01:23:54] THINGS WE HEARD IS IF THERE
[01:23:56] COULD BE SOME CONSEQUENCES, NOT

[01:23:58] NECESSARILY PEOPLE PUNITIVE,
[01:24:00] BUT, YOU KNOW, IF THERE'S SOME
[01:24:01] MECHANISM THAT WE COULD USE TO,
[01:24:05] YOU KNOW, ENCOURAGE, YOU KNOW,
[01:24:07] PEOPLE THAT ARE FREQUENTLY
[01:24:08] MAKING ERRORS, THAT THAT WOULD
[01:24:11] BE HELPFUL AS WELL. SO WE HAVE
[01:24:15] BRENDA LYNN AND MIKE. I DON'T
[01:24:16] KNOW WHO WANTS TO TAKE THAT,
[01:24:17] BUT I SEE MIKE UP THERE.
[01:24:20] MIKE, I'LL START AGAIN. MIKE
[01:24:23] TASKER, DIRECTOR OF MAINTENANCE.
[01:24:24] THANKS, GLENN AND DAN. GLENN
[01:24:26] SPOKE ABOUT SOME OF THE
[01:24:27] CHALLENGES EARLIER WITH
[01:24:28] CONSISTENCY, WITH EVERY UNION,
[01:24:30] LABOR UNION HAVING DIFFERENT
[01:24:32] REQUIREMENTS ON HOW THINGS GET
[01:24:34] DONE. AND I SAY, I JUST WANT TO,
[01:24:36] YOU KNOW, THANK THE GROUP WHO'S
[01:24:38] WENT THROUGH THIS, AND WE AGREE
[01:24:39] THAT WE'VE GOT TO HAVE, YOU
[01:24:40] KNOW, ACCOUNTABILITY FOR
[01:24:41] EVERYBODY'S TIME. WE'RE PAYING
[01:24:42] PEOPLE FROM, YOU KNOW, THIS,
[01:24:45] THIS FUND THAT PAYS FOR STAFF,
[01:24:46] THAT WE GOT TO HAVE GOOD SYSTEMS
[01:24:48] IN PLACE. SO WE, YOU KNOW, WE
[01:24:51] ARE IN AGREEMENT. WE'VE GOT TO
[01:24:52] DO SOME THINGS AND WE GOT TO
[01:24:53] WORK THROUGH SOME THINGS. I SAID
[01:24:54] I WANT TO BEGIN WITH THE
[01:24:55] REQUIREMENTS. AS SOON AS WE
[01:24:56] DEFINE WHAT THE REQUIREMENTS
[01:24:57] ARE, WE WILL LOOK TO, YOU KNOW,
[01:25:00] MAKE PROCESS IMPROVEMENTS. SO
[01:25:01] THEN WE DEFINE WHAT THOSE
[01:25:02] REQUIREMENTS ARE. THEN IT
[01:25:03] BECOMES JUST MATH. THE EXISTING
[01:25:06] PROCESS, AS DAN AND GLENN HAVE
[01:25:07] MENTIONED, IS, YOU KNOW, WITH
[01:25:08] MAXIMO, YOU KNOW, ONE EMPLOYEE
[01:25:10] MAY HAVE, YOU KNOW, 50 LINE
[01:25:12] ITEMS THAT THEY'RE PUTTING IN
[01:25:13] OVER A COURSE OF TWO WEEKS. AND
[01:25:15] IT'S JUST, THAT'S BACK TO THE
[01:25:16] 3000 CORRECTIONS. IF YOU MISS
[01:25:19] SOMETHING AND YOU DON'T ACTUALLY
[01:25:20] COME UP WITH YOUR 80 HOURS IN
[01:25:21] TWO WEEKS, IT'S AN ERROR, IT'S A
[01:25:23] FINDING. AND, YOU KNOW, AS A
[01:25:26] MANAGER, IF THE MANAGER HAS 65
[01:25:29] PEOPLE TO DO THAT, THAT BECOMES
[01:25:30] TOO MUCH FOR A MANAGER. THEN
[01:25:32] THAT BECOMES A CHALLENGE FOR THE
[01:25:34] TIMEKEEPER BECAUSE THERE'S NO
[01:25:35] WAY ONE TIMEKEEPER CAN LOOK AT
[01:25:36] 460 PEOPLE'S TIME AND ACCURATELY
[01:25:38] VALIDATE THAT. SO HE SAID,
[01:25:40] WE'LL BEGIN WITH THE REQUIREMENT
[01:25:42] AND THEN WE'LL LOOK TO RESOURCE
[01:25:43] REQUIREMENTS. SO WE'RE LOOKING
[01:25:45] TO HAVE THE PERSON, PERSON

[01:25:46] CLOSEST TO THE WORK DO THE
[01:25:48] VALIDATION, WHICH IS MOST LIKELY
[01:25:50] THE FOREMAN. BUT WE'VE GOT TO
[01:25:52] DO, YOU KNOW, PROCESS. THEN WE
[01:25:54] GOT TO TRAIN. THE TIME CLOCK
[01:25:56] THING IS A GREAT IDEA THAT WE'RE
[01:25:58] LOOKING INTO. THERE MAY BE SOME
[01:26:00] BARGAINING REQUIREMENTS THAT WE
[01:26:02] HAVE TO DO TO IMPLEMENT THAT.
[01:26:04] BUT I THINK THAT COULD SIMPLIFY
[01:26:06] IF WE WERE USING A TIME CLOCK
[01:26:08] FOR PAY. YOU KNOW, SOMEONE DID 8
[01:26:09] HOURS, THAT WOULD BE GREAT. BUT
[01:26:11] A KEY THING, THING FOR US, FOR
[01:26:12] OUR ASSET MANAGEMENT PROGRAM IS
[01:26:14] KNOWING HOW MUCH TIME EACH ASSET
[01:26:15] IS TAKING TO DO AND MANAGING
[01:26:18] THAT. SO USING MAXIMO AND HOW
[01:26:19] MUCH TIME WE SPEND ON THOSE
[01:26:21] COMPONENTS OF THOSE SYSTEMS IS
[01:26:22] VERY IMPORTANT FOR US AS WELL.
[01:26:24] SO I DON'T WANT TO COMPLETELY
[01:26:26] MOVE AWAY FROM THAT. BUT WE
[01:26:29] AGREE WITH THE RECOMMENDATIONS.
[01:26:31] SO FURTHER QUESTIONS THAT, YOU
[01:26:33] KNOW, BRENDO LIN CAN ADD OR
[01:26:36] COMMENTARY IF THERE'S ANY
[01:26:37] QUESTIONS.
[01:26:41] YEAH, DAN, YOU CAN CONTINUE WITH
[01:26:42] THE NEXT ISSUE BEFORE WE GO
[01:26:44] BACK. SO WE FINISHED THE WHOLE
[01:26:46] LINE. OKAY. COULD WE GO TO THE
[01:26:47] NEXT COUPLE SLIDES? I THINK,
[01:26:48] MICHELLE. PERFECT.
[01:26:51] YEAH. SO THIS IS AROUND THE
[01:26:55] AMOUNT OF OVERTIME THAT
[01:26:56] EMPLOYEES CAN WORK AND THERE'S
[01:26:59] NO LIMIT OR THERE'S NO CAP FOR,
[01:27:03] YOU KNOW, LIMITED LIMITING HOW
[01:27:04] MUCH OVERTIME CAN BE WORKING.
[01:27:06] THESE ARE TYPE OF JOBS WHERE
[01:27:07] THEY'RE WORKING AT HEIGHTS.
[01:27:10] THEY'RE WORKING IN CONFINED
[01:27:12] SPACES AROUND MACHINERY.
[01:27:16] THERE'S NO ACTUAL. WE TALKED
[01:27:18] WITH OUR HEALTH AND SAFETY
[01:27:19] DIRECTOR. THERE'S NO STATE OR
[01:27:20] FEDERAL LAW LIMITING THE
[01:27:23] NUMBERS, BUT IT WOULD BE A GOOD
[01:27:24] PRACTICE TO PUT THIS IN PLACE.
[01:27:26] AND SO I'LL GO THROUGH SOME OF
[01:27:27] THE EXAMPLES THAT WE IDENTIFIED.
[01:27:31] THERE WAS ABOUT 74,000 OVERTIME
[01:27:33] HOURS WORKED. AND THAT'S IN
[01:27:36] 2023. THAT'S PRIMARILY IN THE
[01:27:38] SUMMER AND THE WINTER. WE HAD
[01:27:40] FIVE EMPLOYEES THAT YOU CAN LOOK
[01:27:43] AT THE NUMBER OF HOURS. YOU
[01:27:44] KNOW, ONE EMPLOYEE HAD 1000
[01:27:46] HOURS OF OVERTIME, A COUPLE IN
[01:27:48] THE, IT LOOKS LIKE 800S FOR A
[01:27:52] COUPLE OTHERS. SO THERE'S QUITE
[01:27:53] A BIT OF OVERTIME THAT'S BEING

