

Washington Public Ports Association

Finance and Administration Seminar 2025

Ongoing roles, responsibilities and management of being the
Port's own Treasurer

Port of Seattle

June 26, 2025

Marcus Whitman Hotel, Walla Walla WA



About the Port of Seattle

About the Port



Brief History

Founded in 1911, the Port is a public agency providing airport operations and maritime services for the Puget Sound region. Five publicly elected commissioners who serve four-year terms establish Port policy; and the Executive Director carries out these policies and leads over 2,000 employees. As one of the largest land holders in King County, the Port owns Seattle-Tacoma International Airport (SEA), piers for cargo, cruise ships and workboats, marinas, conference facilities, parks and public access areas, office space, and more.

Source: Port of Seattle Budget in Brief: https://www.portseattle.org/sites/default/files/2023-12/2024%20Final%20Budget%20in%20Brief_V4_0.pdf

Outline

1. Pros and cons of being your own Treasurer
2. Becoming your own Treasurer
3. Bank selection
4. Investment and investment policy
5. Cash flow forecasting

Treasury Functions

- Steward of all the Port's money
 - Manage banking activities
 - Cash and liquidity management
 - Fund payments (ACHs, wires, transfers, checks)

- Invest and optimize the yield on all of the Port's cash

- Ensure statutory compliance for Port's cash and investments
 - Within Treasury, and other departments and business units

Pros and cons of being your own Treasurer

1. Investments
2. Banking
3. Time
4. Cash Flow
5. Political
6. Performance
7. Accountability/responsibility
8. State laws

Survey of several WA governmental entities. General categories of their responses to the pros/cons of being your own treasurer

Becoming Your Own Treasurer

The Process:

1. Criteria:
 1. RCW 53.36.010 (minimum \$100,000 in operating revenue for 3 consecutive years)
2. Informing the county
3. Resolution
4. Assign treasurer

Becoming Your Own Treasurer

RCW 53.36.010

District treasurer.

The treasurer of the county in which a port district is located shall be treasurer of the district unless the commission of a port district which has

- i. for the last three consecutive years received annual gross operating revenues of one hundred thousand dollars or more, excluding tax revenues and grants for capital purposes,
- ii. designates by resolution [Resolution # 3476, December 11th 2001]*1 some other person having experience in financial or fiscal matters as treasurer of the port district to act with the same powers and under the same restrictions as provided by law for a county treasurer acting on behalf of a port district: PROVIDED, That any port district which was authorized by the county treasurer to appoint its own treasurer prior to July 24, 1983, may continue to appoint its own treasurer.
- iii. The commission may, and if the treasurer is not the county treasurer it shall, require a bond [bond amount was set at \$750,000, December 11th 2001]*1, with a surety company authorized to do business in the state of Washington, in an amount and under the terms and conditions which the commission by resolution from time to time finds will protect the district against loss. The premium on such bonds shall be paid by the district.

All district funds shall be paid to the treasurer and shall be disbursed by him or her upon warrants signed by a port auditor appointed by the port commission, upon vouchers approved by the commission.

[[2010 c 8 s 16011](#); [1983 c 250 s 1](#); [1974 ex.s. c 13 s 1](#); [1955 c 348 s 5](#). Prior: 1921 c 179 s 1, part; 1911 c 92 s 5, part; RRS s 9693, part.]

NOTES:

Severability—1955 c 348: See note following RCW [53.08.120](#).

From <https://app.leg.wa.gov/rcw/default.aspx?cite=53.36.010>

*1 not part of RCW, these are Port of Seattle specifics

Port of Seattle's Reasons for Change to Becoming Its Own Treasury

Prior to 2001 the Port's banking, investments and debt administration were handled through the county.

- Port of Seattle Chief Financial Office (CFO) studied the pros and cons and requirements to bring Treasury in-house
- The ultimate objectives were to improve **visibility** to and **control** over **cash, investments and debt service administration** for the benefit of the Port's finance and accounting teams

Port of Seattle's Journey to Becoming Its Own Treasury

- Resolution # 3476 December 11, 2001
 - Port's Commission designates Port Treasurer
 - Current CFO, and named individual is Dan Thomas
 - Orderly and timely transition of funds and investments to Port
 - Banking – directs CFO to undergo banking RFP to gain custody of Port funds via a QPD
 - Investments – investment of fund balances
 - Provide bond covering Port Treasurer

Port of Seattle's Becoming Its Own Treasury

Outcome of objectives:

