

REQUEST FOR BOARD ACTION

ITEM NO. 9

DATE OF MEETING: August 2, 2010

REQUESTED BY: Dave McCole, Finance Officer

SHORT TITLE: Resolution Authorizing Contract with FirstSouthwest Company for Financial Consulting Services for Bond Refunding

BACKGROUND: The County issued \$10,000,000 in GO School Bonds in 2001. The bonds were non-callable for 10 years and bear interest at an approximate weighted average interest rate of 4.65%. The County is interested in taking advantage of the current low interest rate environment and will refund the callable \$5 million principal outstanding over the remaining term of 11 years. The County has contacted FirstSouthwest to provide financial consulting services in regards to the Bond Refunding. The proposed contract, in the amount of \$12,000, will be paid out of the Bond refunding proceeds.

SPECIFIC ACTION REQUESTED: The Board of Commissioners are requested to authorize the execution of a contract with FirstSouthwest., for financial consulting services in regards to the 2001 Bond Refunding in the amount of \$12,000.



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Suite 104
Charlotte, NC 28209

704.975-6555 Direct
704.731.2086 Fax

Janice T. Burke
Senior Vice President

Janice.burke@firstsw.com

June 24, 2010

Mr. David McCole
Finance Director
Pender County
PO box 1578
Burgaw, NC 28425

Re: Financial Advisory Services
5,160,000 General Obligation Refunding Bonds, Series 2010

Dear David:

The purpose of this letter is to outline First Southwest Company's ("FirstSouthwest") proposed engagement by Pender County (the "County") regarding FirstSouthwest's provision of financial advisory services to the County in connection with the issuance of the County's Series 2010 General Obligation Refunding Bonds.

Background and Scope of Services: The County issued \$10,000,000 in GO School Bonds in 2001. The bonds were non-callable for 10 years and bear interest at an approximate weighted average interest rate of 4.65%. The County is interested in taking advantage of the current low interest rate environment and will refund the callable \$5 million principal outstanding over the remaining term of 11 years.

The County has requested that FirstSouthwest provide the following areas of assistance to the County (collectively, the "Requested Services"):

- 1) Run a preliminary set of numbers for purposes of providing with the LGC application to show savings level in the current market;
- 2) Advise the County if there are any significant shifts in the market between now and the proposed pricing date that would have an impact on savings;
- 3) Participate in the pricing with the County and the LGC, including assisting LGC in verifying the bids, verifying savings levels, provide bond counsel with 8038G statistics and any other customary financial advisory services provided related to the pricing.
- 4) Assist in preparing rating presentation and conducting rating agency meetings.

- 5) Work with the verification agent to verify final numbers and amount required to be deposited into the escrow.
- 6) Provide response to routine/miscellaneous questions.

FirstSouthwest will provide any additional services to those outlined herein upon mutual agreement of the parties as to both the service to be performed and the payment of additional compensation.

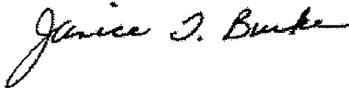
Engagement Duration: This engagement shall remain in effect until (i) completion of the Requested Services, or (ii) terminated by either party upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination.

Compensation for Requested Services Rendered: In consideration of providing the Requested Services, FirstSouthwest proposes a fee of \$12,000. In addition, FirstSouthwest will seek reimbursement for reasonable expenses (for example, overnight mail, conference call expenses, travel related expenses, etc.) incurred in connection with providing the Requested Services to the County. Fees and expenses shall be reimbursed within thirty (30) days after receipt of an invoice submitted by FirstSouthwest or as otherwise agreed upon in writing. If either party terminates this letter agreement as set forth above, it is understood and agreed that the only amount owed to FirstSouthwest will be for services provided and expenses incurred to the date of termination.

Miscellaneous: This letter agreement shall be governed by and construed in accordance with the laws of the State of North Carolina applicable to agreements made and to be fully performed therein.

We look forward to working with you during this engagement. Please acknowledge acceptance of these terms by signing in the space provided below and returning two originals of this letter to me.

Sincerely yours,



Janice T. Burke
Senior Vice President

Agreed and Accepted:

By: _____
David McCole, Finance Director
Pender County, North Carolina

Date: _____