AGENDA FOR THE WEST HAYMARKET JOINT PUBLIC AGENCY(JPA) TO BE HELD FRIDAY, AUGUST 27, 2010 AT 3:00 P.M.

CITY-COUNTY BUILDING
555 S. 10TH STREET
CITY COUNCIL CHAMBERS ROOM 112
LINCOLN, NE 68508

1. Introductions and Notice of Open Meetings Law Posted By Door (Chair Snyder)

2. Approval of the minutes of JPA meeting August 13, 2010 (Chair Snyder)

3. Public Comment and Time Limit Notification Announcement (Chair Snyder)

   Individuals from the audience will be given a total of 5 minutes to speak on specific items listed on today's agenda. Those testifying should identify themselves for the official record.

4. Approval of Payment Registers (Don Herz)

5. City Purchasing Process (Vince Mejer)

6. Update on the JPA Bond Sale (Scott Keene / Lauren Wismer / Don Herz)

7. 2010-2011 JPA Budget and Public Hearing (Don Herz / Steve Hubka)

8. Set next meeting date: Thursday September 9, 2010 3:00 P.M. (Council Chambers Rm 112)

9. Motion to Adjourn

WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)
Board Meeting
August 13, 2010

Meeting Began At: 3:05 P.M.

Meeting Ended At: 4:25 P.M.

Members Present: Tim Clare, Jayne Snyder, Chris Beutler

Item 1 - Introductions and Notice of Open Meetings Law Posted by Door

Chair Snyder opened the meeting and introduced herself, Mayor Chris Beutler and Regent Tim Clare.

The open meetings law is in effect and is posted in the back of the room.

Item 2 – Approval of the Minutes of the JPA Meeting July 22, 2010

Snyder asked for any corrections or changes to the minutes from the JPA meeting on July 22, 2010. Hearing none, Beutler motioned for approval of the minutes. Clare seconded the motion. The motion passed 3-0.

Item 3 – Public Comment and Time Limit Notification

Snyder notified those in attendance that individuals from the audience will be given a total of five minutes to speak on specific items listed on today's agenda. Those testifying should identify themselves for the official record.

Item 4 – Bill No. WH 10-01 Approval of Assignment and Assumption Agreement(s) Attached to WH JPA Resolution.

Rick Peo explained that this resolution would approve the Union Pacific Railroad Purchase and Sale Agreement that was carried over from the last meeting. It also includes an amendment to the TEUP agreement with Olsson Associates for West Haymarket construction activities.

Clare asked for some clarifications regarding mineral rights, restriction of use and the title review timelines addressed in the Union Pacific agreement. Peo advised that the mineral rights exception is common practice for the railroads. The restriction of use is to ensure the property does not convert to residential use which would be inappropriate located near railroads. The title, lease and license reviews are ongoing. Rick did not feel that there is anything in the agreement that cannot be accepted.

Snyder noted that although the Board will approve the UP Agreement as a portion of the Assumption of Responsibility, the final signoff will occur after the title searches sometime in the fall. Peo agreed and pointed out that even after the agreement is signed there are several contingencies, such as the environmental condition of the property and agreement with BNSF. Staff is working diligently to meet the approaching deadlines.

Peo noted that once the agreement is assigned it will not go back to the City Council. Although the agreement states it must be approved by the Mayor and City Council, the Board assumes that role by accepting the assignment of this agreement. Rick will clarify this with Union Pacific, however the agreement does allow for the assignment.

The Board voted and approved the Resolution 3-0.

Snyder noted that a member of the audience wished to make a comment. Richard McGinnis came forward and asked if the JPA Board would reimburse Union Pacific for the actual costs to rehabilitate the track and bridge over Salt Creek which is estimated at $1.3 million. Peo explained that it has always been understood that the JPA would be paying actual costs. There are no better defined numbers at this time, but the City has advanced money for UP to complete final engineering. McGinnis then expressed his excitement for the JPA and his appreciation to the Board members for their time and effort to serve. He was also appreciative of the transparency and public comment periods.

