

Regular Board Meeting

July 25, 2023 - 2:00 p.m.

400 Wabasha Street No., Suite 240 | Saint Paul, MN 55102

Chair Slaven is calling a meeting of the Board of Commissioners for **Tuesday, July 25, 2023, at 2:00 p.m.** in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street No., Suite 240, St. Paul, MN.

The purpose of the meeting is:

Minutes

Approval of the Minutes from the June 27, 2023 Regular Board Meeting

Conflicts of Interest

Conflicts with any Items on the Agenda

New Business

Credit Committee

1. Resolution No. 4748 - Accounts Receivable Write-Off Policy for the Port Authority of the City of Saint Paul

General Matters

Such Other Business That May Come Before the Board

1. EPMA Update – United Village

**SAINT PAUL PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
JUNE 27, 2023**

The regular meeting of the Port Authority Board was held on June 27, 2023, at 2:07 p.m. in the Board Room of the Saint Paul Port Authority, 400 Wabasha Street, Suite 240, Saint Paul, Minnesota 55102.

The following Board members attended in person:

Matt Slaven	Don Mullin	John Marshall
John Bennett	Amy Brendmoen	Rebecca Noecker

Also, present were the following:

Todd Hurley	Emily Lawrence	Bruce Kessel
Kathryn Sarnecki	Pete Klein	Cathy Mohr
Dana Krueger	Andrea Novak	Tonya Bauer
George Hoene	Amanda Bauer	Rick Howden
Linda Williams	Annamarie Kosel	Phoua Vang

Gao lab Thao, Right Track Intern
Brienne Hamm
Angela Riffe, City of Saint Paul
Monte Hilleman
Ayesha Khan, City of Saint Paul
Lucas Chase, CLA

APPROVAL OF MINUTES

Commissioner Noecker made a motion to approve the minutes of the May 23, 2023, regular Board meeting. The motion was seconded by Commissioner Mullin and carried unanimously.

CONFLICT OF INTEREST

Commissioner Marshall stated that he would abstain from voting on Resolution No. 4745 due to his employment with Xcel Energy.

NEW BUSINESS

ADMINISTRATIVE COMMITTEE

RESOLUTION NO. 4745

APPROVAL OF DECLARATION OF COVENANTS – THE HEIGHTS INDUSTRIAL LOTS

Motion was made by Commissioner Mullin to approve Resolution No. 4745 which was reviewed by the Administrative Committee and recommended for approval by the Board. The motion carried by a vote of five to one, with Commissioner Marshall abstaining.

ACCEPTANCE OF THE 2022 AUDIT

Motion was made by Commissioner Marshall to accept the 2022 Port Authority audit which was reviewed by the Administrative Committee and recommended for acceptance by the Board. The motion carried unanimously.

CREDIT COMMITTEE

RESOLUTION NO. 4746

**APPROVAL OF EXTENSION OF TIME TO AMEND DOCUMENTS
ASSOCIATED WITH THE PORT AUTHORITY OF THE CITY OF SAINT PAUL**

REVENUE BONDS, SERIES 2013-6 IN RELATION TO THE SALE OF THE SAINT PAUL SAINTS

Motion was made by Commissioner Mullin to approve Resolution No. 4746, which was reviewed by the Credit Committee and recommended for approval by the Board. The motion carried unanimously.

GENERAL MATTERS

RESOLUTION NO. 4747

MONTE HILLEMANN'S FAREWELL

Chair Slaven read Resolution No. 4747 honoring Mr. Hilleman for his 18 years of service and his many accomplishments during his time at the Port Authority. Motion was made by Commissioner Marshall to approve Resolution No. 4747 and seconded by Commissioner Mullin. The motion carried unanimously.

There being no further business, the meeting was adjourned at 2:38 p.m.

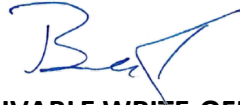
By _____

Its _____

To: CREDIT COMMITTEE
BOARD OF COMMISSIONERS

Meeting Date: July 25, 2023

From: Bruce A. Kessel



Subject: **ACCOUNTS RECEIVABLE WRITE-OFF POLICY FOR THE PORT AUTHORITY OF THE CITY OF SAINT PAUL
RESOLUTION NO. 4748**

Action Requested:

Approval and Implementation of an Accounts Receivable Write-Off Policy for the Port Authority of the City of Saint Paul (the "Port Authority").

Background:

Best practices suggest all organizations should have an Accounts Receivable Write-Off Policy. While the operations of the Port Authority are such that it has limited collections from third parties, periodically situations arise whereby some amount may not be collected. Port Authority receivables can generally be categorized into one of the following categories:

- Land Leases, Fleeting, and Tonnage
- Loans (Trillion BTU, PACE, BDF, etc.)
- Fiscal & Administrative Fees
- Common Area Maintenance ("CAM") charges
- Late Fees
- Reimbursable Expenses
- Port Consulting Fees

While routinely executing collection procedures, some receivables may be determined to be uncollectible. Receivables where all collection methods have been exhausted and management finds the receivable to be uncollectible will be taken to bad debt, as a write-off. In such cases it is recommended that a policy is in place to assure that no amounts are written off without the approval of the appropriate individual or governing body.

