

**WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)**  
**Board Meeting**  
**January 27, 2022**

Meeting Began At: 2:30 P.M.

Meeting Ended At: 3:00 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 November 3, 2021.**

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

**Item 4 - Approval of the Payment Register for October through December 2021 and review of the Expenditure Report as of December 31, 2021.**

David Young, Interim Finance Director and JPA Treasurer, stated in reviewing the October through December 2021 payment register the major payments consisted of a payment for the First Quarter Fiscal Year 2021-2022 City Staff Reimbursement of \$102,944.75; \$244,162.00 to City Risk Management for Fiscal Year 2021-2022 insurance premiums; \$12,787,808.57 to Union Bank for semiannual JPA Bond principal and interest; \$406,415.41 for parking garage management for August through November 2021; a DEC payment of \$664,792.50 of which 70.9% or \$471,484.26 is billed to the West Haymarket private customers; Second Quarter 2021-2022 Fiscal Year Sponsorship payment of \$250,000.00; Second Quarter Fiscal Year 2021-2022 Operating Increment of \$150,000.00; and arena repair and maintenance of \$94,467.92 for the months of September, October, and November.

Clare asked Young to report on the bond and principal payments and where the JPA stands in that regard. Young explained the occupation taxes are used to make the bond and principal payments. This year's occupation taxes are 38.87% ahead of 2020's occupation tax collections. So far this year, occupation taxes are 19.06% or \$2,799,751 over original projections corresponding with the year 2030. Since the inception of the JPA, we are 17.62% or \$25,154,547 over original projections.

Jane Kinsey, Watch Dogs of Lincoln Government, asked if the JPA is at a loss for the year. Young confirmed. Kinsey asked how this loss would be made up. Young explained this is a quarterly report with the debt service payment of \$12 million being paid out and as the year progresses the money will be recovered. Kinsey asked if the Arena was making any money and

stated the report shows a loss for the year. Young addressed Kinsey's concerns by explaining the reports.

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 22-1 Resolution to accept the financial audit and management letter and report from BKD CPAs & Advisors LLP for the period ending August 31, 2021.**

Chris Lindner, BKD CPA, stated he will discuss the 2021 JPA financial audit statement for the Fiscal Year ending August 31, 2021. Lindner stated there are two documents that will be discussed, the financial audit and management letter and the audit report. He thanked the City for all of their help in this process. He stated they did a fantastic job of having the records ready in a timely fashion in order to complete the audit. He briefly explained that they review controls, segregation of duties or checks and balances and that there were no concerns identified. He stated that he has a team that completes the review and then a partner from the firm reviews the material in order to get a fresh set of eyes on the financials who is not involved in a relationship with the JPA. This is done to ensure BKD is doing what they need to do from a standards standpoint, an independent standpoint, and pursuant to their internal checks and balances as part of the audit process. He stated 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 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.

Lindner further stated on pages 3-7 is the Management's Discussion and Analysis section that gives a high-level summary of the financial statements of the fiscal changes from 2020 to 2021 and any future concerns that could have an impact on the JPA. The JPA is presented under the Governmental Accounting Standards format so the items reported will look different than a private sector business in terms of how things are reported and how things are presented. He noted that looking at the end of 2021 under net position, the JPA is in a deficit position. Looking at this from an auditor's standpoint they look at entities and evaluate if they can continue. They considered the schedule of the debt payments in the future and the financial projection. They don't express an opinion or audit the projection, but they look at it to determine if the deficit will be made up in the future.

Lindner explained the communication letter is a good road map to walk you through the financials. Under audit adjustments there were a few minor adjustments noted and they were verbally discussed with management throughout the audit process. There is also a new accounting practice noted that will be effective for the JPA and the City and all governmental entities in the next fiscal year which is related to leases. This new practice has already been discussed with management and the impact that it will have on the financial statements.

Clare thanked him for his work and asked if there are bonds with lower rates the JPA should look at to refinance and if there are better uses for the cash just sitting in order to get a better return. Lindner stated this is something he could discuss with bond counsel as he can't give advice on this and that this is certainly something to look into. He explained in terms of the cash investments it is always a consideration to look into. Young explained bond counsel is looking

into refinancing a couple of the bonds and further explained that historically the cash has been used as a reserve. It could be invested, but the investments we make are very conservative in general. He stated that this is something that should be looked at but doesn't think the return would be much right off the bat.

Kinsey, asked if this was bid or under contract. Lindner explained originally the contract was bid and explained this is a multi-year contract with one more year left on the contract.

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 22-2 Resolution to approve the grant of an Easement to Lincoln Electric System (LES) For Underground and Overhead Utility Lines, Underground Utility Facilities, and/or At-Grade Equipment.**

Chris Connolly, City Law Department, stated this relates to a project in the South Haymarket area and is partially related to the Cotswold Project that was approved by City Council. He explained that LES is undertaking a large underground project and there are some switch gears in the area that need to be moved. The JPA owns the property known as Lot 2, and LES needs to get an easement to enter on the property. This is a small piece of property (20' x 21') that LES needs to complete the work. This should not impact the JPA's ability to market or develop the property on behalf of the JPA. There is no payment for this easement.

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 22-3 Resolution to approve a Right of Entry Agreement 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.**

Connolly explained this is an agreement that will allow Cotswold and their contractors access to their property from "N" Street across the JPA owned property for the Cotswold Project. This is a fairly standard agreement that has been used in similar situations with UNL when they were allowed access to the abandoned railroad bridge for experiments. The agreement will last until the completion of the project or until the JPA sells the property for redevelopment.

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

**Item 8 – Set Next Meeting Date.**

The next meeting will be Thursday, April 28, 2022 at 2:30 p.m. in Council Chambers, First Floor of the County-City Building.

**Item 9 – Motion to Adjourn**

Clare moved to adjourn. Motion seconded by Ward. The meeting adjourned at 3:00 p.m.