Beutler asked legal council to come forward to determine if the vote should be taken again since the public input didn't come until after the vote. Rod Confer advised the Board that it was not necessary to vote again since there was no objection made to the procedure. He did not feel Mr. McGinnis's comments created an objection.

Item 5 – Approval of Payment Register

Steve Hubka presented the payment register. This month there is only was only one payment made which was to Burlington Northern Santa Fe for $25,000.

Clare made a motion for approval. Beutler seconded the motion. Motion approved 3-0

Item 6 – Bill No. WH 10-02 Reimbursement Resolution for West Haymarket JPA

Lauren Wismer reported that the item under consideration is a Resolution declaring the official intent of the JPA under the Internal Revenue Code of 1986 as amended. In order to reimburse expenditures from the proceeds of tax advantage bonds, the code requires that a body make a declaration of official intent. Within the next few weeks $100 million in bonds will be issued and expenditures can be paid out of that. If at some time during the process it becomes necessary to advance funds, this resolution will enable the JPA to reimburse those expenditures from the proceeds of future obligations. The City has done this fairly regularly in their financings and there is nothing in the resolution that obligates the JPA.

Scott Keene informed the Board that the JPA has received an AAA rating back from Standard & Poors which is their highest category. The JPA also received an Aa1 rating from Moody's which is their second highest category. This is very good news considering this is new financing with a new issuer. The documents were delivered to Grant Street today for posting on their site either today or Monday. The bonds will go out for competitive bid on August 24th. With the rating and strength of the credit, Keene expects a lot of demand from large firms. The winning bidder will agree to deliver the proceeds from the sale on September 8th. Keene explained that current market conditions have a net true interest costs for the agency at about 4% for Build America Bonds. Comparable tax exempt financing is at 4.5%. The resolution allowed for true interest costs not to exceed 5.5%, and the bidders are aware of that.

Chair Snyder opened the meeting for public comments on this item. Richard McGinnis came forward and asked if these are callable bonds. Keene answered that they are callable and will be sold with a make whole provision. Due to the long term and size of the financing Keene wanted to make it as attractive as possible and the market is rewarding the make whole provisions with lower interest rates. McGinnis then noted that he had conversations with LIBA and there have been questions about the RFP process that the JPA will use. Snyder confirmed that the JPA will be using the City's RFP process. Beutler pointed out that it may not be appropriate for the Board to hear testimony or answer questions about items not currently before the Board. Legal council agreed.

Beutler made a motion to approve the Reimbursement Resolution as presented. Clare seconded the motion. Motion approved 3-0.

Item 7 – Public Officials Liability Insurance

Kent Imig with Risk Management explained that he asked Aon to go out for bids on the Public Officials Liability Insurance. Scott Scheidel with Aon approached five carriers and received responses back from Darwin, Hiscox and Chartis. After reviewing the quotes, Darwin was eliminated from consideration because they are not offering any type of bond coverage. The price for $5 million coverage from Hiscox and Chartis are almost identical with Hiscox coming in at $26,085.65 and Chartis at $25,056.36. Looking closer at the differences, Scheidel found that Hiscox has broader coverage and provides $5 million in indemnification and $5 million in defense for any claims brought against the JPA. Therefore, Scheidel recommended the $5 million policy with Hiscox.

Scheidel looked into backdating the coverage to coincide with the creation of the JPA and found that it was not necessary. This is a claims made policy which means that even if backdated, the policy would not cover any current or pending litigation. With a claims made policy, the JPA will need to maintain continuous coverage. In the future when the JPA is terminated, a tail can be purchased that would provide coverage for one to five years for any claims brought forward for something that occurred while the JPA was in effect.