1. Port's self selected bank, bank account structure, bank services, and merchant services provider tailored for the Port's needs
 - reduction in banking fees
 - Improve efficiency in cash & GL reconciliations
2. Port's investments held under Port's name, custody bank and Port's selected broker/dealers
 - Efficient pooled investment portfolio from investments by fund
 - Reduction in security holdings from 237 to 23
 - Reduction in number of transactions from 2,452 to 319
 - Reduction in investments related fees
 - Increased investment earnings (\$31.8 million vs 13.8 million in 2002)
3. Port's debt service handled directly between Port selected bank and fiscal agent
 - Confirmation of amounts due and resolutions in advance

Banking

Pros and cons - Banking

Pros

Control of many things related to banking:

1. Your own banking selection instead of using the county's
2. Knowing where your money is
3. Knowing where bond proceeds are
4. Debt service
5. Bank fees
6. Eliminate duplicate bank reconciliation
7. Banking reconciliation easier
8. Set up your own bank account structure to trace specific revenues (credit cards, payroll, accounts payable)
9. More visibility of debits and credits & their details
10. More flexibility/options for payment types (ACHs, wires, payment cards)
11. More options for payment media (on-line, telephone)
12. More tools for deposits (desktop deposit, virtual vaults)
13. Risk reduction on bank accounts
14. Overdraft
15. Cancelling checks easier
16. Better customer service dealing with bank personnel
17. Less errors

Cons

1. Monitor banking relationship
2. RFP's
3. Changing banks
4. Political influences on bank selection
5. Is there a qualified bank in your town
6. Pressure from county with trailing revenues
7. Deciphering deposit details

Unedited responses to the pros/cons of being your own treasurer from survey of several WA governmental entities.

Bank Selection Process

- a. Qualified Public Depositories
- b. RFP process
- c. Know integration of banking services into your financials systems
- d. Banking Issues:
 - a. Size of bank resources
 - b. What technological resources does the bank have to meet or enhance your needs
- e. Pressures from old bank to stay or to go
- f. Banking transitioning
- g. Phase (products and services) into new bank
- h. Trailing revenues
- i. Don't close old bank accounts too soon
- j. Words from the wise...

Who can a Port bank with?

State law dictates who a Port can bank with

- Office of the State Treasurer lists the financial institutions (banks and credit unions) in Washington State who are authorized to accept public deposits.
- Financial institutions must be a “Qualified Public Depository”.
- Financial institutions [apply for qualification](#) and agree to post collateral.

Public Deposit Protection Commission ([PDPC](#))

- PDPC Goal: “Assures the security of local and state government funds deposited in approved financial institutions”
 - Determines which financial institutions qualify and monitors collateral
 - Performs quarterly reviews and publishes reports and data
 - Public Deposits Balances/Limitation Monthly Reports: <https://tre.wa.gov/our-office/boards-and-commissions/public-deposit-protection-commission/public-deposits-reports-data-and-forms>
 - WA State QPDs as of June 2025: <https://tre.wa.gov/our-office/boards-and-commissions/public-deposit-protection-commission/qualified-public-depositaries>

PDPC – (State Finance Committee) is comprised of:

- the State Treasurer (Chair),
- the Governor and Lieutenant Governor



Who can a Port bank with? cont'd

PDPC Deposit Limitations:

- Governmental entities may deposit funds in any Washington State branch of public depositories listed.
- Total deposits by any one depositor may not exceed the depository's Washington Proportional Net Worth per RCW 39.58.130.
- Washington Public Depositories:
 - <https://tre.wa.gov/our-office/boards-and-commissions/public-deposit-protection-commission/qualified-public-depositaries>

Banking Services

**Planning & Issuing an RFP?
things to consider.....**

GFOA Best Practices on Treasury Management Best Practices:
<https://www.gfoa.org/best-practices/treasury-operations> Banking and Merchant Services

Why the need for the RFP?

- Purpose
 - Selecting a new bank or an existing bank contract is expiring
 - Explore banks services, products & technology, and at what cost?
 - Selection considers a combination of fees, the quality of services offered and the banks technological strength.

Banking RFP Contributors

Treasury should partner with internal resources, including Accounting (revenues, disbursements and business technology teams), Information Technology (IT), Information Security (fraud and PCI Compliance), Procurement Office, major business units and/or business units contributing major revenues.