[01:27:54] WORKED BY, YOU KNOW, INDIVIDUAL
[01:27:56] EMPLOYEES. NEXT SLIDE. OH, NO,
[01:27:59] THIS IS GOOD. YEAH. SO JUST SOME
[01:28:02] MORE EXAMPLES. ONE EMPLOYEE
[01:28:04] WORKED 34 HOURS SHIFT.
[01:28:07] ANOTHER EMPLOYEE WORKED A 90
[01:28:09] HOURS WORKWEEK. YOU KNOW,
[01:28:12] THERE'S OTHER EXAMPLES THAT I
[01:28:15] WON'T GO THROUGH ALL OF THEM,
[01:28:16] BUT THE PORT PAID \$8 MILLION IN
[01:28:19] OVERTIME. LABOR COSTS BUDGET AT
[01:28:21] ABOUT 3.3 MILLION. SO IT IS
[01:28:23] SIZABLE. SO OUR RECOMMENDATION
[01:28:28] IS LET'S PUT IN A
[01:28:31] CAP AND DEVELOP A POLICY SO THAT
[01:28:34] WE CAN ENFORCE IT. AND I KNOW
[01:28:36] THAT THE COLLECTIVE BARGAINING
[01:28:37] AGREEMENT, THAT CAN BE A
[01:28:41] NUANCED AND KIND OF AN INVOLVED
[01:28:43] PROCESS,
[01:28:47] BUT I THINK, AND THESE ARE
[01:28:49] REPRESENTED EMPLOYEES THAT WORK
[01:28:50] UNDER CBAS. SO I DON'T KNOW HOW
[01:28:53] EASY IT IS TO GET THAT DONE,
[01:28:54] BUT THAT WOULD BE A GOOD THING
[01:28:55] TO GET IN PLACE. AND SO IF
[01:28:59] MIKE WANTS TO.
[01:29:02] YEAH, MIKE, IF YOU WANT. IF YOU
[01:29:04] CAN RESPOND, AND THEN I DON'T
[01:29:05] KNOW. THANK YOU AGAIN. EXCUSE
[01:29:08] ME, MIKE. MIKE. WE ALSO MIGHT
[01:29:10] HAVE SOMEONE FROM LABOR
[01:29:11] RELATIONS ON THE LINE. SO AFTER
[01:29:14] YOU'VE PRESENTED, IF THEY WANT
[01:29:15] TO MAKE ANY COMMENTS,
[01:29:16] OTHERWISE, THE FLOOR IS YOURS.
[01:29:18] MY TED. YEAH, WE DO. YEAH, WE
[01:29:20] DO. THIS IS SOMETHING THAT I'VE
[01:29:22] SEEN IS VERY IMPORTANT TO ME
[01:29:23] FROM A SAFETY PERSPECTIVE. 34
[01:29:25] HOURS DAY, ALL OVERTIME IS
[01:29:27] CURRENTLY APPROVED BY A MANAGER.
[01:29:29] BUT IT SAYS, HEY, WE NEED YOU TO
[01:29:30] GET SOMETHING DONE. YOU APPROVE
[01:29:31] IT, AND THEY SEEM TO WORK UNTIL
[01:29:32] THE JOB IS DONE. WE'VE GOT TO
[01:29:34] ADD BETTER CONTROLS. SO WE'RE
[01:29:36] WORKING ON WORK RULES THAT CAN
[01:29:38] BE FORMALIZED WITH OUR
[01:29:39] MAINTENANCE GROUPS THAT SAY,
[01:29:40] THIS IS ABOUT TIME. AND BEYOND
[01:29:42] THAT, YOU'RE GOING TO NEED TO
[01:29:43] ASK AGAIN. WE'RE CAUTIOUS ABOUT
[01:29:46] DOING FORMAL CAPS BECAUSE THE
[01:29:48] AIRPORT HAS TO. WE KEEP THE
[01:29:50] AIRPORT RUNNING, BUT AS A
[01:29:53] MANAGER, WE WANT TO ENSURE THE
[01:29:54] SAFETY OF ALL OF OUR EMPLOYEES.
[01:29:56] SO IF WE NEED SOME ADDITIONAL
[01:29:57] TIME, WHATEVER THAT TIME IS,
[01:30:00] IT'S DISCUSSED WITH THE MANAGER,
[01:30:01] IT'S DISCUSSED WITH THE
[01:30:02] EMPLOYEE, AND IF THE EMPLOYEE

[01:30:03] WORKS ADDITIONAL HOURS. MAYBE WE
[01:30:05] PROVIDE A HOTEL FOR THOSE
[01:30:07] EMPLOYEES TO STAY AND KIND OF
[01:30:08] LIKE WE DO ON SNOW SO THAT THEY
[01:30:11] DON'T TRAVEL HOME AFTER THEY'VE
[01:30:12] WORKED 34 HOURS IN A ROW. AND
[01:30:14] AGAIN, THAT'S NOT SAFE. SO WE'RE
[01:30:18] STARTING WITH WORK RULES, AND WE
[01:30:20] AGREE WITH THE RECOMMENDATION
[01:30:21] FOR A PORTWIDE POLICY. WE JUST
[01:30:23] GOTTA BE CAUTIOUS WITH FORMAL
[01:30:25] CAPS AND LIMITS BECAUSE WE'RE
[01:30:27] WORKING TO KEEP THE AIRPORT
[01:30:28] OPEN. BUT, YEAH, I DON'T KNOW IF
[01:30:31] GREG'S ON IF HE WANTS TO ADD ANY
[01:30:33] COMMENTARY TO THAT AS WELL.
[01:30:38] GOOD AFTERNOON AND GOOD MORNING,
[01:30:40] AND THANK YOU FOR THE
[01:30:41] OPPORTUNITY TO WEIGH IN ON THIS
[01:30:42] AND SUCH IMPORTANT WORK, AND
[01:30:43] THANK YOU, EVERYONE. FIRST AND
[01:30:45] FOREMOST, THE COLLECTIVE
[01:30:46] BARGAINING AGREEMENT. GREG, CAN
[01:30:47] YOU INTRODUCE YOURSELF FOR THE
[01:30:49] RECORD? OH, SORRY. I APOLOGIZE.
[01:30:51] I'M GREG GOTHE. I'M A LABOR
[01:30:52] RELATIONS MANAGER HERE AT THE
[01:30:54] PORT OF SEATTLE, ASSIGNED TO
[01:30:57] SOME OF OUR AVIATION MAINTENANCE
[01:30:59] WORKGROUPS, AND WE HAVE GREAT
[01:31:01] PARTNERSHIPS WITH OUR FRIENDS ON
[01:31:04] THE LABOR SIDE. SO NONE OF THEM,
[01:31:07] IN MY OPINION, WOULD BE SHOCKED
[01:31:09] IF WE REACHED OUT TO THEM AND
[01:31:10] SAID, HEY, WE'RE LOOKING AT
[01:31:12] IMPLEMENTING SOME ADDITIONAL
[01:31:14] SAFETY ANALYSIS AND AMENDING OUR
[01:31:16] WORK RULES TO INCLUDE SOME
[01:31:20] LEVEL OF OVERSIGHT RELATIVE TO
[01:31:22] OVERTIME, WHICH MOST OF THEM
[01:31:24] WOULD PROBABLY AGREE ALREADY
[01:31:26] EXISTED, EXISTS IN TERMS OF OUR
[01:31:28] MANAGEMENT RIGHTS. AND SO WE'RE
[01:31:31] LOOKING FORWARD TO THAT
[01:31:32] OPPORTUNITY JUST TO NOTIFY THEM
[01:31:34] AND PARTNER WITH THEM. SO IN
[01:31:36] TERMS OF OBSTACLES, I DON'T
[01:31:38] THINK IT'S AN OBSTACLE. IT'S
[01:31:40] GOING TO BE A HUGE CHALLENGE,
[01:31:42] BECAUSE, LIKE I SAID, OUR
[01:31:43] PARTNERS ARE ALSO VERY CONCERNED
[01:31:45] ABOUT SAFETY AND THE SAFETY OF
[01:31:47] THEIR UNION MEMBERS. MIKE IS
[01:31:50] RIGHT RELATIVE TO SORT OF
[01:31:52] PUTTING A BLANKET APPROACH ON
[01:31:55] THE NUMBER OF HOURS, BECAUSE IN
[01:31:57] THE AIRPORT ENVIRONMENT, YOU DO
[01:31:58] HAVE REGULATORY REQUIREMENTS
[01:32:01] THAT WE HAVE TO ACHIEVE. AND
[01:32:02] THOUGH WE WANT TO MAKE SURE WE
[01:32:03] HAVE ENOUGH STAFFING TO MEET
[01:32:05] THOSE REGULATORY REQUIREMENTS
[01:32:07] REQUIREMENTS, THERE MAY BE A

