

WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)
Board Meeting
November 19, 2020

Meeting Began At: 2:33 P.M.

Meeting Ended At: 3:11 P.M.

Members Present: Leirion Gaylor Baird and Tim Clare were present in Council Chambers. Tammy Ward was present via zoom videoconference at 641 N.W. 20th Street, Lincoln, Nebraska.

Item 1 - Introductions and Notice of Open Meetings Law Posted by Door.

Gaylor Baird advised that this is a public meeting subject to the open meetings act posted at the back of the room.

Item 2 - Public Comment and Time Limit Notification.

Gaylor Baird advised members of the public are given five minutes for public comment on specific items listed on today's agenda and those testifying should identify themselves for the record.

Item 3 – Approval of the minutes from the JPA meeting held October 29, 2020.

Clare moved approval of the minutes as presented. Ward seconded the motion. Motion carried 3-0.

Item 4 - Approval of October 2020 Payment Register and Review of October 2020 Expenditure Reports. (Brandon Kauffman)

Brandon Kauffman, JPA Treasurer, stated in reviewing the October 2020 payment register the operating budget had \$950,073.01 in operating expenditures with the major payments consisting of a payment to Egan Supply Co. for \$16,192.80 for backpack sprayers to clean the arena; Second Quarter Sponsorship payment of \$287,171.50; Second Quarter Operating Increment of \$150,000.00; various insurance payments for: 1) property insurance renewal of \$178,317.00, 2) general liability of \$25,755.00, and 3) public official bond coverage for \$28,119.00; DEC payment of \$209,165.50 of which 69% is billed to the West Haymarket private customers; and arena repair and maintenance costs of \$40,054.34 for various repairs at the arena.

Kauffman stated the financial report for the JPA for the period ending October 31, 2020 reflect revenues of \$3.7 million and expenditures of \$1.9 for a surplus of about \$1.8 million. A beginning fund balance of \$40.7 million and an ending balance of \$42.5 million.

Kauffman explained the occupation taxes are up 18% over the original goal corresponding with year 2029.

Jane Kinsey, Watch Dogs of Lincoln Government, asked what the situation is with the arena since there is no report. Kauffman explained the October report was just received and will be in the next meeting packet. Kinsey asked if the arena is still in a deficit. Kauffman explained the arena is currently unable to hold large events so its not going to be able to generate as much

revenue. The arena is currently looking into \$2 million of COVID-19 relief funds to help support the arena. Tom Lorenz has submitted the application to the state. Kinsey asked if the premium seat revenues are still coming in. Kauffman explained the JPA has held off on billing for any premium seat revenues for the current fiscal year. Kinsey asked if there have been any cuts made at the arena. Kauffman explained numerous expenditures have been cut, including a number of furloughs.

There being no further discussion or public comment, Clare moved approval of the payment register. Ward seconded the motion. Motion carried 3-0.

Item 5 – WH 20-28 Resolution to approve Tribute Benches Master Plan for the West Haymarket. (Lynn Johnson)

Lynn Johnson, Director of Parks and Recreation Department, stated in the Board's packet there is written information on the process and guidelines for sponsoring a tribute bench. There is also a map showing the potential locations for placement of the benches. Johnson stated the next agenda item is a request for placement of a tribute bench located at the north end of the Lincoln Bridge to the east of the festival lot to recognize Patricia Marvin.

Clare asked if these are metal benches. Johnson stated yes. He further explained they are fabricated from welded steel and are powder coated so they are very durable and heavy.

Ward thanked Johnson for his work on this project.

Kinsey asked if the money from the endowment is taxpayer money. Johnson explained the money that goes into the endowment comes from a portion of the sponsorship funds donated for the bench so there are no taxpayer funds used for the bench. If one of the benches needs to be replaced or is damaged and needs to be repaired, the Lincoln Parks Foundation uses proceeds from the endowment fund to make the repairs or replacement. Kinsey asked if a bench costs \$3,000.00. Johnson explained the purchase price for a bench is approximately \$1,600, the concrete is about \$100, if needed, and the plaque is around \$75.00 making the total costs of the bench around \$1,800 leaving around \$1,200 to go toward the endowment.

There being no further discussion or public comment, Ward moved approval of the resolution. Clare seconded the motion. Motion carried 3-0.