Get the right people at the table from the start

Transition on YOUR Timeline

- Transitioning individual products/services over a longer-time period
- ACHs and Wires
- Merchant services
- Lock box services
- Investment Management
- Trust/custody services

Changing banks does not happen overnight. You do not have to do everything at one, phase

Merchant Services

Accepting Payment Cards/(credit and debit cards) for receipts

Port's merchant services

- The Port accepts credit, debit and prepaid cards from Visa, MasterCard and American Express.
 - Card-present transactions (in person using a card payment terminal)
 - Card-not present (on line payment portal)

Payment Card Locations

- Airport public parking
 - Pay by foot machines, express exits, cashiers/tellers, online reservations

- Airport (non-Port) employees parking
 - Cashiers/tellers, web pay

- Marinas and others
 - Marina fees. Shilshole Bay, Fisherman's Terminal, Bell Harbor
 - Card terminals, web pay

- Pier 69
 - Port website E-Bill Express

- Facility Managers
 - BHICC events deposits
 - WTC restaurant
 - Airport Lounges members and guests
 - Seatac Office Center commercial office spaces and parking

Investments

Pros and cons - Investments

Pros

1. Control and manage your own investments
2. Greater oversight of the investment process and investment holdings
3. Funds can be invested further out on the yield curve
4. Better investment earnings than most government pools
5. Involvement with the market makes you monitor interest rate environment. Helps with issuing debt if you know what is going on with investments
6. No fees for someone else to handle funds

Cons

1. Need more time for investing
2. Must have the time for investing.
3. Lack of time for investments research
4. Lack of resources and personnel to cover the amount of work that gets done
5. Lack of investments knowledge/afraid to invest
6. Political influences from governing bodies/executive management on selected investments
7. No reward for earning any higher interest, big penalty for any loss
8. Expensive to internally manage fixed income securities
9. Added complexity for reporting investments in annual report

Unedited responses to the pros/cons of being your own treasurer from survey of several WA governmental entities.

Before you Invest

Steps before you invest:

1. Create an investment policy.
2. Know your cash flows, revenues and disbursements amounts and timing; build a cash forecast.
3. Know the statutes - Authorized investments are made in accordance with and subject to restrictions of the [Revised Code of Washington \(RCW\) 39.59](#).

State laws provide local governments authorized investments guidelines.

RCW Chapter 39, Title 59: <https://app.leg.wa.gov/rcw/default.aspx?cite=39.59>

Investments

- Authorized investments are made in accordance with and subject to restrictions of the Revised Code of Washington [\(RCW\) 39.59.040](#)

Other Resources:

- WA OST Guide To Public Funds Investing For Local Governments:
 - <https://tre.wa.gov/sites/default/files/2023-10/Guide-to-Public-Funds-Investing-2022.pdf>
- GFOA Best Practices:
 - <https://www.gfoa.org/best-practices/treasury-operations>
 - Includes but not limited to investment policy, portfolio diversification, managing portfolio risks

State laws limits what the portfolio can invest in.

Investment Policy

- Emphasis on preservation of principal
- Priority of policy objectives
 - 1) Safety
 - 2) Liquidity
 - 3) Yield
- Covers all capital and operating funds
- Review the investment policy periodically, at least annually, and amend as appropriate to capture updates and changes to relevant RCWs and best practices

Create an investment policy before you invest.
GFOA Treasury and Investment Management Best Practices:
<https://www.gfoa.org/best-practices/treasury-operations>

Cash Forecasting For Liquidity & Investments

Know your business

- Understand the division(s), and their revenues and disbursement flows.
- Business models are different, Port with an airport versus Port without an airport (e.g. Seattle vs Tacoma ports) or compared to a County or a City

Investment Policy

- Emphasis on preservation of principal
- Priority of policy objectives
 - ✓ 1) Safety (high quality diversified portfolio)
 - ✓ 2) Liquidity (short and longer term)
 - ✓ 3) Yield (market rate of return/investment income)

Cash forecasting allows you to better meet policy objectives

Why is a cash forecast important?

It is the basis for liquidity and investments.

- Liquidity: make sure cash is available to pay all disbursements, timely
- Investments: manage cash forecast to investment portfolio.
- **It will help you in determining when you will need cash and when investing, determine the maturity of the selected investments.**

Without a cash forecast, you are “flying blind”

GFOA Best Practices: Using Cash Forecasts for Treasury and Operations Liquidity
<https://www.gfoa.org/materials/using-cash-forecasts-for-treasury-and-operations-liquidity>

Why is a cash forecast important?

