

**WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)**  
**Board Meeting**  
**January 26, 2023**

Meeting Began At: 2:36 P.M.

Meeting Ended At: 3:21 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 August 19, 2022.**

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

**Item 4 – Approval of the minutes from the JPA special meeting held October 27, 2022.**

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

**Item 5 – Approval of the Payment Register for August through December 2022 and review of the Expenditure Report as of December 31, 2022.**

Lyn Heaton, Finance Director and JPA Treasurer, stated in reviewing the August through December 2022 payment register the expenditures total \$20,482,377.85 of which the major payments consisted of the following:

- \$16,749,516.78 to Union Bank & Trust Company for semiannual JPA Bond principal and interest.
- \$58,871.00 to City of Lincoln for annual maintenance of Festival Lot and Arena Drive.
- \$798,438.31 to City of Lincoln-Parking for June 2022 through October 2022 JPA parking garage management.
- \$1,126,652.35 to District Energy Corporation for the August through December 2022 West Haymarket billings. \$808,116.40 was billed back to customers (71.7%).
- \$17,500.00 to Forvis LLP for the West Haymarket JPA's annual financial audit.
- \$20,060.79 to Lancaster County Treasurer for annual West Haymarket maintenance special assessments on properties owned by the West Haymarket JPA.
- \$32,136.25 to MTZ Construction for ADA ramp improvements which was reimbursed with endowment funds.
- \$63,051.00 to City Risk Management for Fiscal Year 2022-23 insurance premiums.
- \$252,500.00 to University of Nebraska-Lincoln Athletics for Men's and Women's basketball season tickets for suites and loges.

- \$201,317.50 to City of Lincoln for 4<sup>th</sup> quarter Fiscal Year 2021-22 and 1<sup>st</sup> quarter Fiscal Year 2022-23 City staff costs as adopted in the 21-22 and 22-23 JPA Operating Budgets.
- \$1,129,006.43 to Pinnacle Bank Arena for the following:
  1. \$329,006.43 for arena repair, maintenance, and minor equipment for June 2022 through November 2022.
  2. \$300,000.00 for first and second quarter Fiscal Year 2022-23 annual operating increment.
  3. \$500,000.00 for first and second quarter Fiscal Year 2022-23 sponsorships with IMG.

Heaton explained for the fiscal year to date, occupation tax revenues are up 9.96% over last year's occupation tax revenues. As a comparison to the original projections when the arena was first opened, the JPA has collected occupation taxes equivalent to the estimate for the year 2037, so we are 15 years ahead of schedule according to the original projections. Cumulatively, compared to the original projections through December 2022 we are 19.66% ahead of original projections. Heaton presented a bar graph showing the actual revenues compared to the original projections of the occupation tax revenues and stated the JPA is doing very well.

Jane Kinsey, Watch Dogs of Lincoln Government, stated that we could say that occupation taxes save the day. When does this end, she asked Heaton. He explained the occupation taxes continue as long as there are payments scheduled on the bonds or through 2046. Kinsey questioned where the occupation taxes come from. Heaton explained they are collected from the occupation taxes at hotels, bars, restaurants, and on rental cars. She asked if there is enough to carry us if there is a dip. Heaton explained there are cash reserves that are also available and the cash balance as of recently is over \$35 million.

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

**Item 6 – WH 23-1 Resolution to approve the Amended Operating Budget and Capital Improvement Program for the West Haymarket JPA for September 1, 2022 through August 31, 2023.**

Heaton explained he is presenting an amendment to the FY22/23 budget in order to have it reflect the Board's decision for the contribution for the Lincoln Youth Complex in the amount of \$1,500,000.00. He presented a bar graph to the Board members and explained the impact this contribution would have on the financials in that the years 2023, 2024, 2025 the contributions fall under the planned and budgeted expenses and we maintain a reserve of a full year of the debt service operations, maintenance, depreciation, and replacement expenses. The Lincoln Youth Complex commissioned a study by Convention Sports and Leisure Consultant for an economic impact estimate and based on that study it was estimated that the JPA revenues would increase \$142,000.00 annually for occupation tax revenues, however, this is not reflected on the graph. Clare asked for confirmation that this graph only reflects the anticipated expenses but it does not reflect anticipated cash flow as a result of the baseball fields that would make the blue columns higher on the graph, and Heaton confirmed that was correct. Clare asked if the graph could be updated for the next meeting to reflect the increase in cash flow and Heaton agreed that can be done. Clare commented that this is a great investment for Lincoln.

