



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6b

**ACTION ITEM**

**Date of Meeting** July 9, 2019

**DATE:** July 1, 2019  
**TO:** Steve Metruck, Executive Director  
**FROM:** Duane Hill, AFR Senior Manager Disbursements  
**SUBJECT:** Claims and Obligations - June 2019

**ACTION REQUESTED**

Request Port Commission approval of the Port Auditor’s payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period June 1 through June 30, 2019 as follows:

<b>Payment Type</b>	<b>Reference Start Number</b>	<b>Reference End Number</b>	<b>Amount</b>
Accounts Payable Checks	930371	930749	\$ 5,572,722.12
Accounts Payable ACH	17971	18695	\$ 67,652,243.09
Accounts Payable Wire Transfers	15139	15153	\$ 3,542,103.86
Payroll Checks	193133	193668	\$ 327,783.98
Payroll ACH	916935	921165	\$ 11,058,216.63
<b>Total Payments</b>			<b>\$ 88,153,069.68</b>

Pursuant to RCW 42.24.180, “the Port’s legislative body” (the Commission) is required to approve in a public meeting, all payments of claims within one month of issuance.

**OVERSIGHT**

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port’s operating and capital budget is approved by resolution in November for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port’s budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract—if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

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Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor’s Office and the Port’s independent auditors.

For the month of June 2019, \$77 million in accounts payable payments were made to 692 vendors/contractors, comprised of 2,178 vouchers and 11,174 accounting expense transactions. About 94 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Utility Expenses, Janitorial Services, Payroll Taxes, Public Expense, Environmental Remediation and Sales Taxes expense categories. Net payroll expense for the month of June was \$11,386,000.61. The following chart summarizes the top expense categories by total spend.

<b>Top 15 Payment Categories Summary</b>	
<b>Category</b>	<b>Payment Amount</b>
<b>Construction</b>	<b>\$ 51,038,025.15</b>
<b>Employee Benefits</b>	<b>\$ 5,315,836.11</b>
<b>Contracted Services</b>	<b>\$ 3,677,255.65</b>
<b>Utility Expenses</b>	<b>\$ 2,409,654.02</b>
<b>Janitorial Services</b>	<b>\$ 2,391,137.91</b>
<b>Payroll Taxes</b>	<b>\$ 2,204,445.17</b>
<b>Public Expense</b>	<b>\$ 2,018,105.82</b>
<b>Environmental Remediation</b>	<b>\$ 1,768,411.67</b>
<b>Sales Taxes</b>	<b>\$ 1,205,917.95</b>
<b>Miscellaneous Expense</b>	<b>\$ 665,358.63</b>
<b>Maintenance Inventory</b>	<b>\$ 628,565.96</b>
<b>Parking Taxes</b>	<b>\$ 586,419.20</b>
<b>A/R Related Payments</b>	<b>\$ 390,990.65</b>
<b>Employee Travel Expenses</b>	<b>\$ 284,187.15</b>
<b>Software</b>	<b>\$ 254,643.94</b>
<b>Other Categories Total</b>	<b>\$ 1,928,114.09</b>
<b>Net Payroll</b>	<b>\$ 11,386,000.61</b>
<b>Total Payments</b>	<b>\$ 88,153,069.68</b>

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Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.

  
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Debbi Browning/Port Auditor

At a meeting of the Port Commission held on July 9, 2019 it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor’s payment of the above salaries and claims of the Port:

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**Port Commission**