- Foundation on which portfolio is constructed.
- Integral in the investment decision process
- Minimizes opportunity cost
- Contributes to optimizing portfolio income

Without a cash forecast, you are “flying blind”

Cash Flow Analysis & Investment Policy Objectives

Safety, **Liquidity**, Investment Income

2. **Liquidity:** The investment portfolio shall be structured to timely meet expected cash outflow needs and associated obligations which might be reasonably anticipated. This objective shall be achieved by matching investment maturities with forecasted cash outflows and maintaining an additional liquidity buffer for unexpected liabilities.



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Sources: Courtesy of and by permission of [Government Investment Officers Association](#) (GIOA) and FHN Financial Main Street Advisors

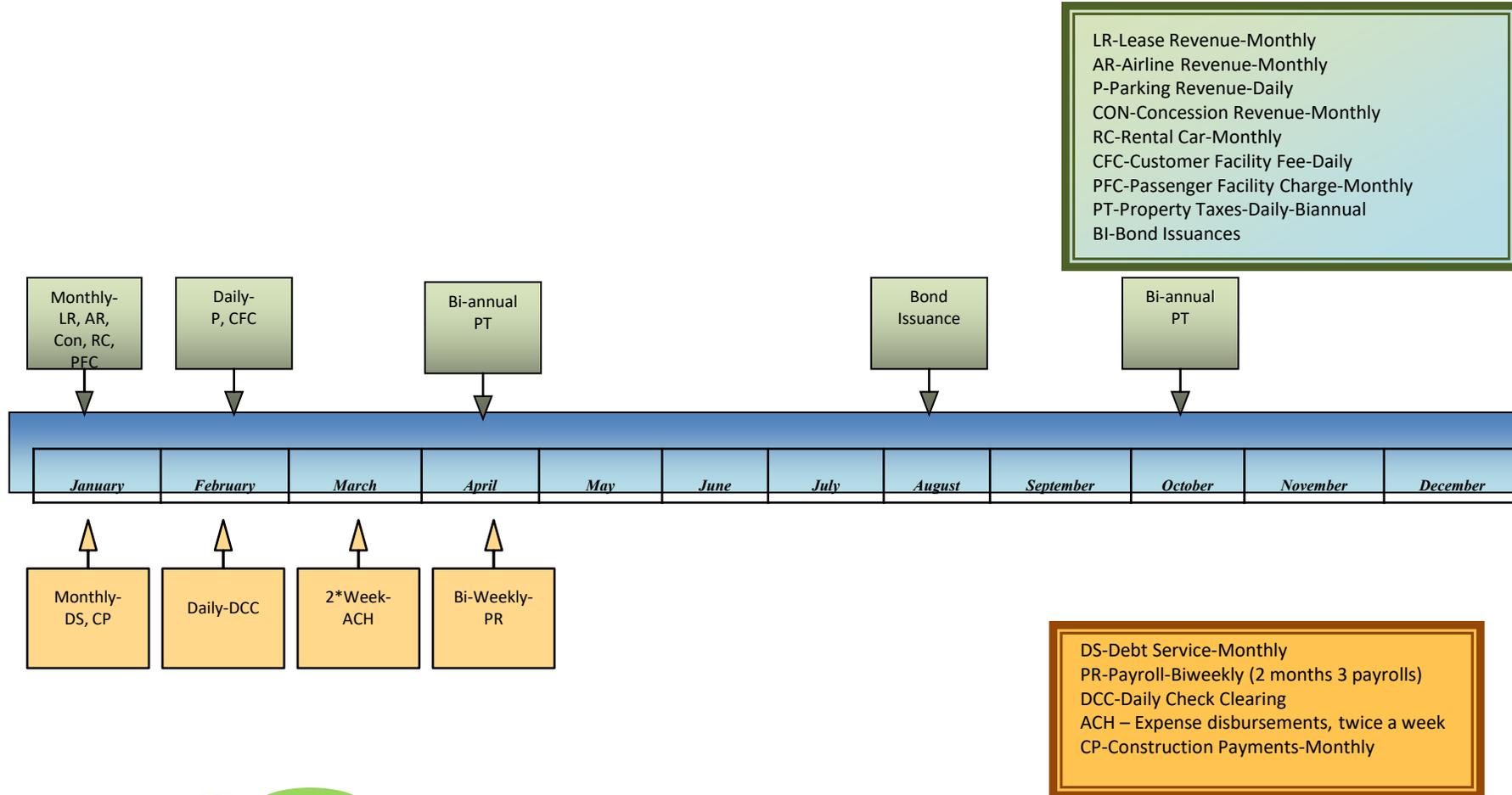
Cash forecasting helps you determine when you will need cash and when investing, determine the maturity of the selected investments