[01:32:09] RARE CASE IN WHICH WE DO HAVE TO
[01:32:12] HAVE SOMEONE WORK THAT'S ABLE
[01:32:15] AND SAFELY CAN ACHIEVE THE
[01:32:17] OBJECTIVES BEYOND A CERTAIN
[01:32:20] PARAMETER, AND THAT'S TRUE WITH
[01:32:21] OUR SECURITY APPARATUS AS WELL.
[01:32:24] SO WE DEFINITELY ARE
[01:32:28] PARTNERS IN ACHIEVING THESE VERY
[01:32:31] IMPORTANT OBJECTIVES. AND I JUST
[01:32:32] DON'T THINK THE HEADWINDS ARE
[01:32:33] GOING TO BE THAT STRONG. AS LONG
[01:32:35] AS WE COMMUNICATE OFTEN WITH
[01:32:38] OUR PARTNERS, WE WANT THEM TO
[01:32:40] BUY IN, AND THEY'RE VERY GOOD
[01:32:42] ABOUT BUYING IN WHEN WE TIE INTO
[01:32:45] A VERY CLEAR OBJECTIVE THAT'S
[01:32:47] LINKED TO THE PORT'S MISSION
[01:32:49] STATEMENT. AND SO WE'RE PROUD TO
[01:32:51] BE A PART OF THE SOLUTION IN ANY
[01:32:53] WHICH WAY WE CAN.
[01:32:57] OKAY, COMMISSIONERS, WE HAVE ONE
[01:32:59] MORE LOW RISK ISSUE THAT DAN'S
[01:33:01] GONNA. I'LL JUST GO THROUGH IT
[01:33:03] REAL QUICKLY. YEAH, IT'S. NEXT
[01:33:05] SLIDE. IT'S, YOU KNOW, THERE WAS
[01:33:07] MISSING DOCUMENTATION TO
[01:33:10] SUBSTANTIATE, YOU KNOW, WHEN
[01:33:11] SOMEBODY WAS ON SICK LEAVE OR
[01:33:14] LEAVE WITHOUT PAY OR FMLA,
[01:33:16] ETCETERA. SO IT'S JUST A GOOD
[01:33:18] PRACTICE TO BE ABLE TO
[01:33:19] SUBSTANTIATE EVIDENCE WHY
[01:33:21] SOMEBODY'S OUT OF THE OFFICE
[01:33:22] WHEN IT'S REQUESTED. SO A LOW
[01:33:24] RATED ISSUE. AND OUR
[01:33:27] RECOMMENDATION IS JUST SIMPLY,
[01:33:28] YOU KNOW, MAKE SURE YOU RETAIN
[01:33:30] THE DOCUMENTATION. AND THAT'S.
[01:33:33] YEAH, THAT'S PRETTY MUCH IT.
[01:33:37] WELL, I WOULD SAY THE EMPLOYEE
[01:33:40] WOULD BE NUMBER ONE, BUT ALSO,
[01:33:42] YOU KNOW, THE SUPERVISOR,
[01:33:43] BECAUSE THEY'RE ULTIMATELY
[01:33:44] APPROVING IT AND PROBABLY
[01:33:45] RESPONSIBLE FOR IT, OR SHOULD
[01:33:46] BE. ANYWAY,
[01:33:49] IF THAT CONCLUDES YOUR
[01:33:50] PRESENTATION, THEN I'LL TURN TO
[01:33:51] MY COLLEAGUES FOR QUESTIONS OR
[01:33:53] COMMENTS.
[01:33:57] GO FOR IT. MISS HOLMSTROM,
[01:34:00] I HAVE A COUPLE OF THINGS HERE.
[01:34:03] ONE I WANT TO UNDERSTAND. SO IT
[01:34:06] SOUNDS LIKE CURRENTLY, THE
[01:34:07] TIMEKEEPING SYSTEM IS NOT A
[01:34:09] CALKINS, CLOCK OUT. IS IT,
[01:34:10] LIKE ONLINE, YOU JUST FILL OUT
[01:34:12] YOUR HOURS SYSTEM? IS THAT WHAT
[01:34:14] IT IS? THERE'S A SYSTEM CALLED
[01:34:17] MAXIMO THAT THEY PUT IN WHATEVER
[01:34:20] JOB THEY'RE WORKING ON THE
[01:34:21] NUMBER OF HOURS IN A DAY, AND AT
[01:34:23] THE END OF THE DAY, IT SHOULD BE

[01:34:25] 8 HOURS, 10 HOURS. AND YOU CAN
[01:34:26] DO THAT FROM ANYWHERE AT THE
[01:34:29] PORT IF THEY'VE GOT THEIR
[01:34:31] SYSTEMS. BUT I'M GUESSING YOU
[01:34:32] CAN DO IT REMOTELY AS WELL. I
[01:34:34] IMAGINE YOU CAN. I DON'T KNOW.
[01:34:35] COULD ENTER MY HOURS FROM
[01:34:37] YESTERDAY, TODAY? YEAH. YEAH,
[01:34:40] YOU COULD. YOU COULD DO IT. YOU
[01:34:41] COULD DO IT DAILY. YOU COULD DO
[01:34:42] IT WEEKLY. I THINK SOME
[01:34:44] EMPLOYEES, YOU KNOW, I MEAN,
[01:34:45] THAT'S PART OF THE CHALLENGE,
[01:34:46] IS THAT PEOPLE ARE DOING IT
[01:34:47] AFTER THE FACT. SO IT SOUNDS
[01:34:49] LIKE THE. IT SOUNDS LIKE
[01:34:52] MANAGEMENT AGREED, LIKE THE
[01:34:53] CALKINS, CLOCK OUT SYSTEM
[01:34:54] WOULD. I'M NOT SAYING WE WOULD
[01:34:56] HAVE TO GET RID OF THE OTHER
[01:34:57] THERE'S SOME REALLY IMPORTANT
[01:35:00] RECORD KEEPING OF WHAT JOB
[01:35:01] THEY'RE ON, SO YOU CAN
[01:35:02] ACCURATELY TRACK COSTS AND
[01:35:03] STUFF. BUT A CALKINS, CLOCK OUT
[01:35:06] SYSTEM THAT IS LIMITED TO ACCESS
[01:35:08] AT THE PORT AT THE TIME THEY'RE
[01:35:10] HERE WOULD BE REALLY IMPORTANT,
[01:35:11] ESPECIALLY COMPOUNDING THAT WITH
[01:35:16] THE AMOUNT OF OVERTIME WE'RE
[01:35:17] SEEING. AND THE OTHER THING
[01:35:18] THAT'S ALARMING TO ME. ME, IS,
[01:35:19] LIKE, WHEN WE'RE AUDITING, IT'S
[01:35:21] NOT LIKE WE'RE LOOKING AT EVERY
[01:35:22] EMPLOYEE. LIKE, WE PICK A SMALL
[01:35:24] SUBSET OF PEOPLE. SO WHEN YOU
[01:35:26] SEE THESE KIND OF EXAMPLES OF,
[01:35:28] LIKE, MASSIVE OVERTIME, THAT'S
[01:35:29] REALLY CONCERNING TO ME,
[01:35:30] BECAUSE, AGAIN, IT'S NOT LIKE
[01:35:31] WE'RE LOOKING AT EVERYBODY. SO
[01:35:34] I'M CONCERNED OF THE ACCURACY OF
[01:35:36] THAT. AND THEN COUPLE THAT WITH
[01:35:37] LIKE, THE FACT THAT WE'RE SAYING
[01:35:39] THERE ISN'T CONSISTENT REVIEW
[01:35:40] AND APPROVAL AND DOCUMENTATION
[01:35:42] OF THAT FOR THIS. OVER TIME. IT
[01:35:44] SEEMS LIKE PERVASIVELY THROUGH
[01:35:46] THE PROCESS, WE HAVE SOME HOLES
[01:35:48] THAT SOMEONE COULD, IF THEY
[01:35:50] WANTED TO MANIPULATE THE SYSTEM
[01:35:51] PRETTY EASILY. AND THAT'S PRETTY
[01:35:52] CONCERNING TO THE TUNE OF, YOU
[01:35:54] KNOW, \$8 MILLION OF WHAT WE'RE
[01:35:55] LOOKING AT HERE. THE OTHER THING
[01:35:57] I WONDER, THAT SEEMS LIKE WE
[01:35:59] HAVE THIS WHOLE TIME
[01:36:00] ADMINISTRATOR PROCESS THAT SEEMS
[01:36:01] TO MANAGE THE LOWER END OF LIKE,
[01:36:03] MAKING SURE THEY HAVE 80 HOURS.
[01:36:05] WHY DON'T WE LIKE, FLAG THE
[01:36:07] UPPER END? WHY DON'T WE JUST ADD
[01:36:09] LIKE ALSO SOME AUTO IT.