Item 6 - WH 20-22 Resolution to approve park bench in memory of Patricia Marvin on property generally located east of the festival parking lot at the north end of the Lincoln Bridge. (Lynn Johnson)

Clare thanked everyone for their patience and stated we have a better plan now and more direction. He publicly thanked Dan Marvin for all of his great work and stated we wouldn't be here if it wasn't for his work and thinks it is appropriate that we honor his mother.

There being no further discussion or public comment, Ward moved approval of the resolution. Clare seconded the motion. Motion carried 3-0.

Item 7 – WH 20-32 Resolution to amend operating budget for fiscal year 2020/2021 to include an expenditure of \$303,830.00 for an environmental insurance policy. (Brandon Kauffman)

Items 7, 8, and 9 were called together. Chris Connolly, City Law Department, stated since the inception of the JPA and knowing we have ground fuel situations in the JPA area we have always had environmental insurance in the area. There was a 2010 policy for \$20 million which is both per claim and in the aggregate. An extension of the policy was purchased for \$436,000.00. This policy is now expiring as of November 29, so there is a need to purchase a new insurance policy. This policy cannot be extended any further and Chubb, the insurer, no longer wants to be in this business anymore. We received four other quotes for insurance and have narrowed it down to two insurers. One is Navigators Insurance and the other is Beazley Insurance. Connolly presented a chart comparing the insurance options. He stated we are recommending the Beazley policy. The difference between Navigators and Beazley is the term. Navigators is ten years on preexisting conditions and 5 years on new conditions. Beazley is ten years on both. Navigators provides \$2.5 million for defense costs. Beazley includes the defense costs in the policy limits. The premium for Beazley is \$303,830 which includes the option for TRIA for \$2,900, but we have been advised not to include the TRIA option. The premium will end up being around \$300,000. He explained we have a contractual obligation to provide the insurance levels that we already have. We recommend approval of the Beazley Insurance quote and we will talk with redevelopers in the Canopy Park development project in Block 4 and see if they would be willing to allow us to do this for a slightly lower level.

Clare stated he appreciates the time spent going through this. He commented we have a fiduciary duty to the taxpayers of being good stewards with the money. We also have a fiduciary duty as to our role in insuring and protecting the asset we have, i.e. the arena and surrounding areas. We also have a contractual obligation with our partners. He stated from an insurance standpoint this is what we have to do.

Kinsey asked who decided that you needed \$20 million in insurance coverage. Connolly explained AON Insurance Consultants are the insurance consultants for the City. We have retained them for several years and they give us the information and then staff analyzes it to determine the best option. Kinsey asked if the City pays \$50,000 if there is a claim. Connolly explained the deductible under the policy is \$50,000 and it would depend on how the claim is being made against the JPA or the City. Kinsey asked if they decided to buy a new policy. Connolly explained the current policy is set to expire on November 29, 2020, and we need to buy a new policy. The current insurer gave us a very uncompetitive quote as they really don't want to be in this business any longer. We are making a recommendation of the Beazley policy for both claim and aggregate for the premium of \$300,000. Kinsey stated for both of them it is half a million dollars. Connolly explained we are not purchasing both policies just the one. We had to list both policies on the agenda since we were unsure which policy to choose at that time. We are recommending the Board choose the Beazley policy, but it is the Board's decision.

Clare thanked Frank Uhlarik for all of his work on the clean-up and stated he did a great job.

There being no further discussion or public comment, Clare moved approval the resolution. Ward seconded the motion. Motion carried 3-0.

Item 8 – WH 20-33 Resolution to approve purchase of an environmental insurance policy with Navigators Insurance for an amount not to exceed \$297,652.00. (Brandon Kauffman)

Clare moved approval of the resolution. Ward seconded the motion. Motion failed 3-0. (Nays: Gaylor Baird, Ward, and Clare).

Item 9 – WH 20-34 Resolution to approve purchase of an environmental insurance policy with Beazley Insurance for an amount not to exceed \$303,830.00. (Brandon Kauffman)

Clare moved approval of the resolution. Ward seconded the motion. Motion carried 3-0.

Item 10 – Set Next Meeting Date.

The next meeting will be Thursday, January 28, 2021 at 2:30 p.m. in Council Chambers, First Floor of the County-City Building.

Item 11– Motion to Adjourn

Clare moved to adjourn. Motion seconded by Ward. The meeting adjourned at 3:11 p.m.