

WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)
Board Meeting
January 28, 2021

Meeting Began At: 2:31 P.M.

Meeting Ended At: 2:56 P.M.

Members Present: Leirion Gaylor Baird, Tim Clare, and Tammy Ward

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 November 19, 2020.

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

Item 4 - Approval of November and December 2020 Payment Registers and Review of November and December 2020 Expenditure Reports.

David Young, Interim Finance Director and JPA Treasurer, stated in reviewing the November 2020 payment register the operating budget had \$844,341.67 in operating expenditures with the major payments consisting of a payment for parking deck management for September of \$111,995.41; Third Quarter Sponsorship payment of \$287,171.50; Third Quarter Operating Increment of \$150,000.00; \$79,097 for the volleyball floors; and a DEC payment of \$209,064.00 of which 69% is billed to the West Haymarket private customers.

In reviewing the December 2020 payment register the operating budget had \$14,016,828.11 in operating expenditures with the major payments consisting of a payment for First Quarter City Staff Reimbursement of \$100,901.00; Bond payments totaling \$12,726,911.08; parking deck management for October of \$102,892.35; Five Year Environmental Insurance Policy for \$301,012.35; October arena repair and maintenance of \$20,782.99; Fourth Quarter Sponsorship payment of \$287,171.56; Fourth Quarter Operating Increment of \$150,000.00; DEC payment of \$210,387.00 of which 69% is billed to the West Haymarket private customers; November arena repair and maintenance of \$16,311.23; and parking deck management for November of \$85,419.14.

Jane Kinsey, Watch Dogs of Lincoln Government, asked if people are paying their share of the thermal heating and cooling. Young confirmed they are. Kinsey asked of the Arena got the \$2 million it applied for with the CARES Act. Young stated that the Arena received the money but it is not reflected in this report and will show up on the January report. Kinsey asked what effort has been made to cut their expenses. Young stated he will follow up with an answer. Kinsey

asked what is Project Control of Texas. Young explained that Project Control provides all of the construction management for the JPA.

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 21-1 Resolution to authorize the Chair of the West Haymarket JPA or Purchasing Agent to execute an Agreement with Quadient Leasing USA, Inc. for the rental of a postage meter, for a term of five years, for use at Pinnacle Bank Arena.

Chris Connolly, Chief Assistant City Attorney, stated the Pinnacle Bank Arena is in need of a postage meter. This is essentially a renewal of an existing agreement; however, the name of the company has changed to Quadient Leasing. This is a five-year lease for a total of \$4,500 or \$75.00 a month. This is needed to send out flyers, correspondence to suite holders, etc.

Kinsey asked how much this will cost. Connolly stated \$4,500 for five years. Kinsey asked what do they do that they need to have this. Connolly again stated that the Arena sends out flyers, correspondence to suite holders, and other regular communications. Kinsey asked if this is a renewal and Connolly confirmed it was. Kinsey asked if it is the same machine. Connolly stated he does not know if it is for the exact same machine. Kinsey asked if it is the same company. Connolly stated it is the same company although the company name has changed.

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 21-2 Resolution to accept the financial audit and management letter and report from BKD CPAs & Advisors LLP for the period ending August 31, 2020.

Chris Lindner, BKD CPA, stated he will discuss the 2020 JPA financial audit statement. He started by thanking the City for all of their help in this process, specifically Mark Leikam, Brandon Kauffman, and the rest of the City Finance team. He stated they did a fantastic job of having the records ready in order to complete the audit. Lindner stated there are two documents that will be discussed, the financial audit and management letter and the audit report. Lindner stated within the audit report of the financial statements there are two opinions noted. The first is the opinion stating the financial statements are in accordance with the governmental accounting standards. This is a clean or unmodified opinion. The second is the opinion that the JPA is operating in accordance with the government auditing standards. Nothing was noted as there were no items of non-compliance found and no audit adjustments were made. This is also a clean or unmodified opinion.

Lindner further stated on pages 3-7 is the management discussion and analysis that gives a high-level summary of the financial statements of the fiscal changes from 2019 to 2020 and any future concerns that could have an impact on the JPA. He discussed the balance sheets on pages 8 and 9 and explained that the JPA is structured as a component of the City therefore it essentially has two presentations within one statement. There is the JPA Fund column looking at the current focus showing cash investments, short-term receivables, and short-term liabilities. The column on the right looks at everything on a full accrual encompassing all assets and liabilities. Looking at page 9, the Board will find the income statement showing the assets and liabilities activity that change from year to year. He stated the footnotes give a summary of the long-term liabilities that discusses what debt is outstanding, the repayment terms for the debt and when certain

obligations will become due and contractual arrangements with future payment and receipt terms. The footnotes can explain what the items are, how they are accounted for, and why they are there. Looking at the communication letter, on page 2 in the audit adjustments section there were no audit adjustments found. If they have other control items that they feel need to be reported it would be reported here. He is happy to report they did not identify anything from a control standpoint that needed to be reported.

Clare stated in summary it is a good, clean audit and obviously COVID has had an impact financially. He commented we are still on solid footing and have a clean bill of health. Lindner commented there is nothing from a control or audit standpoint that needed to be disclosed even with the issues occurring over the last year.

Kinsey, stated the only issue they have is they feel a different auditing company is needed instead of having the same one for six years at a time. She stated they have nothing against BKD but this company has been doing the audit for years and years now. They think a different pair of eyes looking at this is important for the benefit of the taxpayers.

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

Item 7 – Set Next Meeting Date.

The next meeting will be Thursday, February 25, 2021 at 2:30 p.m. in Council Chambers, First Floor of the County-City Building.

Item 8 – Motion to Adjourn

Ward moved to adjourn. Motion seconded by Clare. The meeting adjourned at 2:56 p.m.