[01:36:11] OBVIOUSLY THE SYSTEM CAN AUTO
[01:36:13] HIGHLIGHT, HEY, THIS PERSON ONLY
[01:36:15] HAS 76 HOURS. WE NEED TO CORRECT
[01:36:16] IT. I'M NOT SURE WHY IT CAN'T
[01:36:17] SAY THIS PERSON HAS OVER 120.
[01:36:20] THAT SHOULD FLAG AS WELL SO THAT
[01:36:22] WE CAN HAVE BOTH SIDES BECAUSE
[01:36:24] IT SEEMS LIKE THE OTHER SIDE IS
[01:36:25] WHERE THERE'S SOME ISSUES.
[01:36:26] YEAH, WELL, I MEAN, I THINK
[01:36:27] THAT'D BE GOOD. THERE'S NOTHING
[01:36:29] THAT PROHIBITS ANY EMPLOYEE FROM
[01:36:31] WORKING, YOU KNOW, 120 HOURS
[01:36:33] PER, YOU KNOW. RIGHT. YEAH, I
[01:36:35] MEAN, BUT IT WOULD BE A GOOD
[01:36:37] REPORTING TOOL TO KIND OF
[01:36:39] MONITOR THAT. I MEAN, I THINK
[01:36:40] EVEN JUST HIGHLIGHTING IT UP OF
[01:36:42] LIKE, EVEN, AGAIN, LIKE A REPORT
[01:36:44] OR SOMETHING GENERATED, LIKE, I
[01:36:46] DON'T KNOW IF IT WOULD BE MAYBE
[01:36:47] WITHIN THIS TEAM OR IT COMES ALL
[01:36:48] THE WAY UP TO THE COMMISSION OR
[01:36:49] WHAT THAT LOOKS LIKE OF LIKE,
[01:36:51] HEY, THESE ARE THE NUMBER OF
[01:36:52] EMPLOYEES THAT WORKED OVER 120
[01:36:55] HOURS A WEEK CONSISTENTLY OR
[01:36:57] SOMETHING THAT JUST LIKE HIGH
[01:36:58] LEVEL, AGAIN, YOU'RE NOT GOING
[01:36:59] TO GET INTO PEOPLE'S NAMES OR
[01:37:00] ANYTHING LIKE THAT, BUT JUST
[01:37:01] HIGH LEVEL TO HIGH HIGHLIGHT TO,
[01:37:03] AGAIN, JUST SHOW THAT SOMEBODY'S
[01:37:04] LOOKING AND THAT WE'RE TRACKING.
[01:37:06] LIKE, GENERALLY WHEN THERE'S
[01:37:08] LIKE EXCESSIVE PROBLEMS WITH
[01:37:09] LIKE OVERTIME AND LIKE, I MEAN,
[01:37:11] THERE'S THE SAFETY THING,
[01:37:12] THERE'S THE ACCURACY PIECE. AND
[01:37:13] AGAIN, ALL THESE THINGS KIND OF
[01:37:14] TIE TOGETHER IN MY MIND TO JUST
[01:37:15] KIND OF HIGHLIGHT THAT SOMEONE'S
[01:37:17] LOOKING. BECAUSE AT THE END OF
[01:37:18] THE DAY, FROM EVERYTHING I'M
[01:37:19] HEARING HERE, IT SOUNDS LIKE
[01:37:21] FROM AN EMPLOYEE'S PERSPECTIVE,
[01:37:22] IT VERY MUCH WOULD FEEL LIKE
[01:37:23] NOBODY IS LOOKING, LIKE THIS
[01:37:25] ISN'T BEING REGULARLY MANAGED
[01:37:27] OR. YEAH, I MEAN, I, I THINK
[01:37:28] THOSE ARE REALLY GOOD COMMENTS.
[01:37:31] AS WE WERE TALKING WITH PEOPLE,
[01:37:34] ONE OF THE QUESTIONS WE WOULD
[01:37:35] ASK IS WHO'S ULTIMATELY
[01:37:37] RESPONSIBLE? WHO'S RESPONSIBLE
[01:37:39] FOR THE ACCURACY OF WHAT'S
[01:37:41] SUBMITTED? AND WE WOULD GET
[01:37:43] DIFFERENT RESPONSES. WELL, IT'S
[01:37:45] SUPERVISOR. WELL, NO, IT'S
[01:37:47] ACTUALLY THE MANAGER, IT'S THE
[01:37:48] TIME ADMINISTRATOR. SO THERE'S
[01:37:53] KIND OF, IT'S NOT REAL DEFINED
[01:37:55] AND IT'S NOT REAL CLEAR, LIKE

[01:37:57] WHO'S REALLY RESPONSIBLE FOR THE
[01:37:59] PAYROLL. I MEAN, I THINK IT'S A
[01:38:01] SHARED RESPONSIBILITY. THE
[01:38:02] EMPLOYEE HAS TO MAKE SURE THAT
[01:38:03] THEY'RE ENTERING THEIR TIME
[01:38:04] CORRECTLY, BUT THEY CAN'T REVIEW
[01:38:06] THEIR OWN TIME. IT NEEDS TO BE
[01:38:07] SOMEBODY ELSE. RIGHT. SO, YEAH.
[01:38:12] AND, SARAH, TO ADD ONE MORE
[01:38:13] THING, I BELIEVE THE TIME
[01:38:15] ADMINISTRATOR IS JUST SWAMPED
[01:38:16] WITH JUST MAKING SURE THAT THE
[01:38:17] 80 HOURS, 80 MINUTES, HOURS A
[01:38:20] DAY IS IN TRACKING DOWN PEOPLE
[01:38:21] THAT DON'T HAVE THEIR TIME IN
[01:38:23] AND GETTING THAT CLEANED UP. SO
[01:38:25] THE OVERSIGHT THAT YOU'RE
[01:38:26] SUGGESTING IS A GREAT IDEA,
[01:38:28] GREAT RECOMMENDATION. AND I GOT,
[01:38:31] I'M SURE MIKE IS LISTENING. AND
[01:38:32] MIKE, YOU CAN FEEL FREE TO
[01:38:33] ANSWER AS WELL. I'M GOING TO
[01:38:37] DEFER TO BRENDO LIN BECAUSE SHE'S
[01:38:39] GOT HER HAND UP. SO I THINK SHE
[01:38:41] CAN ANSWER SOME OF THAT. CAN YOU
[01:38:43] PLEASE INTRODUCE YOURSELF FOR
[01:38:44] THE RECORD? YES, ABSOLUTELY.
[01:38:47] BRENDA LANTELLA MAY, SENIOR
[01:38:49] MANAGER OF ASSET MANAGEMENT AND
[01:38:51] LOGISTICS FOR AVIATION
[01:38:53] MAINTENANCE. THANK YOU. GO
[01:38:54] AHEAD. I JUST WANTED TO RESPOND
[01:38:58] TO SOME OF THE COMMENTARY THAT
[01:38:59] WAS MADE AND TO CLARIFY THAT
[01:39:02] OVERSIGHT PIECE. SO WHEN WE'RE
[01:39:04] TALKING ABOUT THE OVERSIGHT,
[01:39:05] WE'RE REALLY TALKING ABOUT THE
[01:39:06] CONTROLS PIECE. ON TIME APPROVAL
[01:39:09] FROM WEEK TO WEEK FOR PAYROLL.
[01:39:12] THE ACTUAL OVERTIME PROCESS,
[01:39:14] IT'S WELL DOCUMENTED. AND WE DO
[01:39:17] HAVE REPORTS REPORTING ON
[01:39:19] OVERTIME NOT ONLY WITHIN OUR
[01:39:20] DEPARTMENT, BUT ALSO, I KNOW OUR
[01:39:23] AVIATION FINANCE AND BUDGET
[01:39:24] FOLKS ALSO LOOK AT OUR OVERTIME.
[01:39:26] SO THAT IS WELL DOCUMENTED. AND
[01:39:29] I JUST WANT TO MAKE SURE THAT
[01:39:30] IT'S UNDERSTOOD. WE'RE NOT
[01:39:31] TALKING ABOUT THE OVERTIME
[01:39:32] PROCESS HERE. THAT WAS ALREADY
[01:39:35] ESTABLISHED IN A PREVIOUS AUDIT.
[01:39:38] AND WE'VE GOT CONTROLS IN PLACE
[01:39:39] FOR PRE APPROVAL, OVERTIME TO
[01:39:42] APPROVAL TO WIN ITS WORK AND
[01:39:44] DOCUMENT IT. AND THAT IS
[01:39:47] WELL UNDERWAY. I THINK WHAT
[01:39:49] WE'RE TALKING ABOUT HERE IS THE
[01:39:51] TIME APPROVAL PIECE AND THE
[01:39:53] CONTROLS PIECE. AND I THINK WE
[01:39:54] ARE RECOGNIZING AS A DEPARTMENT
[01:39:57] THAT OUR SUPERVISORS IN THE
[01:39:58] FIELD DO NEED TO TAKE

