

**WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)**  
**Board Meeting**  
**August 19, 2022**

Meeting Began At: 1:43 P.M.

Meeting Ended At: 2:18 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 April 20, 2022.**

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

**Item 4 – Approval of the minutes from the JPA special meeting held June 13, 2022.**

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

**Item 5 – Approval of the minutes from the JPA special meeting held July 18, 2022.**

Ward moved approval of the minutes as presented. Clare seconded the motion. Motion carried 2-0; Ward abstained from voting.

**Item 6 - Approval of the Payment Register for April through July 2022 and review of the Expenditure Report as of July 31, 2022.**

Lyn Heaton, Finance Director and JPA Treasurer, stated in reviewing the April through July 2022 payment register the expenditures total \$9,284,535.78 of which the major payments consisted of the following:

- \$33,804.32 to University of Nebraska-Lincoln for the annual settlement per the Lease and Operating Agreement.
- \$102,944.75 to City of Lincoln for third quarter Fiscal Year 2021-22 City staff costs as adopted in the 2021-22 JPA Operating Budget.
- \$6,998,543.51 to Union Bank & Trust Company for semiannual bond interest payments.
- \$585,115.60 to City of Lincoln-Parking for March 2022 through May 2022 for JPA parking garage management.
- \$61,980.50 to Theatrical Media Services for replacement of a sound amplifier at Pinnacle Bank Arena, per Bid #22-099.
- \$917,958.35 to District Energy Corporation for the April through July 2022 West Haymarket billings. \$663,129.59 was billed back to customers or 72.2%.

- \$75,176.00 to SMG for FY 2020-21 operator incentive fees earned.
- \$493,475.07 to Pinnacle Bank Arena for the following:
  1. \$93,475.07 for arena repair, maintenance and minor concession equipment for March 2022 through May 2022.
  2. \$250,000.00 for fourth quarter Fiscal Year 2021-22 sponsorships.
  3. \$150,000.00 for fourth quarter Fiscal Year 2021-22 operating increment.

Jane Kinsey, Watch Dogs of Lincoln Government, commented that they have concerns that the PBA had a loss for the year and they are wondering where the \$2 million went from the Federal government for the pandemic. Heaton asked what loss she is referring to. Kinsey pointed to the Pinnacle Bank Arena Income Statement. Heaton explained that she was looking at the column for the budget at the beginning of the year. He further explained if you look at the actual year to date column, there is \$1.7 million in retained earnings leaving the arena in a strong position. Kinsey stated the \$2 million from the Feds doesn't show up on this statement. Heaton explained the \$2 million was received last fiscal year so it will not be taken into account for this fiscal year.

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

**Item 7 – WH 22-7 Resolution to approve a Right of Entry Agreement for Parking between the West Haymarket JPA, City of Lincoln, and Cotswold Management, LLC allowing Cotswold Management, LLC to enter onto City and JPA property within West Haymarket 4<sup>th</sup> Addition until Cotswold completes rehabilitation and construction activities on its adjacent property.**

Chris Connolly, City Law Department, explained this is a continuation of the Cotswold project that is ongoing on 7<sup>th</sup> Street. They will need expanded access for trucks and other equipment to get to their property on the north and west sides of the property. The Board previously granted a right of entry to a portion of the property located at 7<sup>th</sup> and N Streets. We are requesting that this be expanded to allow better entry to the project. This agreement will be for three years or until the project is completed, whichever happens first. Kinsey asked questions about the project to which Connolly answered. There being no further discussion or public comment, Clare moved approval of the resolution. Ward seconded the motion. Motion carried 3-0.

**Item 8 – WH 22-8 Resolution to approve the proposed operation budget and capital improvement program for the West Haymarket JPA for September 1, 2022 through August 31, 2023.**

Heaton explained he will discuss the revenue side of the FY 2022/2023 budget and capital improvement program first. A pie chart summary was displayed showing totals of \$33.7 million. The majority of this amount or 59% is from occupation taxes at \$20 million which is a 2% increase over the projected current fiscal year totals. In reviewing the occupation taxes, the current fiscal year amount was estimated at \$17.5 million. We are on pace to collect \$19.7 million, which makes it a 25% increase over FY 2021, a 12.7% increase over the original budgeted amount, and a 12% increase from the prepandemic value of FY 2019. This is roughly a 3.5% average annual increase. The estimate for FY 2020 is going to put us over the year 2035 original projections.

Intergovernmental revenue which represents the payments from the IRS for the JPA's Build America Bonds, Recovery Zone Economic Development Bonds, and the Interest Subsidies is budgeted at \$3.5 million. Rental income from premium seat revenues based on contracted amounts and PBA and Amtrak Station facility rental is budgeted for a total of \$2.9 million. Parking revenues paid to Urban

Development Parking Services is budgeted at \$3,090,000. Miscellaneous revenues for sponsorship revenue payments under contract with Learfield/IMG College is budgeted at \$1,262,000.