The attached Accounts Receivable Write-Off Policy includes a process for requesting a write-off, defines write-off types, and identifies thresholds and required approvals.

Recommendation:

Approval and Implementation of an Accounts Receivable Write-Off Policy for the Port Authority of the City of Saint Paul.

Attachments: Accounts Receivable Write-off Policy
Resolution

**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL**

**[ACCOUNTS RECEIVABLE WRITE-OFF POLICY FOR
THE PORT AUTHORITY OF THE CITY OF SAINT PAUL]**

WHEREAS, the Port Authority of the City of Saint Paul is a public body corporate and politic and governmental subdivision organized pursuant to Chapter 469 of Minnesota Statutes;

WHEREAS, under Minn. Stat. § 469.055, the Port Authority shall (1) promote the general welfare of the port district, and of the port as a whole; (2) try to increase the volume of the port's commerce; (3) promote the efficient, safe, and economical handling of the commerce; and (4) provide or promote adequate docks, railroad and terminal facilities open to all on reasonable and equal terms for the handling, storage, care, and shipment of freight and passengers to, from, and through the port;

WHEREAS, while routinely executing collection procedures, some receivables of the Port Authority may be determined to be uncollectible and all collection methods have been exhausted, and management finds the receivable to be uncollectible will be taken to bad debt, as a write-off;

WHEREAS, in accordance with Minn. Stat. §16D.09, a debt owed to the state or through a state agency is considered uncollectible and may be written-off when it meets one of the following criteria: (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, (6) the debt was discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of debt; and

WHEREAS, the Port Authority seeks approval from the Credit/Board Committee to implement an Accounts Receivable write-off policy which is attached hereto as reference.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL: That the Accounts Receivable Write-Off Policy, in substantially the form attached hereto (the "Policy), is approved and the Port Authority is authorized to implement the policy.

BE IT FURTHER RESOLVED, that the President or anyone acting under their direction is hereby authorized to execute any and all necessary documents in accordance with said Policy.

Adopted: _____

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary

Attachment: A/R Write-Off Policy

A/R Write-off Policy

General

While routinely executing collection procedures, some receivables may be determined to be uncollectible. Receivables where all collection methods have been exhausted and management finds the receivable to be uncollectible will be taken to bad debt, as a write-off.

Requesting a Write-off

The responsible staff person must submit a written request with proper documentation of collection efforts, or evidence that the cost of collection will exceed the amount outstanding.

Write-off Types

Administrative. Write-offs of less than \$1,000 will be deemed Administrative and may be approved by the Chief Financial Officer (CFO) without report to the Internal or Board Credit Committees.

Internal Credit Committee. All write-offs, including late/penalty fees, of more than \$1,000 will require Internal Credit Committee approval. The Internal Credit Committee will provide a quarterly write-off report to the Board Credit Committee.

Credit Committee. All write-offs of \$10,000 or greater must be reviewed and approved by the Internal Credit and Board Credit Committees. This excludes late/penalty fees.

Bankruptcy. CFO in consultation with General Counsel may authorize the write-off of any amount due from a customer filing for bankruptcy and receiving a bankruptcy discharge order. Notification to the Board Credit Committee must be provided upon bankruptcy settlement.

Administrative Errors. Administrative Errors are deemed "reversals" that arise due to scrivener errors, errors in data entry, or other administrative or accounting errors that require an adjustment. Administrative errors will be reversed, even those that decrease revenue.

Billed in Error. Write-offs of receivables billed in error are those that were billed without merit or cannot be substantiated by evidence and must be approved by the CFO.

Payment Tolerance. Payments received from customers that differ from the amount due by \$1.00 (+/-) or less will be posted to the Payment Tolerance account and do not require approval.

Thresholds

When writing off a receivable, the Saint Paul Port Authority (SPPA) will consider the following threshold categories to determine the required approval authority and process.

Threshold	Approval Needed From
\$1.00 - \$999	Chief Financial Officer (CFO)
\$1,000 – \$9,999; late/penalty fees of \$1,000 or above	Internal Credit Committee with notice to Board Credit Committee
\$10,000 or above, excluding late/penalty fees	Internal and Board Credit Committees
Bankruptcy (any amount)	CFO in consultation with General Counsel with notice to Internal and Board Credit Committees
Administrative error (any amount)	No approval required
Billed in error (any amount)	CFO
Payment tolerance (\leq \$1.00)	No approval required

Capital City Properties

This policy will also apply to Capital City Properties' (CCP) write-offs except where the policy references the Board Credit Committee. Staff will notify/receive approval from the CCP Board of Directors instead of the Board Credit Committee.

Minnesota Statute

In accordance with Minnesota Statute 16D.09, a debt owed to the state or through a state agency is considered uncollectible and may be written-off when it meets one of the following criteria: [1] all reasonable collection efforts have been exhausted, [2] the cost of further collection action will exceed the amount recoverable, [3] the debt is legally without merit or cannot be substantiated by evidence, [4] the debtor cannot be located, [5] the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, [6] the debt was discharged in bankruptcy, [7] the applicable statute of limitations for collection of the debt has expired, or [8] it is not in the public interest to pursue collection of debt.