

WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)
Board Meeting
August 25, 2023

Meeting Began At: 2:32 P.M.

Meeting Ended At: 3:05 P.M.

Members Present: Leirion Gaylor Baird, Tim Clare, and Tom Beckius

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 27, 2023.

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

Item 4 – Approval of the minutes from the JPA special meeting held June 7, 2023.

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

Item 5 – Approval of the Payment Register for April through July 2023 and review of the Expenditure Report as of July 31, 2023.

Lyn Heaton, Finance Director and JPA Treasurer, stated in reviewing the April through July 2023 payment register the major payments consisted of the following:

- \$6,814,471.57 to Union Bank & Trust Company for semiannual JPA Bond Interest.
- \$98,372.75 to City of Lincoln for third quarter Fiscal Year 2022-23 City staff costs as adopted in the 2022-23 JPA Operating Budget.
- \$558,786.54 to City of Lincoln-Parking Services for March 2023 through May 2023 JPA parking garage management. Collected \$737,000 in parking revenues during this time period.
- \$1,022,487.50 to District Energy Corporation for the March 2023 through June 2023 West Haymarket billings. \$767,658.74 was billed back to customers (75.1%).
- \$557,788.22 to Pinnacle Bank Arena for the following:
 1. \$95,434.97 for arena repair, maintenance, and minor equipment for March 2023 through June 2023.
 2. \$62,353.25 for LED display board previously approved by the Board.
 3. \$250,000.00 for fourth quarter Fiscal Year 2022-23 sponsorships.
 4. \$150,000.00 for fourth quarter Fiscal Year 2022-23 operating increment.

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

Item 6 – WH 23-18 Resolution to approve the proposed operating budget and capital improvement program for the West Haymarket JPA for September 1, 2023 through August 31, 2024.

Heaton displayed a pie graph representing the major categories of revenues and explained that overall the revenues are up 6.2% compared to the FY2020 budget revenues. We are budgeting for a 2% increase in occupation taxes over what we are projecting to conclude this fiscal year on giving us the total of \$22.1 million. Intergovernmental revenue is the amount we received from the IRS for the Build America Bonds on the interest subsidy that is budgeted at almost \$3.5 million. Rental income is from the arena premium seat revenues totaling \$2.9 million based off of the new contract amounts approved by the Board. This also includes the Amtrak facility rental and rental revenue from the arena itself. DEC revenues for the customer reimbursements are budgeted at \$2.3 million pursuant to an estimate and the rates provided by LES and the DEC. Parking revenues are budgeted at \$3.3 million based on an estimate from City of Lincoln Parking Services representing a 2% increase over the projected current fiscal year total. Finally, miscellaneous revenues are budgeted at a little over \$1 million representing the sponsorship revenue payments received pursuant to the contract with IMG/Learfield. The total revenues budgeted are \$35,847,059.00. Gaylor Baird asked how confident we are on the 2% growth in parking revenue. Heaton explained it is a 2% growth over what is estimated for the current fiscal year and based on conversations he has had with parking services. Gaylor Baird asked if the current year budget is performing up to expectations when it comes to revenue from parking. Heaton stated it looks like we will conclude the year over budget by about \$170,000.

On the expense side, Heaton explained overall the proposed budget is down 1.4% compared to the budget adopted for FY2023. Miscellaneous and contractual services are budgeted at \$929,509.00 which includes \$351,000 to purchase Husker basketball tickets for the suite and loge holders that we have contracts with; \$50,000 for project management with Project Control; and \$411,000 for City staff pursuant to estimates provided. Parking deck management services with Parking Services is budgeted at a little over \$2 million based on budgeted figures provided by City Parking Services in Urban Development. Thermal heating and cooling which are the DEC charges estimated at \$3.1 million, with \$2.3 million being collected back from the customers. Other building maintenance is budgeted at \$747,724.00 that includes \$416,800.00 for PBA annual maintenance agreements, \$115,620.00 for PBA annual inspections and other typical maintenance, \$200,000.00 for miscellaneous repairs, and \$15,000.00 for Amtrak Station janitorial service and repairs. \$1.5 million is budgeted for the Lincoln Youth Complex per that agreement and the Board's approval making this the second payment.

On the capital outlay side, Heaton explained \$1.6 million it is budgeted for equipment at the arena which includes \$480,000.00 for IPTV replacement, \$180,000.00 for annual technology repair and replacement, \$160,000.00 for operational equipment, \$150,000.00 for a new basketball floor, and \$125,000.00 for lighting control upgrades. Building capital improvements proposed for this budget are \$1.37 million, consisting of corner scoreboards for \$400,000.00, arena ramp and elevated plaza concrete repairs for \$250,000.00, and main concourse lighting upgrade for \$250,000.00. Ground improvement items budgeted total \$849,600.00, consisting of a Block 4 Streetscape project, \$475,000.00 for the Canopy Park Redevelopment Agreement,

parking paving project for \$350,000.00 underneath the Harris Overpass, and the Canopy renovation project for \$150,000.00.

Debt service payments are budgeted at \$23,427,727.00 per our debt service schedules. As Heaton mentioned earlier, the IRS interest subsidies do offset this at about \$3.5 million.

Total expenditures budgeted for fiscal year 2024 are \$38,331,332.00.

Heaton provided a graph of the occupation tax revenues. Occupation taxes are performing very well. For 2023 he believes we will conclude the year at the equivalent for the original projections for the year 2037. With one month left, it is estimated that we will conclude the year up a little over 10% compared to last year's occupation tax revenues.