In reviewing the expenditure budget, there are miscellaneous contractual services which includes the purchase of Husker basketball tickets for \$270,000; City of Lincoln staff for \$393,491 that is lower than the \$411,000 budgeted for FY 22; parking debt management services for \$1,994,207 based on figures submitted by city parking services; thermal heating and cooling charges from the DEC for service to the JPA customers for \$3,460,000 which is based on a preliminary estimate of rates from the DEC. There is some ongoing work from the DEC to evaluate potential valve repairs. The cost of the repairs is incorporated into this amount. Other building maintenance is budgeted at \$416,724.00 which consists of a bunch of different maintenance agreements, annual inspections, and miscellaneous repairs.

Capital Outlay for equipment at PBA is budgeted at \$1.4 million. He pointed out that much of the capital outlay is carry over amounts from projects that were approved in the budget last year but are not yet completed. Since they haven't been completed, they have been carried over and are now budgeted in the proposed FY 23. Of the equipment budget, \$400,000 is for the replacement of point of sale terminals and \$480,000 is for internet protocol tv replacement. Building capital improvements for PBA are budgeted at \$2,435,000 which includes \$1.4 million for the replacement of the existing ribbon board as well as the addition of a second ribbon board and \$400,000 for the replacement of the corner score boards. The arena ramp and elevated plaza concrete repairs are budgeted at \$300,000. Grounds improvements are budgeted at \$769,600 which includes the Block 4 streetscape for \$475,000 per the canopy park redevelopment agreement, BNSF final parking pavement project for \$200,000, and the West Haymarket District landscaping for \$70,000.

Debt service is budgeted for FY 23 at \$23,568,879.00. The subsidies that partially offset this on the revenue side are \$3.5 million.

The total expenditures budgeted for FY 23 are \$37,356,163.00.

Clare asked if it would make sense to take some of the extra cash to pay the bonds off. Heaton stated they can certainly consider that; however, he would want to visit with his colleagues to assess the outlook for the JPA.

Clare commented that the Board set up a \$2 million endowment fund and he encouraged them to use this fund for some of the repairs. Heaton explained that a number of projects that are on the CIP are intended to be paid from the endowment.

Kinsey commented the maintenance for the arena is high. Heaton asked if she was referring to the capital improvement projects which she confirmed. He explained many of these projects are projects that have been planned for the arena since its construction. The arena is approaching 10 years of age we want to make sure that the patrons continue to have a very good experience. Kinsey commented that if the arena did not have help from the JPA it would be difficult for them to manage the expenses that they have. Heaton stated that from the beginning it was determined that the JPA would always be responsible for the capital improvement projects as a City owned arena. Kinsey asked what can the taxpayers expect when the JPA disbands? Heaton explained the arena would continue to be a city owned arena. Kinsey commented that the taxpayers would be paying for that. Heaton explained that the City finances would fund the arena and Kinsey commented, yes, from the taxpayers. Kinsey stated the JPA gave the arena \$600,000. Heaton explained the \$600,000 is the annual operating increment that was part of the financing of the arena from the beginning. Heaton explained the sum

of the capital outlay budget is \$4 million but the Board would have an opportunity to decide not to proceed with any of the improvements if something should happen. Kinsey commented there has been a lot of gifts from the JPA to the arena. Kinsey asked if in 2045 the arena turns over to the city which Heaton confirmed. There being no further discussion or public comment, Clare moved approval of the resolution. Ward seconded the motion. Motion carried 3-0.

**Item 9 – WH 22-9 Resolution to approve an Amendment to Memorandum of Understanding between the West Haymarket JPA and Project Control of Texas, Inc., for Construction Management Services for a term of September 1, 2022 through August 31, 2023 with costs not to exceed \$50,000.00.**

Connolly stated this is for the annual renewal of the agreement with Project Control. They continue to do an outstanding job of managing various projects for the JPA. The costs will not exceed \$50,000. Roughly \$14,000 was spent last year so there was no reason to increase the cap. The one thing that will increase is their hourly rates. They were raised in accordance with the rate of inflation in the Midwest. Connolly requested approval of this resolution. Kinsey asked what the rate of inflation was. Connolly stated 9.1%. There being no further discussion or public comment, 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 Friday, December 9, 2022 at 10:00 a.m. in Council Chambers, First Floor of the County-City Building.

**Item 11 – Motion to Adjourn**

Ward moved to adjourn. Motion seconded by Clare. The meeting adjourned at 2:18 p.m.