[01:40:00] RESPONSIBILITY FOR TIME BEING
[01:40:02] WORKED FROM EMPLOYEES AND THE
[01:40:04] ACCURACY OF THAT TIME REPORTING.
[01:40:08] SO I WANTED TO ADD THAT IN THERE
[01:40:10] BECAUSE I THINK WE'RE THE
[01:40:12] COMMENTARY, I'M SORRY, I DON'T
[01:40:14] SEE YOUR NAME, BUT BASICALLY
[01:40:17] IT'S NOT THE OVERTIME. I JUST
[01:40:19] WANT TO BE CLEAR ABOUT THAT.
[01:40:20] THERE IS OVERSIGHT ON THE
[01:40:22] OVERTIME. AND WHAT WE'RE TALKING
[01:40:24] ABOUT HERE IS MASSIVE HOURS OF
[01:40:26] OVERTIME. AND BECAUSE WE'RE NOT,
[01:40:28] WE HAVEN'T IMPOSED A CAP OR WE
[01:40:31] HAVEN'T, YOU, YOU KNOW,
[01:40:32] SPECIFICALLY STATED IN OUR, IN
[01:40:33] OUR DEPARTMENT WORK ROLES ABOUT
[01:40:36] OVERTIME. THOSE ARE SOME OF THE
[01:40:37] OPPORTUNITIES THAT WE'RE MOVING
[01:40:39] FORWARD WITH AS A RESULT OF THIS
[01:40:41] AUDIT. THANK YOU VERY MUCH. ALL
[01:40:43] RIGHT, BACK TO MISS HOLMSTROM
[01:40:44] FOR ADDITIONAL COMMENTS OR
[01:40:45] QUESTIONS.
[01:40:49] I GUESS I JUST WANT TO CLARIFY
[01:40:51] WITH THE AUDIT TEAM HERE. THEN,
[01:40:53] LIKE, WHEN YOU'RE THIS NUMBER,
[01:40:55] THIS FIRST RECOMMENDATION OF
[01:40:57] THERE'S NO FORMAL REVIEW PROCESS
[01:40:59] OF THE EMPLOYEE'S TIMESHEETS.
[01:41:00] SO ARE YOU SPECIFICALLY JUST IN
[01:41:04] RESPONSE TO THE COMMENTS JUST
[01:41:06] MADE? SO IT SOUNDS LIKE SHE'S
[01:41:09] NOTING THERE IS ADEQUATE
[01:41:10] CONTROLS AND APPROVALS AND
[01:41:12] DOCUMENTATION OF OVERTIME, JUST
[01:41:13] NOT OF TIMESHEETS. DID YOU GUYS
[01:41:15] LOOK AT THAT, OR WAS THAT OUT OF
[01:41:16] SCOPE FOR THIS AUDIT? THAT'S AN
[01:41:17] IMPORTANT DISTINCTION. WELL, SO
[01:41:19] WE DIDN'T LOOK AT THE OVERTIME
[01:41:23] PROCESS. RIGHT. WE JUST LOOKED
[01:41:25] AT THE PROCESS TO APPROVE
[01:41:29] PAYROLL. RIGHT. AND THEN IF THAT
[01:41:30] INCLUDED OVERTIME, THEN THAT
[01:41:32] WAS, THAT WAS INCLUDED AS WELL.
[01:41:33] BUT WE DIDN'T SPECIFICALLY, YOU
[01:41:35] KNOW, SEPARATE OVERTIME FROM
[01:41:37] THAT. SO IF WE'RE SAYING THAT
[01:41:39] THERE WAS LACK OF DOCUMENTATION
[01:41:41] AROUND IT, THAT WOULD ALSO
[01:41:44] INCLUDE OVERTIME, THEN. RIGHT.
[01:41:45] RIGHT. IF THERE WAS SUPPOSED TO
[01:41:46] BE OVERTIME DOCUMENTATION IN
[01:41:48] THERE AND THERE WASN'T, THEN
[01:41:49] THAT WOULD INCLUDE BEING
[01:41:51] INCLUDED IN THIS RECOMMENDATION.
[01:41:52] NOTE OF DISJOINTED APPROVAL AND
[01:41:55] INCONSISTENT APPROVAL PROCESS.
[01:41:57] OKAY, GO AHEAD, DAN. CAN I
[01:41:58] RESPOND TO THAT SPECIFIC
[01:42:00] COMMENT? SO WHAT WAS CALLED OUT
[01:42:02] IN THE AUDIT REPORT IN TERMS OF

[01:42:04] DOCUMENTATION HAD TO DO WITH
[01:42:06] LEAVE? APPROVAL OF LEAVE? WE'VE
[01:42:09] GOT TWO EMPLOYEE GROUPS WHO
[01:42:13] STILL USE A PAPER LEAVE CALL.
[01:42:15] RIGHT. AND SO IN THE AUDIT
[01:42:19] REPORT, WHAT YOU ALL CALLED OUT
[01:42:20] WAS YOU COULD NOT FIND
[01:42:22] DOCUMENTATION FOR THAT LEAVE
[01:42:24] APPROVAL TIME. IT WAS NOT
[01:42:26] RELATED TO OVERTIME, AND IT WAS
[01:42:27] NOT RELATED TO THE EMPLOYEES
[01:42:29] TIME. IT WAS WHEN AN EMPLOYEE
[01:42:31] REQUESTED LEAVE. YOU WERE NOT
[01:42:33] ABLE TO FIND DOCUMENTATION ON
[01:42:35] WHEN THE MANAGER APPROVED THAT
[01:42:36] LEAVE. AND THE SHOPS THAT WERE
[01:42:38] CALLED OUT SPECIFICALLY ARE THE
[01:42:39] ONES THAT USE A PAPER COPY. THE
[01:42:42] FORM. THE REST OF THE DEPARTMENT
[01:42:44] IS ON AN ELECTRONIC FORM,
[01:42:47] SO JUST WANT TO CLARIFY THAT
[01:42:49] UNLESS THERE'S SOMETHING ELSE,
[01:42:51] DAN. BUT FROM WHAT WE READ IN
[01:42:53] THE AUDIT AND RESPONDED TO, IT
[01:42:55] WAS RELATED TO THE LEAVE REQUEST
[01:42:57] AND IT WAS RELATED TO THE FMLA
[01:43:00] DOCUMENTATION. YEAH. I THINK
[01:43:01] YOU'RE REFERRING TO THE
[01:43:02] DOCUMENTATION. LOW RATED ISSUE
[01:43:04] THAT WE HAVE AT THE END. YEAH.
[01:43:07] SO I THINK. YEAH. AND SARAH,
[01:43:09] YOU WERE TALKING ABOUT THE FIRST
[01:43:10] ISSUE ABOUT THE OVERALL APPROVAL
[01:43:12] PROCESS OF PAYROLL, WHICH
[01:43:14] INCLUDES OVERTIME. OKAY.
[01:43:17] CORRECT. THANKS. THANK YOU FOR
[01:43:20] THAT CLARIFICATION. THAT'S
[01:43:21] HELPFUL, EVERYBODY. AND ARE
[01:43:24] THERE ANY ADDITIONAL QUESTIONS
[01:43:25] OR COMMENTS? THANK YOU VERY
[01:43:26] MUCH, MISS HOLMSTROM.
[01:43:27] COMMISSIONER CALKINS.
[01:43:35] WHAT I HAVEN'T HEARD TODAY IS A
[01:43:37] DISCUSSION OF WHETHER THIS
[01:43:40] AMOUNT OF OVERTIME INDICATES
[01:43:43] THAT WE'RE UNDERSTAFFED. AND SO
[01:43:45] I WOULD LOVE TO HEAR. DID WE
[01:43:47] EXPLORE WHETHER WE'RE
[01:43:48] CHRONICALLY UNDERSTAFFED AND
[01:43:50] HAVE FAILED TO FILL POSITIONS
[01:43:52] OR. YEAH,
[01:43:55] SO I GUESS MAYBE WE COULD
[01:43:56] ADDRESS THAT FIRST. YEAH, SO WE
[01:43:57] DID ASK THAT QUESTION, AND WHAT
[01:44:00] WE HEARD IS, AND MIKE, YOU CAN
[01:44:03] CHIME IN IF YOU HEARD OTHERWISE,
[01:44:05] BUT WE'VE BEEN UNDERSTAFFED IN
[01:44:08] CERTAIN AREAS AT ABOUT, I THINK
[01:44:10] IT'S ABOUT, WE'RE STAFFED AT
[01:44:12] ABOUT 70%. SO IT WAS ABOUT, IF I
[01:44:15] REMEMBER CORRECTLY, IT WAS ABOUT
[01:44:16] 30% THAT WERE. AND IT'S BEEN
[01:44:18] CONSISTENT FOR SOME TIME. SO

