

**WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)**  
**Board Meeting**  
**April 27, 2023**

Meeting Began At: 2:32 P.M.

Meeting Ended At: 3:31 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 January 26, 2023.**

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

**Item 4 – Approval of the Payment Register for January through March 2023 and review of the Expenditure Report as of March 31, 2023.**

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

- \$1,500,000.00 to the Lincoln Youth Complex for the first of three installments for construction of softball and baseball complex.
- \$811,950.85 to District Energy Corporation for the December 2022 through February 2023 West Haymarket billings. \$620,829.28 was billed back to customers (76.5%).  
-Clare asked if there has been any trouble collecting the payments and Heaton stated they have not experienced any difficulty collecting.
- \$563,371.20 to City of Lincoln-Parking for November 2022 through February 2023 JPA parking garage management. Heaton informed the Board that during this timeframe \$1.2 million was collected in parking revenue.
- \$533,127.04 to Pinnacle Bank Arena for the following:
  1. \$104,893.34 for arena repair, maintenance, and minor equipment for December 2022 through February 2023.
  2. \$11,777.70 for data processing equipment.
  3. \$16,456.00 for commercial washer and dryer for the locker rooms.
  4. \$250,000.00 for third quarter Fiscal Year 2022-23 IMG Learfield sponsorships.
  5. \$150,000.00 for third quarter Fiscal Year 2022-23 operating increment.
- \$256,000.00 to City Risk Management for Fiscal Year 2022-23 annual insurance premiums.
- \$186,467.00 to SMG for FY 2021-22 operator incentive fees earned pursuant to the management agreement.
- \$98,372.75 to City of Lincoln for second quarter Fiscal Year 2022-23 City staff costs as adopted in the 2022-23 JPA Operating Budget.

- \$11,000.00 to University of Nebraska-Lincoln Athletics for WNIT basketball tickets for suites and loge holders.

Heaton explained through the end of March, \$12.2 million in occupation taxes has been collected. Occupation tax revenues are up 11% over last year at this time. 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. Heaton presented a bar graph showing the actual revenues compared to the original projections of the occupation tax revenues and stated the JPA is performing much better than the original projections. Clare asked if the figures shown take into account the payments for the ball fields. Heaton stated it does. Clare asked if it takes into account the revenue expected from the ball fields. Heaton stated it does and explained they incorporated the estimated revenues from the study that was done by the consultant obtained by the Lincoln Youth Complex.

Jane Kinsey, Watchdogs of Lincoln Government, commented that the arena continues to be a money pit. She asked to make an appointment with Heaton so he can explain the financials to her. She further asked Heaton to confirm the cash fund balance. Heaton responded it is about \$42 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 5 – WH 23-6 Resolution to approve a Contract with Striv AV, LLC for a new video wall system for the Pinnacle Bank Arena for a total amount not to exceed \$120,050.00, pursuant to Bid No. 22-279.**

Chris Connolly, City Law Department, explained this item is for a video wall that will be located at the top of the escalators at the Pinnacle Bank Arena. This was the low bid and Learfield will be paying for half of this. The JPA will pay the full amount and then be reimbursed for \$60,000.00.

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 23-7 Resolution to approve Amendment One to the Contract with Daktronics for a new scoreboard control system for the Pinnacle Bank Arena for an increase of \$3,577.00 for a revised total amount not to exceed \$128,352.00.**

Connolly stated we just recently approved a contract for a new scoreboard control system, however, there was an extra module that was discovered was needed and it wasn't included in the package. This represents an amendment to the contract to include the module.

Kinsey asked if this is new. Connolly explained this was approved before. Staff determined this extra module was needed to run the system.

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

**Item 7 – WH 23-8 Resolution to approve a Right of Entry Agreement between the West Haymarket JPA and EADO, LLC to enter upon the property legally described as Lot 2, and Outlots A and B, West Haymarket 4<sup>th</sup> Addition to conduct Environmental and Geotechnical Testing on the property.**

Connolly explained that what is generally referred to in the public as Block 5 development at 7<sup>th</sup> and N Streets, consists of a project between the City, JPA, and EADO as part of the building project. As part of the project, we want to allow EADO, the developer, to access the property to do certain things so that they can be certain they know the condition of the property before they actually start building. This includes taking soil samples and working with EPA to be mindful of what the issues are on the property. This is a standard agreement that the Board has approved in the past.

Clare stated this is the start of the development of this area to the south, which is one of the final pieces of the property and will close out the project. Connolly confirmed this is correct, that this is the last piece to be completed in this area. Clare stated from an environmental standpoint this is the start of the process to make sure we grant access to the property so that the proper cleanup and testing can be taken care of.

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

**Item 8 – WH 23-9 Resolution to approve a Unit Price Contract with Commonwealth Electric Company to upgrade the remaining Pinnacle Bank Arena exterior light fixtures with LEDs for a total amount not to exceed \$17,139.00, pursuant to Bid No. 23-055, to be paid out of the endowment fund.**

Connolly stated this is part of the project to update the remaining lights in the plaza area and on the pedestrian bridge to LEDs. Commonwealth was the low bid and this will be paid for out of the endowment.