Kinsey asked if the \$1,500,000.00 transfer of funds is from the cash reserves. Heaton explained this is a budgeted expense for the fiscal year that is built into the projections for the cash balance. It comes from the fund that all expenses are paid from and revenues are received. Kinsey asked if the cash balance is \$38 million for the end of the year which Heaton confirmed and stated this balance includes the occupation taxes collected.

Clare commented that with the budget we have, we spend \$1,500,000.00 for three consecutive years and we will still have a positive balance in our account, still be able to pay our bills, and still be able to maintain a positive cash flow. Heaton commented that a full year's worth of expenses as a reserve is a very strong reserve.

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

**Item 7 - WH 23-2 Resolution to approve a Contract with AVaaSE for a digital sound processor for the Pinnacle Bank Arena for a total amount not to exceed \$9,324.00, pursuant to Quote No. 6565.**

Ryan Weiss, Director of Operations at Pinnacle Bank Arena, stated the digital processor that controls the speakers and projects sound in the speakers in the restrooms and concourse underneath the scoreboard has gone out. He worked with City Purchasing and put out a request for a bid for this and AVaaSE won the bid. Ward asked if these are the original speakers and Weiss confirmed they are the original speakers and digital sound processor from ten years ago. He explained some of the amps were replaced last summer and they help project the sound throughout the building. Clare asked if the warranty is expired on this and Weiss confirmed it was as there was only a five year warranty on this equipment. Clare asked what the life expectancy is on this equipment and Weiss explained around 8 to 10 years for the digital sound processor.

Kinsey commented that things go out, but looking back at the Pinnacle Bank Arena it is a money pit and is not self-supporting.

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 23-3 Resolution to approve an Amendment to Renew Agreement with Carbonhouse for website hosting and support services for the Pinnacle Bank Arena for a total amount not to exceed \$28,080.00.**

Chris Connolly, City Law Department, explained this a contract for web hosting. This is specialized web hosting service that is connected into the industry and is used for ticket sales and all kinds of tasks that are needed in interfacing with the industry and customers for various shows. This will renew the current contract with Carbonhouse signed in 2020.

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

**Item 9 – WH 23-4 Resolution to approve a Consultant Agreement with Five Nines Technology Group for Information Technology Services for the Pinnacle Bank Arena for a term of three years for a total amount not to exceed \$213,000.00.**

Weiss explained this is a standard renewal. They would like to continue to use this service provided by Five Nines who is a local company and they do a lot for the arena. Five Nines are there for them 24/7.

Kinsey stated it is good to deal with local folks and help their budgets too.

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

**Item 10 – WH 23-5 Resolution to approve a Contract with Daktronics for a new scoreboard control system for the Pinnacle Bank Arena for a total amount not to exceed \$124,775.00, pursuant to Quote-Requisition OR17554.**

Weiss explained the scoreboard control is everything that puts the graphics on the scoreboard or ribbon board for concerts or different events like that. This is the main hub that controls the scoreboard. The Huskers have the same system that we want to get in order to have a lot of continuity and then we can get help from them if there is an issue down the road. With the current system we have we are currently buying parts on eBay just to get us along. The new system would be installed by the next basketball season. Daktronics is located throughout the country installing different control software. If the scoreboard ever goes out, we can use this control system to attach to new ribbon boards in the future. He explained they are projecting this to last eight to ten years as well. The current system has been in place since the building opened and has not yet been replaced.

Kinsey stated we applaud you for being responsible and getting parts as that's what people have to do in the ordinary scheme of life. They have to make do with their budgets.

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

**Item 11 - Next Meeting Date.**

The next meeting will be Thursday, April 27, 2023 at 2:30 p.m. in Council Chambers, First Floor of the County-City Building.

**Item 12 – Motion to Adjourn**

Ward moved to adjourn. Motion seconded by Clare. The meeting adjourned at 3:21 p.m.