[01:44:20] THAT WAS PART OF THE NEED FOR
[01:44:22] THE OVERTIME. WE SPECIFICALLY
[01:44:24] ASK THAT QUESTION. THANK YOU FOR
[01:44:27] THAT, DAN. YES. AND
[01:44:28] COMMISSIONER, I GOT TO SAY NOW,
[01:44:31] MAINTENANCE, THE BEST WE CAN
[01:44:32] HOPE FOR IS MINIMUM STAFFING,
[01:44:34] BECAUSE WE USE DATA TO BASICALLY
[01:44:36] TRY TO DEFINE OUR STAFFING
[01:44:37] NUMBERS. SO WITH ROUTINE
[01:44:38] MAINTENANCE, PREVENTATIVE
[01:44:39] MAINTENANCE, WE SAY YOU BUILD A
[01:44:41] NEW ASSET. THIS WORK TAKES THIS
[01:44:43] MUCH TIME. SO WE BUILD NEW, WE
[01:44:46] FIGURE OUT HOW MUCH TIME IT
[01:44:47] TAKES, THEN WE PROVE THAT IT
[01:44:49] TAKES THIS MUCH TIME. THEN WE
[01:44:50] USE THE DATA TO HIRE A STAFF
[01:44:51] MEMBER. SO THEN WE FIGURE
[01:44:55] OUT HOW MUCH TIME THAT EMPLOYEE
[01:44:56] IS AVAILABLE WITH REQUIREMENTS
[01:44:58] FOR TRAINING, ET CETERA, ET
[01:44:59] CETERA. AND THAT KIND OF
[01:45:01] DETERMINES OUR STAFFING LEVELS.
[01:45:03] AND THEN WE HAVE THE CHALLENGE
[01:45:04] OF FMLA PTO RETIREMENTS AND
[01:45:08] THE TIME IT TAKES TO GET PEOPLE
[01:45:09] HIRED. SO THE AIRPORT IS A
[01:45:11] DYNAMIC ENVIRONMENT, AND WE GOT
[01:45:12] TO KEEP THE AIRPORT RUNNING SO
[01:45:14] IT DOES LEND ITSELF TO OVERTIME.
[01:45:16] AND THOSE, THOSE LARGE NUMBER OF
[01:45:18] EMPLOYEES THERE, I THINK THOSE
[01:45:20] WERE ON THE FIELD SIDE. SO THERE
[01:45:23] RESPONSE. AND DURING SNOW THAT
[01:45:25] THESE TEAMS GO TO TWELVE HOUR
[01:45:26] DAYS, AND THEY WILL STAY ON
[01:45:28] TWELVE HOUR DAYS UNTIL THE SNOW
[01:45:30] EVENT IS OVER. AND I DON'T KNOW
[01:45:31] WHICH EMPLOYEES SPECIFICALLY,
[01:45:33] BUT CHEER POINT COMMISSIONER
[01:45:34] CALKINS, IS SOME OF IT STAFFING?
[01:45:37] DEFINITELY. BUT WE TRY TO
[01:45:39] MAINTAIN A STAFFING WHERE WE'RE
[01:45:40] LEAN. WE DON'T WANT TO HAVE
[01:45:41] PEOPLE SITTING AROUND. SO
[01:45:44] SOMETIMES IT'S BETTER TO DO A
[01:45:45] LITTLE BIT OF OVERTIME VERSUS
[01:45:46] HAVING PEOPLE SITTING AROUND
[01:45:48] WHEN IT'S SLOW. AND, MIKE, JUST
[01:45:50] TO ADD TO THAT, THE EXCEPTIONS
[01:45:52] THAT WE SAW WERE CENTERED AROUND
[01:45:54] THE OCTOBER TIMEFRAME. SO THERE
[01:45:56] MIGHT BE SNOW RELATED ONES, BUT
[01:45:58] THEY WERE ALSO HAPPENING IN
[01:46:00] OCTOBER WHEN WE DON'T HAVE SNOW.
[01:46:02] ALL RIGHT, THANKS.
[01:46:05] SECOND, MY SECOND QUESTION IS IN
[01:46:09] REGARD TO THE FIRST FINDING
[01:46:14] AROUND TIMESHEETS AND APPROVALS,
[01:46:19] DID WE FIND THESE SAME, I MEAN,
[01:46:21] I KNOW WE HAVEN'T DONE A
[01:46:24] COMPREHENSIVE AUDIT OF ALL

[01:46:26] DEPARTMENTS PORT OF SEATTLE,
[01:46:27] BUT WHAT I'M HOPING IS WE MIGHT
[01:46:30] BE ABLE TO FIND SOME POSITIVE
[01:46:31] DEVIATION FROM THIS, THAT WE
[01:46:33] COULD MODEL CORRECTIVE ACTION ON
[01:46:35] FOR DEPARTMENTS WHERE WE ARE
[01:46:37] SEEING THESE ISSUES. SO IN OTHER
[01:46:38] WORDS, IS THERE A DEPARTMENT
[01:46:41] WHERE WE'RE SEEING PEOPLE
[01:46:42] CONSISTENTLY TURN IN THEIR TIME
[01:46:45] CARDS ACCURATELY AND ON TIME
[01:46:48] WHERE, YOU KNOW, THERE'S A GOOD
[01:46:50] PROCESS? AND I SAY THIS, LET ME
[01:46:52] BE JUST SORT OF DIVULGE THAT
[01:46:56] WHEN I STARTED A NEW JOB IN
[01:46:58] JANUARY, 1 OF THE ADJUSTMENTS
[01:47:00] THAT I HAD TO MAKE WAS NOW I'M
[01:47:02] NEEDING TO PUT IN PROJECT
[01:47:04] BILLING AND KEEP TRACK OF LOTS
[01:47:06] OF DIFFERENT CODES FOR LOTS OF
[01:47:07] DIFFERENT PROJECTS THAT I'M
[01:47:08] WORKING ON. AND IT IS A PAIN IN
[01:47:09] THE BUTT. I AGREE. AND I MAKE
[01:47:12] MISTAKES AND I FORGET TO TURN IT
[01:47:14] IN ON FRIDAY EVENING. AND SO I
[01:47:16] CAN ABSOLUTELY RELATE TO PORT
[01:47:19] STAFF WHO FORGET AT TIMES. AND
[01:47:23] SO I'M JUST, I'M TRYING TO THINK
[01:47:24] OF WAYS WHERE, WHERE ARE PLACES
[01:47:27] YOU GUYS DOING SO WELL THAT
[01:47:29] YOU'RE GETTING THIS IN? AND CAN
[01:47:30] WE ADOPT THAT IN OTHER
[01:47:31] DEPARTMENTS WHERE WE NEED TO
[01:47:32] BRING THAT UP, WHETHER IT'S A
[01:47:35] PIZZA PARTY WHEN WE ALL GET IT
[01:47:36] DONE OR I DON'T KNOW HOW WE
[01:47:38] GAMIFY IT, BUT WHETHER THAT'S
[01:47:41] PHYSICAL PUNCH CLOCKS, JUST
[01:47:42] SOMETHING TO BRING THIS UP. SO.
[01:47:44] YEAH. AND THAT'S SOMETHING THAT
[01:47:46] WE TALKED ABOUT IS WHEN I
[01:47:48] APPROVE PAYROLL SALARIED
[01:47:51] EMPLOYEES, WE'RE NOT TRACKING
[01:47:52] OUR TIME BY HOUR. RIGHT. AND SO
[01:47:54] IT'S VERY STRAIGHTFORWARD. THIS
[01:47:56] IS DIFFERENT BECAUSE THERE'S
[01:47:58] HOURLY AND THERE'S DIFFERENT
[01:48:00] TIME CODES AND THERE'S MORE
[01:48:01] PEOPLE. OUR CONTINUOUS PROCESS
[01:48:05] IMPROVEMENT TEAM HAS DONE SOME
[01:48:06] WORK IN OTHER AREAS AND THEY'VE
[01:48:09] IMPROVED THEIR PAYROLL PROCESS.
[01:48:11] I THINK THERE WILL ALWAYS BE,
[01:48:12] YOU KNOW, EXCEPTIONS THAT YOU
[01:48:13] HAVE TO WORK THROUGH. BUT I,
[01:48:15] BUT ONE OF THE, I THINK MIKE
[01:48:17] TASKER AND, AND BRENDA LYNN HAVE
[01:48:19] ACTUALLY REACHED OUT TO OUR
[01:48:21] PROCESS IMPROVEMENT TEAM TO HELP
[01:48:23] THEM WITH IT. GREAT. AND THERE
[01:48:25] IS A TEAM THAT'S LOOKING AT IT
[01:48:26] PORT WIDE. SO HOPEFULLY
[01:48:28] EVERYTHING WE'VE DONE CAN BE