Cash Forecasting

- Identify major revenue sources
 - Study frequency of receipts
 - Review statutory impacts (federal, state and local law)
 - Factor results into “cash calendar”

- Load major expenditures sources on “cash calendar”

“CASH CALENDAR”



Know your cash flows – timing and amounts

Example of Cash Forecast 2022

| Date | Purpose | Outflow | Inflow Deposits/Revs | Inflow Investments Sales/Calls | Investments In(Out)flows Maturities (Purchases) | Cash balance | periodic adjustment to actual cash balance | Actual cash |
|----------------------------|---|--------------|-------------------------|--------------------------------------|--|--------------|---|----------------|
| Monday, August 1, 2022 | debt service | (70,096,642) | | | | 390,711,698 | 0.0000000 | |
| Tuesday, August 2, 2022 | Qtrly Leasehold Excise Tax Q2-2022 | (4,400,000) | | | | 386,311,698 | | |
| Wednesday, August 3, 2022 | debt service VRDB | (58,549) | | | | 386,253,149 | | |
| Thursday, August 4, 2022 | Investment Purchases | | | | (112,635,731) | 273,617,418 | | |
| Friday, August 5, 2022 | A/P EFT, check - Op Exps-2022 budget | (5,456,411) | | | | 268,161,007 | | |
| Friday, August 5, 2022 | payroll, taxes & 457/401 contrib | (10,619,532) | | | | 257,541,475 | | |
| Friday, August 5, 2022 | Capital Spending (Committed Status 3-6) | (10,760,538) | | | | 246,780,937 | | |
| Friday, August 5, 2022 | Operating Revenues 2022 Budget | | 24,731,769 | | | 271,512,706 | (4,157,592) | 275,670,297.68 |
| Monday, August 8, 2022 | Investment Purchases | | | | (19,426,078) | 252,086,628 | | |
| Wednesday, August 10, 2022 | DRS Retirement | (1,234,200) | | | | 250,852,428 | | |
| Thursday, August 11, 2022 | 2022 Bond Proceeds [net] Revenue | | 653,228,000 | | | 904,080,428 | | |
| Friday, August 12, 2022 | A/P EFT, check - Op Exps-2022 budget | (5,456,411) | | | | 898,624,018 | | |
| Friday, August 12, 2022 | Capital Spending (Committed Status 3-6) | (10,760,538) | | | | 887,863,479 | | |
| Friday, August 12, 2022 | Operating Revenues 2022 Budget | | 24,731,769 | | | 912,595,248 | | |
| Friday, August 12, 2022 | PFC revenue 2022 Budget | | 9,329,000 | | | 921,924,248 | | |
| Friday, August 12, 2022 | CFC revenue 2022 Budget | | 2,034,200 | | | 923,958,448 | (10,251,849) | 934,210,297.69 |
| Monday, August 15, 2022 | Investment Purchases | | | | (30,000,000) | 893,958,448 | | |
| Wednesday, August 17, 2022 | Investment Purchases | | | | (25,000,000) | 868,958,448 | | |
| Friday, August 19, 2022 | A/P EFT, check - Op Exps-2022 budget | (5,456,411) | | | | 863,502,038 | | |
| Friday, August 19, 2022 | Capital Spending (Committed Status 3-6) | (10,760,538) | | | | 852,741,499 | | |
| Friday, August 19, 2022 | payroll, taxes & 457/401 contrib | (10,619,532) | | | | 842,121,967 | | |
| Friday, August 19, 2022 | Capital Spending (NWSA) | (4,694,917) | | | | 837,427,051 | | |
| Friday, August 19, 2022 | Operating Revenues 2022 Budget | | 24,731,769 | | | 862,158,820 | | |
| Friday, August 19, 2022 | Investment Purchases | | | | (30,000,000) | 832,158,820 | (5,666,478) | 837,825,297.68 |
| Wednesday, August 24, 2022 | DRS Retirement | (1,234,200) | | | | 830,924,620 | | |
| Wednesday, August 24, 2022 | Investment Purchases | | | | (70,000,000) | 760,924,620 | | |
| Thursday, August 25, 2022 | Investment Purchases | | | | (25,000,000) | 735,924,620 | | |
| Friday, August 26, 2022 | Investment Purchases | | | | (25,000,000) | 710,924,620 | | |
| Friday, August 26, 2022 | Monthly Excise Tax | (1,393,776) | | | | 709,530,844 | | |
| Friday, August 26, 2022 | A/P EFT, check - Op Exps-2022 budget | (5,456,411) | | | | 704,074,433 | | |
| Friday, August 26, 2022 | Capital Spending (Committed Status 3-6) | (10,760,538) | | | | 693,313,895 | (27,329,403) | 720,643,297.68 |
| Tuesday, August 30, 2022 | Investment Purchases | | | | (30,000,000) | 663,313,895 | | |
| Wednesday, August 31, 2022 | NWSA Earnings & Operations | | 4,721,696 | | | 668,035,591 | | |
| Wednesday, August 31, 2022 | Tax Levy 2022 Budget | | 327,720 | | | 704,060,298 | 35,696,987 | 704,060,297.69 |