Beutler asked if tail coverage could be purchased now since he and the other members may not be on the Board when the JPA terminates. Scheidel informed the Board that it was not possible because the cost and timeframe needed is unknown at this point. Rod Confer pointed out that

any future Board members would also be protecting themselves so it is unlikely that they would decline the tail. Clare recommended that the Board look into a resolution that would state that the future Board members take appropriate measures to put coverage in place when the JPA terminates.

Beutler made a motion to approve the Hiscox quote with the $5 million limit and enter into an agreement based on that quote. Clare seconded the motion. Motion approved 3-0.

Item 8 – Discussion of Upcoming 2010-2011 JPA Budget and Public Hearing

Steve Hubka observed that in late June the Board approved an operating budget for the period of June 11 through August 31. A draft budget for the next fiscal year has been prepared which Hubka would like to publish along with a notice of public hearing for August 27th. Hubka noted that there are items shown in the 2010-2011 budget that are also in the current budget. Due to the timing of the current budget, those funds will probably not be expended by September 1st. If it is spent before the Board meets on August 27th Hubka will propose an amendment to remove that money from the budget.

Hubka added that the current budget has been under spent due to the costs for personnel that were not fully utilized. The Assistant City Controller started in July, the Assistant Purchasing Agent has only been on board for a few days and the Assistant City Attorney has not been hired yet. Snyder asked if the benefits were incorporated into the salaries and also what the rent is for. Hubka explained that the benefits are included and the rent is paid to the Building Commission for the additional space occupied by the Assistant City Controller.

Clare made a motion to put the budget on the agenda and to hold a Public Hearing on August 27th. Beutler seconded the motion. Motion approved 3-0

Item 9 – EXECUTIVE SESSION

Beutler made a motion for the Board to go into Executive Session for the purpose of negotiation for the proposed Program Manager. Clare seconded the motion. Motion approved 3-0

Item 10 – Set Next Meeting Date: Friday August 27, 2010 3:00 P.M.

The next JPA Board meeting is scheduled for August 27, 2010 at 3:00 P.M.

Item 11 – Motion to Adjourn

Clare motioned to adjourn. Beutler seconded the motion. Meeting adjourned at 4:25.

Prepared by: Melissa Ramos-Lammli, Engineering Services

West Haymarket JPA Check Register
8/5/10 through 8/11/10

Supplier Number	Name	Remark	Do Ty	Document Number	Amount	Check Date	Check Number
403942	US Bank - Government Banking	Purchaser fees and other cost	PV	1209457	15,000.00	08/06/10	20938
403942	US Bank - Government Banking	Purchaser fees and other cost	PV	1209457	7,500.00	08/06/10	20938
595125	Chapman and Cutler LLP	Legal fees for direct purchase	PV	1209474	10,000.00	08/11/10	425746
Grand Total Level total					32,500.00		

Supplier Number	Name	Remark	Do Ty	Document Number	Amount	Check Date	Check Number
584459	Office Innovations LLC W-9	Asst Purchasing Agent space	PV	1211526	1,080.00	08/18/10	426461

Grand Total Level
total 1,080.00

West Haymarket Joint Public Agency
Proposed Operating Budget
September 1, 2010 to August 31, 2011

Proposed Expenditure Budget

Personnel Costs - Transfer to the City of Lincoln	
Assistant City Controller	$95,229
Assistant City Attorney	107,238
Assistant Purchasing Agent	72,167
Temporary Professional/Tech. Worker	55,978
Services:	
Project Manager	82,043
Project Manager expenses	10,000
Outside Legal/Consulting	20,000
Public Officials Liability Insurance	30,000
Data systems development	20,000
Postage, copying	6,000
Audio/Visual - Channel 5 expense	1,000
Mileage	1,000
Advertising	500
Rent	1,900
Telephone	1,000
Furniture and Fixtures	11,000
Computers	4,500
Total Expenditure Budget	$519,555

Proposed Source of Funds

Occupation taxes	$519,555