

WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)
Board Meeting
August 26, 2021

Meeting Began At: 2:32 P.M.

Meeting Ended At: 3:04 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 March 25, 2021.

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

Item 4 - Approval of March, April, May, June, and July 2021 Payment Registers and Review of March, April, May, June, and July 2021 Expenditure Reports.

David Young, Interim Finance Director and JPA Treasurer, stated in reviewing the highlights for the March through July 2021 payment registers, the major payments consisted of \$7,112,803.66 for the semi-annual bond interest payments to Union Bank & Trust Company; \$53,882.000 to SMG for the fiscal year 2019-2020 Arena Operator Incentive Fee which is significantly lower than previous years due to the arena being closed; \$1,084,597.00 to DEC of which 69.5% or \$754,061.00 is billed to the West Haymarket private customers; \$604,436.63 for parking deck management for February through June 2021; \$201,802.00 to the City of Lincoln for second and third quarter fiscal year 2020-2021 city staff costs; and \$127,082.38 to Pinnacle Bank Arena for arena repair, maintenance and capital improvements.

Clare commented that in the past, discussions occurred for finance, legal, and other city staff to provide an accounting of their time. He asked how we get to this figure? Is it a per hour or what is the basis for the amount charged? He stated we owe it to the City and the JPA to make sure that we are correct on how we assert that figure. Young explained the amounts are budgeted for Chris Connolly and back-up support, accounting is included; and a large percent is budgeted for the treasurer's collection of the JPA occupation tax. Chris Connolly, City Law Department, stated the number is not based on an hourly amount. It's amount that gets budgeted based on the amount of work determined by finance each year in preparation of the budget. This is how it's been done for the last ten years.

Jane Kinsey, Watch Dogs of Lincoln Government, asked if the yearly payment to the bond was made? Young explained the interest payment was made in June. Kinsey asked if any work is being done to cover a built-in deficit for the next couple of years? Young stated we can discuss this under the budget item and that it is being tracked very closely. Kinsey asked if there were layoffs at the arena or if they are keeping the same staff? Young stated there were several layoffs of staff and they are now ramping back up to support shows in the fall. Kinsey asked what is being done for the \$675,075 in the red shown in the last column on the Pinnacle Bank Arena Income Statement? Lorenz explained that this is the annual budget column made up in anticipation of what the year will look like, looking at the first column under “year to date actual” you will see that with the CARES Act money there is \$90,812 in retained earnings.

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

Clare commented that he would like to have a discussion and requests to have some sort of a guesstimate as to the amount we are paying legal and accounting in fairness to both the City and the JPA. It is not fair to the City if we are requiring a lot of time being spent on the JPA work and the City is only getting a certain amount that is not based on actual. We need a better idea to reconcile back to when looking at future budgets to be fair to the City and the JPA. Ward asked if Clare is looking for a breakdown. Clare explained he would like to see something showing how we get to that figure for both legal and accounting in fairness for the City and JPA.

Item 5 – WH 21-9 Resolution approving a Consultant Agreement between the West Haymarket JPA and Olsson, Inc. for On-Call Services including, but not limited to, Environmental Sampling and Analysis, Surveying, and Semi-annual Inspections in accordance with the West Haymarket Redevelopment Site North and South Operations and Maintenance Plans for a sum not to exceed \$13,074.00. (Frank Uhlarik)

Connolly, stated this is an agreement we are obligated to maintain for various inspections services for covenants we have with the property owners and the state to make sure that soil samples are taken from time to time with regard to the environmental work that was done a few years ago. This is standard and something we will need to keep going.

Kinsey asked if this is the same amount and if it is a yearly contract. Connolly stated he believes it has gone down, but he would need to go back and look at previous contracts to confirm this. Kinsey asked if this is on developed or undeveloped land. Connolly stated both. Kinsey asked if this is for the plume. Connolly explained this is partly for the plume and partly for the rest of the area. Kinsey asked if there is a report. Connolly stated the results will be available as they do the work, and this information can be obtained from Frank Uhlarik.