Kinsey asked if there are other lights that will need to be replaced since they were not installed in the first place. Connolly explained LED lights were not available when the building was built in 2013. Caleb Swanson, Project Control, presented a picture of the light locations and stated there are a total of 66 light fixtures that are being affected by this. He explained the majority of them are the hockey stick shaped fixtures located along the plaza and run up the pedestrian ramp and continue down the trail leading to the parking lot. A few years ago, there was a project to update the parking lot lights to LEDs and this has already been done. There are also a couple of lights under the elevated deck on the north side of the arena down in the parking area which will be updated as part of this project. These are the last of the exterior lights surrounding the arena and associated parking areas that are being upgraded to LED. Not everything in the building is LED yet, but they are switching them out as they go. Ten years ago, LED technology was much different than today so it didn't make sense in 2012 and 2013 to use LED. Kinsey asked what kind of lights were used. Swanson stated metal halide lights that were commonly used for exterior lights. Kinsey asked if they have been replaced before and Swanson explained this is the first time these lights have been replaced.

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 23-10 Resolution to accept the financial audit and management letter and report from Forvis, LLP for the period ending August 31, 2022.**

Heaton took a moment to introduce Chris Lindner with Forvis and Abby Dobson with Forvis who will discuss the clean or unmodified opinion on the West Haymarket JPA financials prepared by Forvis.

Chris Lindner, Forvis CPAs, stated the name Forvis is a result of the merger with the former firm BKD and another firm on the east coast. It's a new name, but the same team that has been serving the JPA. He thanked the City Finance team for all of their help in this process. Lindner stated there are two documents that will be discussed, the financial audit and management letter and the audit report. He explained 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 based on the agency's structure 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 from a control standpoint.

Lindner further stated on page 4 is the Management's Discussion and Analysis section that gives a condensed summary of the financial statements for the fiscal year ending August 31, 2022 and covers the fiscal changes from year to year and any future concerns that could have an impact on the JPA from a budget standpoint discussing general projections of revenues in and future debt service requirements. The basic financial services start on pages 8 - 9. He explained this presentation is a little unique to the agency because of how it is structured and briefly described the information presented. Lindner pointed out the only thing that was new to all governmental agencies was a new lease standard that had to be evaluated and applied. For the JPA the only lease that met the criteria standard was the lease related to the Amtrak Station in the West Haymarket. Because of the nature of the payments it was recorded as lease receivable. Other leases were evaluated, but they did not meet the criteria.

Lindner explained the communication letter touches on a few of the required communications under the audit standards from the auditor to governance. They look at certain risks, the new lease standard, estimates or items that are not clear black and white, and the financial statement disclosures. The payments made to the Lincoln Youth Complex were listed as a subsequent event because the approval did not take place before year end, however, it will have an impact on the financials in the future, so it was listed as evaluated but was not reported in the financial statements. He stated they didn't find anything from a control standpoint that needed to be reported. He again thanked the City team for all of their work, efforts and patience in working with them.

Clare asked if there are best practices that can be improved. Lindner stated as they work through the audit process, they normally have those conversations with management at that time they are identified. Management has been great at taking in those considerations and applying them.

Gaylor Baird thanked Lindner for his work.

Kinsey stated as a point of clarification this is BKD with a new name and Lindner confirmed this is correct. She further asked if he performed the audit in the same way. Lindner stated under the new firm there were some new methodologies and the approach was a little different, however, either way they are still following the standards that apply. Kinsey asked if it was bid. Lindner explained this audit year was still under the previous contract that was bid a few years ago. With the merger all of the contracts that were applicable to BKD were applicable to Forvis. She asked if a new bid needs to be put in under the new name and Lindner explained Forvis is not required to from their standpoint or per the JPA policies.

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

**Item 10 – WH 23-11 Resolution to approve a Real Property Agreement for transfers in West Haymarket 4<sup>th</sup> Addition with the City of Lincoln.**

Connolly stated this is in regard to the property located at 7<sup>th</sup> and N Streets, generally referred to as the Block 5 project. He presented a diagram and explained ownerships, locations of the properties, and future uses of the properties. The City would like to use a Brownfield grant to help with remediation in this area. In order to do this, EPA is saying the parties need to go through a series of transactions which Connolly explained in detail to the Board. The EPA money will help with remediation on the property. There are no costs to the JPA for the transactions.

Kinsey asked if EADO is wanting to build apartments here. Connolly explained EADO wants to build a mixed use building here. Kinsey asked if this is related to the project that was in the paper. Connolly confirmed this is related to the Block 5 project.

Clare commented that he appreciated the explanation on this complicated project. He stated there are a lot of moving parts to this project and this is the culmination of all of the work done up to now in developing what was formerly train tracks. He expressed that it is a really beautiful development, and he is happy to be involved.

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

**Item 11 - Next Meeting Date.**

The next meeting will be Friday, August 25, 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 3:31 p.m.