In presenting a graph of the projected cash balances, Heaton explained the cash balances are well above what is expected of us in terms of reserve cash for the bonds. Moving forward, everything looks very good.

Beckius asked if the budgeted amount for the concrete repair for the ramp is a place holder or a true number that was determined from the study done. Caleb Swanson with Project Control explained that right now this amount is mostly a place holder. Clare asked if the ramp expense will be paid by the endowment. Swanson stated it will depend on what work is done but they intend to use the endowment funds for the ramp project, Harris Overpass project, as well as the canopy project. Anything that will be eligible for endowment funds will be used.

Clare commented that this is something to celebrate. The fact that we got through COVID and are in the position we are now. Investing \$4.5 million into a baseball complex is really outstanding. He stated, remember this is paid for by the occupation taxes which is collected from restaurants, bars, hotels, and rental cars. If we can attract people to the City with the baseball complex, this will create more revenue at restaurants, bars, and hotels. He stated this is a big deal and he is excited and proud of the management of the finances. There are a thousand communities throughout the country that would change places with us in a minute because we are on solid financial footing. Heaton thanked Clare and stated we are really proud of the arena. There are a number of expenses that will come up as it is a ten year old arena, but we have planned for those and they are accounted for in our long term cash flow.

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

Item 7 - WH 23-19 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, 2023 through August 31, 2024 with costs not to exceed \$50,000.00.

Chris Connolly, City Law Department, stated Project Control has done a wonderful job for many years and they continue to do so. Swanson thanked the Board for the opportunity to work for the Board for another year. He explained this is an addendum to the existing agreement in place for a one-year extension with the lid on costs remaining the same. The only difference is a slight

increase to the hourly rate. Clare thanked him and stated they have done a fantastic job and are always there when needed and have been a tremendous partner all the way through.

Gaylor Baird added her gratitude for their consistence and dedication to the success of this project and for being a wonderful partner for the City and JPA.

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

Item 8 – WH 23-20 Resolution to prohibit possession or cause to be present a weapon on West Haymarket JPA property.

Connolly stated with the passage of LB77 by the legislature we felt like it was appropriate to look at a policy or process for banning weapons within the PBA and all JPA property. This resolution establishes this policy and is mirrored off of the policy that was recently adopted by the Public Building Commission. Essentially there is a definition of weapons for when they can be possessed and when they can't. Certainly, in the Pinnacle Bank Arena, they can't be possessed. If they are possessing a weapon, that would be deemed trespassing and they would be subject to criminal penalties. This would become effective on September 1, 2023.

Beckius thanked Connolly for the extra information regarding this particular resolution and how it fits in with other university facilities and the prohibitions that they have there.

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

Item 9 – WH 23-21 Resolution to approve a Letter Agreement between the West Haymarket Joint Public Agency and the University of Nebraska to extend the License Term of the Lease and Operating Agreement for an additional five (5) years through June 30, 2028 for the assignment of and certain rights to three UNL Suites to the JPA.

Connolly stated the University controls four suites at the arena. They use one for themselves and there are three that the JPA is authorized to sell on their behalf. Eighty-eight percent of the proceeds go to the University and twelve percent go to the JPA. In 2018, a renewal was done and this resolution seeks to extend the term for another five years.

Gaylor Baird commented this is another strong partnership between the University and the JPA and we are grateful for that.

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

Item 10 – WH 23-22 Resolution authorizing the Chairperson and/or Purchasing Agent to enter into a Contract or issue a purchase order to the lowest, responsive, responsible bidder, for the purchase of food and beverage equipment for the Pinnacle Bank Arena, for a sum not to exceed \$62,922.22.

Connolly explained this is pretty standard. Equipment is starting to break down and reach end of life. We don't have a lot of information on the specifics of the equipment, but Tim Savona, PBA General Manager, was there to answer any questions.

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

Item 11 – WH 23-23 Resolution to approve the Letter Agreement to engage FORVIS to perform an audit of the West Haymarket Joint Public Agency financial statements in accordance with generally accepted auditing standards for the year ended August 31, 2023.

Heaton explained this is our annual letter agreement with FORVIS formerly known as BKD. This follows the City's contract with FORVIS. However, this is being presented to the JPA as a separate body to have the opportunity to approve this as well.

Clare commented that again this has been a great partnership.

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

Item 12 - WH 23-24 Resolution to authorize the Chair to negotiate with Charter Communications Operating, LLC d/b/a Spectrum a Right of Entry Agreement to enter upon property located near the Pinnacle Bank Arena to install new equipment for video at Pinnacle Bank Arena and to authorize the Chair to execute said Right of Entry Agreement.

Connolly explained Spectrum notified them a couple of weeks ago that they needed to get into the building to install some additional fiber and equipment to operate video services. They asked for a Right-of-Entry and there wasn't enough time to negotiate an agreement as this needs to be completed by September as they need it for basketball games. We will use our form. Since we are not having another meeting until December, we thought it would be better to set it up this way and to allow the Chair to execute the Right-of-Entry after the terms are negotiated.

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

Item 13 - Next Meeting Date.

The next meeting will be Friday, December 15, 2023 at 10:00 a.m. in Council Chambers, First Floor of the County-City Building.

Item 14 – Motion to Adjourn

Beckius moved to adjourn. Motion seconded by Clare. The meeting adjourned at 3:05 p.m.