Refinement: Monthly operating revenues split into 3 weekly deposit.

Liquidity and time horizon

- Short term liquidity management
 - Have cash available to pay all Port disbursement, timely
 - Time horizon – rolling 12 months
 - The size of cash needs varies month to month
 - Rolling 30 to 60 days cash needs can range in size upwards of \$100 million.
 - Primarily invested in LGIP, ADNs, T-Bills & Repurchase Agreements (REPO)
- Long term liquidity management
 - Have cash available to pay future obligations, timely
 - Time horizon > 12 month
 - Invest excess funds for longer term liquidity needs
 - Investments in Treasuries, Agencies, others, as allowed by State law and Port's Investment Policy
 - Port's investment Policy allows maximum maturity of 10 years

Why is a cash forecast important?

- Foundation on which portfolio is constructed
- It will help you in determining when you will need cash **and when investing, determine the maturity of the selected investments.**
- Contributes to optimizing portfolio income/minimize opportunity cost

Pros and cons - Time

Pros

1. Ability to execute “on demand” without having to rely on others
2. Quicker access to information (reporting)
3. More efficient, work faster
4. Less duplication of work
5. Benefits of having control outweigh the extra time it takes to get things done

Cons

1. More time-consuming
2. Must have the time for investing
3. Lack of resources and personnel to cover the amount of work that gets done
4. Lose staff and resources of the county
5. Wear “ multiple hats” - manage several other areas so limited time to spend on multiple functions

Unedited responses to the pros/cons of being your own treasurer from survey of several WA governmental entities.

Don't have time and/or resources for Investments? Lack of knowledge or afraid to invest?

Consider the OST managed portfolios for short- and longer-term investments:

1. Local Government Investment Pool (LGIP)

<https://tre.wa.gov/investments-and-public-deposits/investments/local-government-investment-pool>

2. Separately Managed Account (SMA)

<https://tre.wa.gov/investments-and-public-deposits/investments/separately-managed-accounts>

Pros and cons - others

Pros

Cons

Cash Flow

- Manage cash flow
- Managing investments internally provides greater flexibility in managing cash flow

Political

- More politics
- Political influences on selected investments
- Political influences on bank selection

Performance

- More efficient
- Better performance

- Challenge of setting and monitoring performance goals
- Initially overwhelming
- Wear “ multiple hats” - manage several other areas so limited time to spend on multiple functions
- Risk control issues/separation of duties

Accountability/ responsibility

- Direct accountability
- Don't have to fix someone else's mistakes

- More responsibility

State laws

- Knowing all statutes governing treasury, investments, etc.
- Compliance

Unedited responses to the pros/cons of being your own treasurer from survey of several WA governmental entities.



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Diane is responsible for the management of the Port's investment pool, cash flow and liquidity needs, banking relationships and coordination with various departments on the processing of payments and receipts. Diane served on the Board of NWAFFP and is a member of the State of Washington LGIP Advisory Committee and the Washington Public Treasurers Association Board.

Diane Campbell joined the Port of Seattle's Finance & Budget Department as a Financial Analyst in 2005. Diane gained progressive experiences including financing, debt management, operating and capital budgeting, funds management and treasury, until being appointed Treasury Manager in 2014. Diane is a Certified Treasury Professional (CTP), and holds a B.S. (Accounting), and M.B.A. (International Business) from Fairleigh Dickinson University. Diane's career experience includes The Great Atlantic & Pacific Tea Company (Senior Treasury Analyst) and Ingersoll Rand Company (Trade Finance Analyst, and Manager, Pensions Investments)



END OF PRESENTATION

Questions?