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

Item 6 - WH 21-7 Resolution approving the proposed operating budget and capital improvement program for the West Haymarket JPA for September 1, 2021 through August 31, 2022. (David Young)

Young stated the highlights for the proposed budget looking at the revenue side, the occupation taxes are budgeted at \$17,486,751 which is roughly equal to the pre-pandemic actual revenue for fiscal year 2018/2019; intergovernmental revenues of \$3,585,255 which is a scheduled subsidy

from the IRS on the JPA Build America Bonds; rental income is budgeted at \$2,809,628 which includes \$2,380,000 for the arena premium seating revenues based on contracted amounts and \$394,080 for PBA and Amtrak Station facility rental; parking revenues are budgeted at \$2,660,000 which is roughly equivalent to pre-pandemic revenue for fiscal year 2018/2019; miscellaneous revenues are budgeted at \$1,262,146 which represents our sponsorship agreement with Learfield IMG; total revenues budgeted for fiscal year 2021/2022 are \$29,988,480.

On the expenditure side, miscellaneous contractual services are budgeted at \$922,166 which includes \$411,779 for city staff, \$347,000 for Husker basketball tickets purchased for suite and loge boxes, and \$50,000 for project management; parking deck management services is budgeted at \$1,948,239; thermal heating and cooling at \$298,000; building maintenance is \$401,194 which includes \$158,000 for maintenance agreements, \$78,000 for annual inspections, \$150,000 for miscellaneous repairs, and \$15,194 for Amtrak Station janitorial services.

Capital Outlay for PBA is budgeted for \$1,175,000 which includes replacement of all point-of-sale terminals for \$400,000, which is a program that will take us touchless and cashless, and \$300,000 for tv replacement.

Building improvements for PBA are budgeted at \$1,855,000 which includes \$1.4 million for replacement of the ribbon boards, \$90,000 for front ramp reconstruction, and \$220,000 for arena ramp elevated plaza concrete repairs. Ground improvements are budgeted at \$824,600 that includes \$475,000 for the Block 4 Streetscape which is part of the Canopy Park Redevelopment Agreement, \$200,000 for the final paving project for the BNSF, and the West Haymarket District landscaping at \$70,000.

Debt service budgeted payments are scheduled at \$19,788,981 and IRS interest subsidies are budgeted at \$3,585,255 for a net debt service of \$16,203,726. Total budget expenditures are projected at \$32,114,288.

Young explained this is a very consistent budget with our processes. There are a few large ticket items that were discussed and will be approved during the course of the budget year. If revenues don't go the direction projected, then we will be able to pause any of those purchases. Gaylor Baird asked if all of the budgeted projects will come before the Board for final approval. Young confirmed this to be correct.

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

Clare asked Young to talk briefly on where the JPA is financially in comparison to what was budgeted when the project started ten years ago. Young stated the occupation taxes were down .42% over the low point of last year. This is a very strong year for us. We are \$131,126.00 above where originally projected. That leaves us at 8.43% over original projections which corresponds with year 2025 for occupation taxes. Since inception, we have collected \$22,877,946, over 16.73% more occupation taxes than originally projected. When we look out over the ten year horizon we maintain more than \$20 million in the bank and we grow to \$39 million in the bank. Clare asked if this was after making the bond, debt, and interest payments which Young confirmed.

Ward commended Tom Lorenz and the management at PBA for steering the ship during a really tough year. Gaylor Baird thanked Project Control for their support through tough times also.

Item 7 - Set Next Meeting Date.

The next meeting will be Thursday, September 30, 2021 at 2:30 p.m. in Council Chambers, First Floor of the County-City Building. Clare commented that he has a conflict with this date. Gaylor Baird asked that a new meeting date be scheduled for September.

Item 8 – Motion to Adjourn

Clare moved to adjourn. Motion seconded by Ward. The meeting adjourned at 3:04 p.m.