[01:48:29] INTEGRATED INTO THEIR WORK AS
[01:48:31] WELL. BUT, COMMISSIONER, IT
[01:48:33] STARTS WITH, IF AN EMPLOYEE
[01:48:35] DOESN'T ENTER AYE. OR HER TIME,
[01:48:38] THEN IT JUST BECOMES HARDER AND
[01:48:41] SNOWBALLS FROM THERE. SO YOU GOT
[01:48:42] TO START WITH PUTTING YOUR TIME
[01:48:43] IN ON A STRUCTURED BASIS AND
[01:48:47] BUILDS FROM THERE. WE'RE 15
[01:48:49] MINUTES MORE. SO BACK TO YOU FOR
[01:48:51] ASKING. THAT WAS ALL MY
[01:48:52] QUESTIONS. WONDERFUL.
[01:48:56] WELL, THAT CONCLUDES THIS
[01:48:58] PORTION. THANK YOU SO VERY MUCH
[01:48:59] FOR THE PRESENTATION. THANK YOU
[01:49:02] TO EVERYBODY ONLINE WHO LENDED
[01:49:03] THEIR EXPERTISE. WE'RE AT THE
[01:49:05] LIMITED CONTRACT COMPLIANCE
[01:49:07] AUDIT SECTION OF OUR AGENDA.
[01:49:08] ITEMS 1011 ARE AUDIT REPORT ON
[01:49:10] 1915 CASEY HOUSE. OH,
[01:49:13] COMMISSIONER, WE SKIPPED AN
[01:49:14] AUDIT. SO WE SKIPPED.
[01:49:18] WE'VE GOT TO GO THROUGH THE PARK
[01:49:20] AND GARAGE ELEVATOR
[01:49:21] MODERNIZATION, ITEM NINE. ITEM
[01:49:23] NINE. PLEASE TAKE US THROUGH,
[01:49:24] GLENN. THANK YOU, COMMISSIONER.
[01:49:26] ITEM NINE IS PARK AND GARAGE
[01:49:29] ELEVATOR MODERNIZATION PROJECT.
[01:49:31] IT'S CAPITAL AUDIT, AND I'M
[01:49:33] GOING TO INVITE SPENCER BRIGHT
[01:49:35] FROM MY TEAM, CAPITAL AUDIT
[01:49:37] MANAGER, AND KEREM ONAUT, WHO'S
[01:49:39] THE SENIOR INTERNAL AUDITOR THAT
[01:49:41] DID THE AUDIT, AND I'M GOING TO
[01:49:43] GIVE THEM GUIDANCE TO FLY
[01:49:46] THROUGH IT BECAUSE THEY HAVE 15
[01:49:47] MINUTES TO GET THROUGH THIS.
[01:49:50] SPENCER, THE FLOOR IS YOURS.
[01:49:54] GOOD MORNING, COMMISSIONERS AND
[01:49:56] MISS HOLMSTROM. I'M SPENCER
[01:49:58] BRIGHT, CAPITAL PROJECTS AUDIT
[01:50:00] MANAGER. AND WITH ME TODAY IS
[01:50:02] KARIM ONAT. HE'S SENIOR AUDITOR
[01:50:04] AND WAS THE LEAD AUDITOR ON THIS
[01:50:07] PROJECT. GIVEN OUR TIME,
[01:50:10] I THINK I WILL SKIP THE HISTORY
[01:50:14] OF THE PARKING GARAGE ELEVATOR
[01:50:17] PROJECT AND GO TO THE NEXT
[01:50:18] SLIDE. SO ONE
[01:50:21] BACK, PLEASE.
[01:50:27] THE ORIGINAL CONTRACT FOR THIS
[01:50:29] PROJECT WAS \$8.5 MILLION
[01:50:33] WITH AN ESTIMATED COMPLETION
[01:50:35] DATE AROUND JANUARY OF 2024.
[01:50:39] THERE HAVE BEEN APPROXIMATELY
[01:50:42] 800 APPROVED DAYS ADDED TO THE
[01:50:45] SCHEDULE, AND THIS WAS PRIMARILY
[01:50:47] BECAUSE OF A PORT ADDENDA ERROR
[01:50:51] MADE DURING THE PROCUREMENT
[01:50:52] PROCUREMENT PHASE. AND NOW THE
[01:50:55] ESTIMATED COMPLETION DATE IS

[01:50:58] MARCH OF 2026.
[01:51:01] THE CURRENT PROJECTED FINAL
[01:51:03] CONTRACT IS APPROXIMATELY \$12.8
[01:51:07] MILLION, AND THIS INCLUDES \$4
[01:51:10] MILLION IN APPROVED CHANGE
[01:51:12] ORDERS AND \$300,000 IN
[01:51:16] POTENTIAL COST RISKS THAT HAVE
[01:51:19] NOT YET BEEN FORMALLY APPROVED
[01:51:21] OR FINALIZED, AND I'LL
[01:51:25] HAND IT OVER TO KARIM TO GO OVER
[01:51:28] OUR FINDING AND RECOMMENDATIONS
[01:51:32] NEXT.
[01:51:39] DURING THE PROCUREMENT STEP, AN
[01:51:42] IMPORTANT SPECIFICATION SECTION
[01:51:44] FROM THE ADDENDUM WAS REMOVED,
[01:51:46] SPECIFICALLY ABOUT THE CABIN
[01:51:47] TERRIERS, WHICH LED TO THE
[01:51:50] SUSPENSION OF THE PROJECT AND
[01:51:51] EVENTUALLY ADDING 166 DAYS TO
[01:51:54] THE CHANGE ORDERS, WHICH
[01:51:55] INCREASED THE TOTAL CONTRACT BY
[01:51:58] ABOUT 47% OF THE ORIGINAL
[01:52:00] CONTRACT VALUE. THIS ERROR WAS
[01:52:03] IDENTIFIED DURING THE
[01:52:05] CONSTRUCTION PHASE. WE WERE NOT
[01:52:08] ABLE TO PINPOINT EXACTLY WHEN
[01:52:09] THIS HAPPENED BECAUSE THERE WERE
[01:52:11] A LOT OF STAFF TURNOVER AT THE
[01:52:13] PORT AT THE TIME AND ALSO SOME
[01:52:16] DOCUMENTATION, LACK OF
[01:52:18] DOCUMENTATION ON WHO APPROVED
[01:52:21] WHAT AND HOW AND WHEN. SO I WAS
[01:52:25] ABLE TO GET CLOSE AS MARCH 4
[01:52:27] MARCH 5, 2021. BUT THE
[01:52:31] CURRENT CPO PROCESS REQUIRES THE
[01:52:33] INVOLVEMENT OF CONSTRUCTION
[01:52:35] MANAGERS, PROJECT MANAGERS, AND
[01:52:36] THE RESIDENT ENGINEERS TO
[01:52:37] APPROVE ANY ADDENDUM. HOWEVER,
[01:52:40] THE PROCESS DOES NOT REQUIRE
[01:52:42] MAINTAINING THE DOCUMENTATION ON
[01:52:44] WHO APPROVED IT AND WHY IT WAS
[01:52:46] APPROVED. SO THAT'S WHAT THE
[01:52:48] FINDING IS ABOUT FOR THIS ONE.
[01:52:51] ADDITIONALLY, ONE SMALL PORTION,
[01:52:53] THE CHANGE ORDER ONE, DID NOT
[01:52:56] HAVE THE REQUIRING ESTIMATES,
[01:52:58] INDEPENDENT ESTIMATES FROM THE
[01:52:59] PORT. ANY CHANGES TO THE
[01:53:03] CONTRACT THAT IS OVER \$50,000
[01:53:05] REQUIRES A PORT ESTIMATE FOR
[01:53:08] CHANGE ORDER ONE. THERE WAS
[01:53:09] NONE. SO WE ARE RECOMMENDING
[01:53:10] THAT THE PORT PERFORMS THAT
[01:53:13] ESTIMATE. I AM
[01:53:16] SPEAKING A LITTLE FAST BECAUSE
[01:53:17] WE'RE RUNNING OUT OF TIME, AND I
[01:53:19] WANTED TO MAKE SURE MANAGEMENT
[01:53:22] ALSO HAS TIME TO RESPOND. SO
[01:53:24] NEXT SLIDE, PLEASE, MICHELLE.
[01:53:27] AND THAT'S A RECOMMENDATION THAT
[01:53:29] KAREN'S GOT, BUT HE'S PRETTY
[01:53:31] MUCH STATED THAT ALREADY THAT WE

[01:53:33] NEED TO IMPROVE AND WE NEED TO
[01:53:37] MAKE SURE WE FIX OUR PROCESS,
[01:53:39] ESPECIALLY AS OUR CAPITAL PLAN,
[01:53:41] CAPITAL DEPLOYMENT GROWS AND WE
[01:53:43] BECOME LARGER. THESE ARE THINGS
[01:53:44] THAT WE SHOULDN'T BE MAKING,
[01:53:47] AND WE RECOGNIZE THAT. SO WITH
[01:53:49] THAT, I'LL ASK ANGELA PETERSON
[01:53:51] AND BRIAN SLEET TO COME UP AND
[01:53:52] PROVIDE A MANAGEMENT RESPONSE.
[01:53:54] ANGELA PETERSON, PLEASE
[01:53:57] INTRODUCE YOURSELF. ANGELA
[01:53:59] PETERSON, INTERIM ASSISTANT
[01:54:04] DIRECTOR OF CPO. THANK YOU. NEW
[01:54:07] TITLES. SO I HAD TO REMEMBER
[01:54:09] THAT ONE. GOOD MORNING. I'M
[01:54:12] BRIAN SWEET, THE DIRECTOR OF
[01:54:13] ENGINEERING FOR CONSTRUCTION
[01:54:14] MANAGEMENT. THANK YOU. WELCOME.
[01:54:18] SO I'LL SPEAK FIRST. SO, YEAH,
[01:54:20] A MISTAKE WAS MADE BACK IN 2021.
[01:54:23] THE PEOPLE ARE NO LONGER HERE TO
[01:54:25] TRY TO TRACK DOWN WHAT HAPPENED.
[01:54:27] SO WE DID REVIEW OUR STANDARD
[01:54:30] OPERATING PROCEDURES, AND WE DID
[01:54:33] GO AHEAD AND GET MORE DETAILED
[01:54:35] ON THAT. THAT REVIEW FROM THE
[01:54:38] PROJECT TEAM, WHEN ANY ADDENDUMS
[01:54:40] ARE MADE, WILL BE FORMALLY
[01:54:45] SAVED. THAT CORRESPONDENCE WILL
[01:54:48] BE SAVED TO THE FILE. SO THAT
[01:54:51] WILL HELP US TO ENSURE THAT ALL
[01:54:53] PEOPLE ON THE TEAM WILL REVIEW
[01:54:55] ALL THE ADDENDA. AND IF
[01:54:56] SOMETHING GETS DELETED OUT BY
[01:54:58] ACCIDENT, SOMEONE WILL CATCH IT.
[01:55:03] AND AS PART OF THAT PROCESS,
[01:55:04] TOO, THAT WILL ALSO INCLUDE
[01:55:05] CONSTRUCTION MANAGEMENT, WHERE
[01:55:06] THE CONSTRUCTION PROGRAM
[01:55:08] LEADERS, AS WE'RE NOW CALLING
[01:55:09] THEM, SOME OTHER TITLE CHANGE
[01:55:11] THAT TOOK PLACE ON MONDAY.
[01:55:12] THEY'LL ALSO SIGN OFF ON THE
[01:55:14] ADDENDUM BEFORE IT IS ISSUED TO
[01:55:16] CONTRACTORS TO BID ON. SO THAT
[01:55:18] WAY, BOTH THE PROCUREMENT OFFICE
[01:55:20] AND THE CONSTRUCTION MANAGERS
[01:55:21] AND WILL HAVE HAD A LOOK AT IT
[01:55:24] AND MAKE SURE THAT THIS TYPE OF
[01:55:26] ERROR DOESN'T OCCUR AGAIN.
[01:55:29] ANYTHING ELSE? BACK TO
[01:55:32] YOU FOR QUESTIONS. MY
[01:55:34] COLLEAGUES, COMMISSIONER
[01:55:36] CALKINS. SO, AS I WAS READING
[01:55:37] THROUGH THIS AND IN A QUICK
[01:55:39] CONVERSATION WITH GLENN BEFORE
[01:55:41] THE MEETING, ONE QUESTION I
[01:55:43] DIDN'T ASK. SO THERE
[01:55:47] WAS A MISTAKE THAT LEFT
[01:55:48] SOMETHING OUT THAT THEN HAD TO
[01:55:50] BE CHANGED IN THE CONTRACT
[01:55:51] LATER. BUT IT'S NOT CLEAR TO ME

[01:55:54] THAT THE MISTAKE ITSELF CAUSED
[01:55:57] THE ADDITIONAL COST OR IF WE
[01:55:58] JUST FAILED TO ACCOUNT FOR THE
[01:56:00] FULL COST OF WHAT THE PROJECT
[01:56:01] WOULD ACTUALLY OCCUR. AND
[01:56:02] THEREFORE,
[01:56:05] THE CHANGE ORDERS, LIKE THE
[01:56:11] MATERIAL SPECIFICATIONS THAT
[01:56:12] WERE REMOVED ABOUT THE INTERIORS
[01:56:14] OF THE CABS. AND BECAUSE THE
[01:56:16] SPECIFICATIONS WERE NOT IN THE
[01:56:18] CONTRACT, IN THE BIDDING
[01:56:21] DOCUMENTS, THE BIDDERS USED SOME
[01:56:24] GENERIC MATERIAL. SO WE WANTED
[01:56:26] SOMETHING NICER. WE WANTED
[01:56:27] SOMETHING NICER. FINGERPRINT
[01:56:29] RESISTANT MAINTENANCE. YEAH.
[01:56:31] SO, I MEAN, I FEEL BAD FOR
[01:56:32] WHOEVER MADE THE MISTAKE BECAUSE
[01:56:34] IT LOOKS LIKE SUCH A HUGE
[01:56:35] AMOUNT, BUT IT'S THAT WE SAID,
[01:56:37] WE DIDN'T SAY WE WANT THIS
[01:56:39] PARTICULAR THING. AND SO THEY
[01:56:40] BID A LOWER AMOUNT. AS SOON AS
[01:56:42] UNDERSTOOD THAT WE NEEDED
[01:56:43] SOMETHING NICER, THE BID WENT
[01:56:45] UP. AND THERE WAS A LOT OF,
[01:56:46] LIKE. I MEAN, THERE WAS SOME
[01:56:48] FRICTION THERE THAT COST SOME
[01:56:50] REAL MONEY, BUT IT WASN'T A \$3.5
[01:56:53] MILLION CLERICAL ERROR.
[01:56:56] SOME MUCH SMALLER AMOUNT
[01:56:58] CLERICAL ERROR TO ACCOUNT FOR
[01:56:59] THE FACT THAT WE NEEDED TO SPEND
[01:57:01] \$3.5 MILLION TO GET A NICER
[01:57:04] THING. YES, BUT PARTIALLY ALSO,
[01:57:06] IT COINCIDED WITH THE WAR IN
[01:57:08] UKRAINE AND COVID, PERIOD. SO WE
[01:57:11] DID LOOK INTO THE NICKEL PRICES
[01:57:13] AND SILVER. IT'S NOT SILVER.
[01:57:14] SORRY. STEEL. STEEL PRICES. SO
[01:57:17] IF WE HAD ORDERED IT EARLIER,
[01:57:18] IT WOULD HAVE BEEN CHEAP? IT
[01:57:19] COULD HAVE BEEN. AT THIS POINT,
[01:57:20] IT'S A SPECIFIC SPECULATION,
[01:57:22] BUT YES. OKAY. THAT'S AN
[01:57:24] IMPORTANT CLARIFICATION, AND I
[01:57:25] APPRECIATE BOTH THE
[01:57:27] RECOMMENDATIONS AND THE
[01:57:28] MANAGEMENT RESPONSE TO ENSURE
[01:57:29] THAT THIS KIND OF ERROR DOESN'T
[01:57:31] HAPPEN IN THE FUTURE, BUT
[01:57:33] APPRECIATE IT. THANK YOU,
[01:57:34] COMMISSIONER. ALL RIGHT, THANK
[01:57:37] YOU ALL FOR THE PRESENTATION AND
[01:57:39] MOVING FORWARD. REGARDING
[01:57:42] LIMITED CONTRACT COMPLIANCE
[01:57:44] AUDITS, THEY'RE ONLY DISCUSSED.
[01:57:46] ISSUES ARE IDENTIFIED. MR.
[01:57:48] FERNANDEZ, RELATED TO 1915,
[01:57:51] CASEY HOUSE CONCEPTS, SEATAC
[01:57:52] LLC, AND STELLAR BAMBUSA CLLC.
[01:57:56] ARE THERE ANY ISSUES FROM THESE

[01:57:57] TWO AUDITS THAT YOU'D LIKE TO
[01:57:58] DISCUSS WITH? NONE TODAY,
[01:57:59] COMMISSIONER. VERY GOOD. WELL,
[01:58:01] THANK YOU SO MUCH TO EVERYONE
[01:58:03] FOR YOUR BODY OF WORK, FOR
[01:58:04] PRESENTING IT TO US TODAY.
[01:58:05] THANK YOU SO MUCH TO OUR
[01:58:06] COLLEAGUES, PARTICULARLY OUR
[01:58:08] PUBLIC MEMBER, MISS HOLMSTROM,
[01:58:09] FOR JOINING US TODAY. THAT
[01:58:10] CONCLUDES TODAY'S MEETING.
[01:58:12] THANK YOU.

END OF TRANSCRIPT